



# VILLAGE OF MONTGOMERY, ILLINOIS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

**MAY 1, 2017–APRIL 30, 2018**



**VILLAGE OF MONTGOMERY,  
ILLINOIS**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
APRIL 30, 2018**

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 2021)

### **Village Trustees**

Steve Jungermann  
(Term Expires April 2021)

Stan Bond  
(Term Expires April 2019)

Denny Lee  
(Term Expires April 2021)

Pete Heinz  
(Term Expires April 2019)

Theresa Sperling  
(Term Expires April 2021)

Doug Marecek  
(Term Expires April 2019)

**Village Clerk**  
Penelope Fitzpatrick  
(Term Expires April 2021)

### **Management Staff**

Jeff Zoephel

Village Administrator

Phil Smith

Chief of Police

Rick Radde

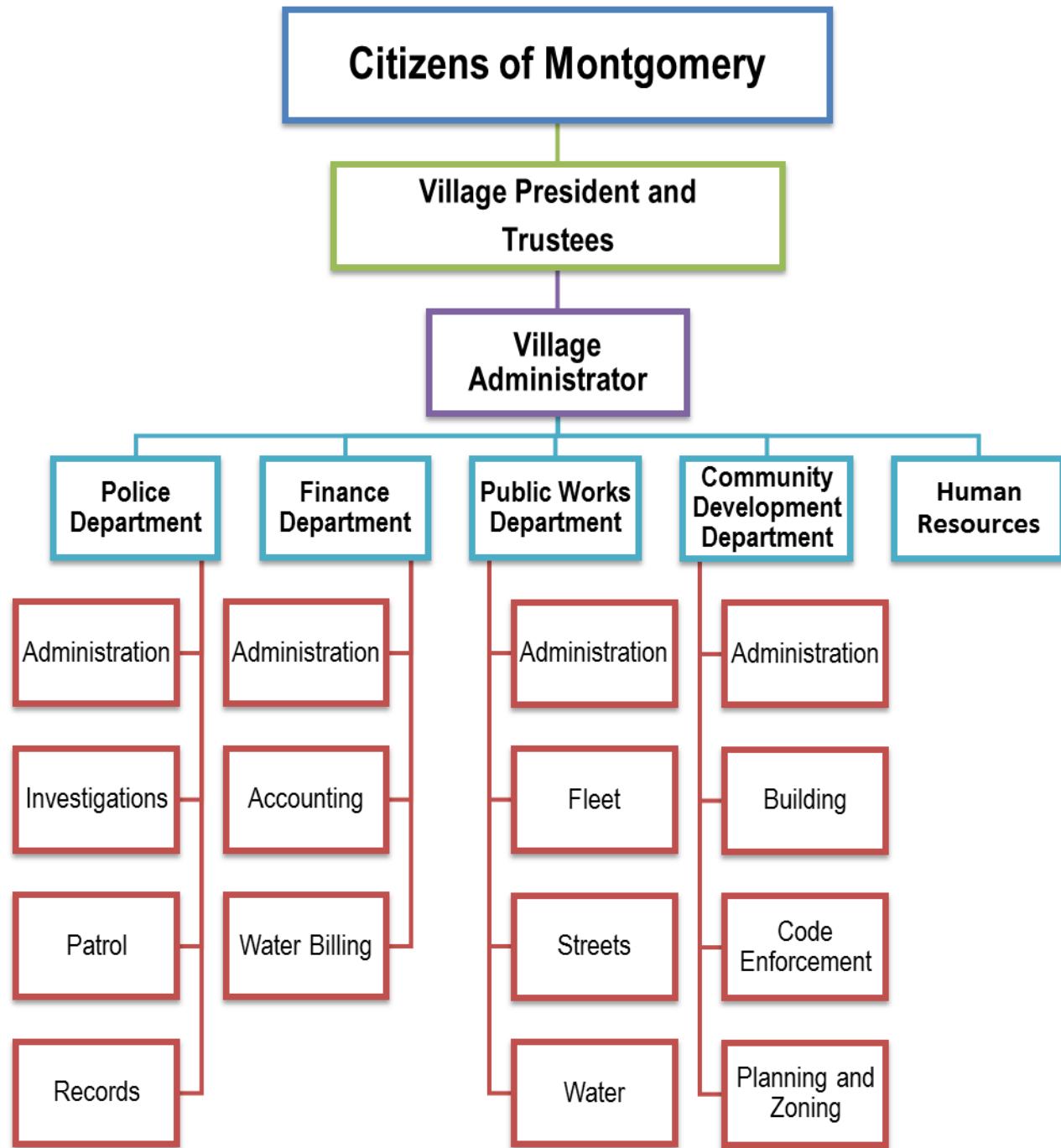
Director of Public Works

Justin VanVooren

Director of Finance

Richard Young

Director of Community Development





August 17, 2018

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

Village Board

**Matt Brolley**  
Village President

**Penny FitzPatrick**  
Village Clerk

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

Staff

**Jeff Zoephel**  
Village  
Administrator

**Phillip J. Smith**  
Chief of Police

**Rick Radde**  
Dir. of Public Works

**Justin VanVooren**  
Director of Finance

**Richard Young**  
Dir. of Community  
Development

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, 2018, is hereby submitted.

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, 2018, 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, 2018, 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,

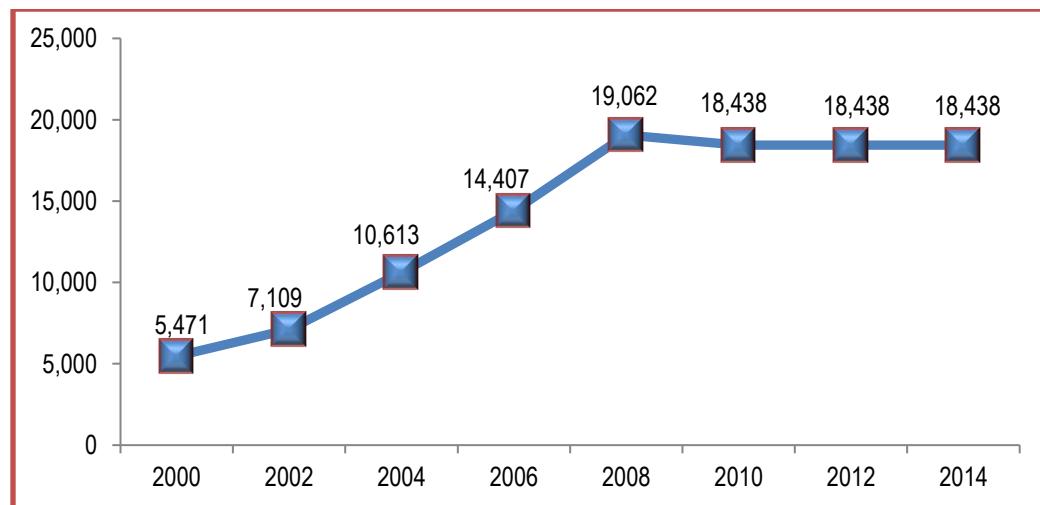
U.S. Route 34, IL Route 47, and Interstate 88, which runs east-west approximately 3.5 miles north of the Village.

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**



## Governance

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, former Village Clerk Tiffany Francis, Village Trustee Pete Heinz; back row – Village Trustee Steve Jungermann, Village Trustee Doug Marecek, and Village Trustee Stan Bond. Village Clerk Penny Fitzpatrick was appointed to complete Ms. Francis term and was elected in April 2017 to serve through April 2021.

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. These services are provided by 63 full-time employees and 13 part-time employees out of three separate buildings. Village services are divided among five departments and within each department are specialized divisions, with further delineating responsibility centers.

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 serves as a policy document, financial plan, operations guide, and communications device. As a policy document, it contains a statement of entity-wide financial policies and non-financial goals and objectives of the Village. As a financial plan, it serves as the Village's primary instrument for promoting solvency, efficiency, and collective choices regarding the distribution and allocation of available resources. As an operations guide, it articulates the departmental action plans and how each of these plans will be accomplished. As a communications device, it contains information pertaining to key issues facing the Village, priorities for the coming year, accomplishments of prior years, and more.

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. In addition, residents have opportunities to view the budget proposal and attend the Board meetings and public hearing when the budget is addressed.

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 culminates in March 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 August through February, the development, implementation, monitoring and review of the Village's budget is part of a comprehensive process that occurs throughout the entire year.

Staff begins preparing the next year's budget nine (9) months prior to adoption of the budget. In August, the Finance Department begins the process of moving the prior year budget numbers to the correct column (in Excel) so Departments can update as necessary. A budget form for each line item is required and additional details are added to the budget forms where possible. This process ends with the budget/CIP kickoff meeting in early September.

All Departments are required to attend the kickoff meeting and receive a Department Budget Preparation Manual (Manual). The Manual includes the purpose and legal basis for the budget, as well as the budget calendar and instructions to complete the budget form noted above. In addition, separate forms are provided for new personnel (PRF), program (BRF), and capital (CRF) requests. Each operating department is responsible for submitting its own budget requests following the detailed instructions in the Manual. The budget forms, vehicle requests, personnel requests, program requests, and capital requests are submitted to the Finance Department in mid-December.

The Director of Finance prepares revenue estimates in December 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 Director of Finance consolidates all the information gathered from departments to analyze budget requests as a whole. Additional information is collected, and any minor adjustments are made by the Director of Finance. The product is the budget as requested by all departments to the Village Administrator.

The Village Administrator and Director of Finance review each department's requests and make any necessary recommendations to achieve a balanced budget. The Village Administrator and Director of Finance then meet with the director of each department individually in late January or early February to discuss each respective budget request and any recommendations. The Village Administrator reviews the entire budget, ensures that it is 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 starting in February.

The Village Board and staff conduct a series of meetings beginning in February and ending in March. A public hearing is held in March in order to allow for input on the process by residents of the community and to meet the Village's statutory obligations. Notices to participate in public meetings are provided in the local newspaper and on the Village's website. The Village Administrator, Director of Finance, 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 Director of Finance revises the proposed budget as directed by the Village Board and the Director of Finance submits it to the Village Board for formal approval in late March. 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. However, the financial health of the Village is in part dependent on the strength of the local economy. Many factors affect the local economy including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions demographic characteristics population or commercial and industrial activity will occur and what impact such changes would have on the finances of the Village.

There is a wide variety of commercial establishments in the Village including JC Penney, Menards, Walmart, Sam's Club, Walgreens, Aldi, Firestone, Harris Bank, Jimmy John's, Fifth Third Bank, and Chase Bank. In addition, the Village has a diversified base of industrial, manufacturing, processing, wholesale and logistics firms. Among those firms are Butterball, Performance Food Service, Aurora Metals, Aurora Bearing, Hormann GADCO, Eby-Brown, United Facilities (General Mills), Yellow Transportation, Home Depot, and Lyon Workspace Products.

Residential development has yet to recover from the Great Recession. New single-family home permits have continued to decrease from 31 in 2014, 28 in 2015, 4 in 2016, and only 2 in 2017. However, the Village has seen renewed interest in new multi-family homes with 1 in 2016 and 4 in 2017. In addition, the Village Board approved a 468-unit upscale apartment complex, to be built by S.R. Jacobson Companies, on the east side of the Village which will start construction in summer 2018. Lastly, there are 3 developments with buildable single-family lots. A builder is actively selling homes in the first development, another builder has purchased

the lots in a second development, and the owner of the third development has a contract pending with a third builder. Although permits have been low, the Village sees all the interest as a positive sign.

The Village saw commercial and industrial development rebound beginning in 2015, through 2016, and even further into 2017. 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 a 2 unit in-line building (Mattress Firm and AT&T) and Fuller's Car Wash, as well as other new businesses occupying vacant buildings like U-Haul, 9ers Grill, Pig Dog Pub, and Binny's Beverage Depot. 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 White Eagle Auto Body.

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. Although we budgeted \$150,000 per month, non-home rule sales tax has averaged approximately \$210,000. This new revenue source is being 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 holds 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 began operations in late 2016.

In addition, Nexo Solutions and Old Dominion Freight Line have also built industrial buildings in the Village within the last year. Nexo Solutions, the largest global chemical and plastics distributor, completed a \$12 million, 158,000 square-foot warehouse and plastics distribution facility in early 2017. Old Dominion Freight Line, an industry-leading domestic and global shipper, began construction in November 2016 of a \$13 million, 52,000 square-foot freight depot that was completed in June 2017.

USC and Nexo are both located within the Aucutt Road TIF District (TIF #2). The two industrial buildings will be assessed at approximately 50% of their estimated value for fiscal year 2019, which will result in nearly \$600,000 of additional tax increment. When fully assessed in fiscal year 2020, those two projects alone will produce \$1.2 million of tax increment to be used to assist development in the area. Accordingly, the Village initiated a storm sewer overflow study during fiscal year 2018 to determine what improvements could be made to recapture buildable land within the District. As improvements are made, the Village anticipates other businesses to join USC and Nexo and continue to build upon the successful Aucutt Road TIF District.

The new development and additional revenues have allowed Montgomery to examine employee levels and determine where staff should be added. The fiscal year 2019 budget includes an additional 1.5 full-time equivalent employees (FTE). FTE equal the total hours of all employees divided by 2,080 working hours in a year. The new positions include 1 patrol officer the replacement of a part-time records clerk with a full-time records clerk (Public Safety). Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village has a contract with Public Works Local 150 which expires

April 30, 2018. Negotiations are ongoing, and the Village expects to agree on a new contract during fiscal year 2019. The Village successfully negotiated and approved a new contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2020 and cost of living increases ranging from 2.00% to 2.25% and pay for performance increases ranging from 4.00% to 6.00%.

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 affected by state, national, and international decisions and events.

Caterpillar is one of the largest employers in the area and bordered on 2 sides by the Village. Caterpillar announced on March 31, 2017 that 800 manufacturing jobs would be moved to Decatur, Illinois and Little Rock, Arkansas. Although it is not within the corporate limits of the Village, there are residents who work at the facility that will be affected. Accordingly, we have been proactive and had several meetings with Caterpillar to discuss job training for employees with the local community college, annexation, and working together to redevelop the property.

The Illinois Budget Impasse lasted from July 1, 2015 to August 31, 2017. It was a 793-day-long budget crisis where the State of Illinois was without a complete state budget for fiscal years 2016, 2017, and part of 2018. After more than two years of political sparring, missed payments to creditors, plunging credit ratings, and adverse effects on Illinois' economy, Illinois ended a stalemate that saw itself \$15 billion behind on bills and warnings that its credit rating might fall to junk status. As part of its fiscal year 2018 budget, the State reduced its distribution to local governments of income tax by 10% and placed an administrative fee of 2% on the collection of locally imposed sales tax. This resulted in the Village receiving approximately \$250,000 less revenue than fiscal year 2017. The Village continues to have concerns about the fiscal year 2019 budget, further reduction of state shared revenues, property tax freezes, debt issuance only by passage of referendum, and pension reform.

The United States (US) economy continues to see steady growth between 2 – 3% per year. The unemployment rate dropped to 3.9% in April 2018, its lowest level since 2000. Many economists say the US is now at or near full employment, meaning the unemployment rate won't go down significantly more. US underemployment, which includes Americans in part-time jobs and those at different lengths of unemployment, hit its lowest mark of 7.8% in April 2018, its lowest level since 2001. Due to the strengthening economy, the Federal Reserve has raised the target range for the federal funds rate six times since December 2015, to the current level of 1.50 – 1.75%. This may result in additional investment income to the Village, although at the same time it may make borrowing more expensive (if necessary).

Internationally, there continue to be concerns over terrorism, political unrest, military confrontations, and a global economic slowdown related to the escalation of trade wars across the globe and rising oil prices.

## **Long-Term Financial Planning**

Alan Lakein is a well-known author on personal time management who stated, "Planning is bringing the future into the present so that you can do something about it now." Proper plans that are formulated ahead of time help leaders and organizations to execute projects, reach their goals, and fulfill their vision. In planning ahead, the Village has been able to assess risks, transform risks to opportunities, become proactive in our response, and improve performance. By improving the Village's performance through good planning and preparation, staff will be clearer about what to do next. The sections below illustrate long-term planning efforts and the impact each has on the budget.

The Operating Budget Forecast has been expanded to 5 years to facilitate long-term financial planning. Finance staff works together with each Department during all three stages of the budget process to determine

key forecast assumptions to project major revenue sources and expenditures. This forecast impacts the budget by providing for stability, planning, and direction for future resource allocation and decision making. During fiscal year 2019 budget discussions, the long-term outlook led the Village to only hire on patrol officer (impact of staffing on future budgets), need to examine fee structures on a regular basis (community development and police will look at these during fiscal year 2019), and reduce the number of capital improvement projects (based on available funding sources). This has been very insightful and extremely helpful in maintaining long-term sustainability.

The Village is required to maintain a 5-year Capital Improvement Program (CIP) in accordance with its fiscal policies. The CIP may include land, land improvements, buildings, building improvements, machinery and equipment, vehicles, and infrastructure including, but not limited to roads, sanitary sewer system, waterworks system, stormwater system. This program is used to identify and prioritize future capital needs and possible funding sources, impacting the budget by including the first three years in the Operating Budget Forecast noted above.

The purpose of the Pavement Management Report is to create a tool to aid the Village in developing a 5-year plan to maintain or improve roadways in the community. An annual update is provided to the Village Board for approval. The report results in a systematic approach to roadway maintenance that will impact the budget by identifying the annual costs that should be expended to meet the desired goal. This report provides for infrastructure needs that integrate with the Capital Improvement Program noted above.

The Finance Department worked with our IT consultant to establish a Computer Equipment Replacement schedule. Computer equipment is often below the capitalization threshold, but usually includes information sensitive in nature. This 5-year plan impacts the budget by allowing for annual replacement at an established base level. Replacement decisions are determined based on software technology, economic issues, maintenance costs, and potential downtime.

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 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, and ultimately the Strategic Plan as a whole. This 4-year plan allows for the reallocation of resources to annual Departmental goals and initiatives. The Village has budgeted in fiscal year 2019 for a consultant to assist in updating its mission and vision statements, as well as a new 5-year strategic plan that includes specific steps to achieve its strategic priorities.

Per Village policy, each department shall contribute for Vehicle and Equipment Replacement on an annual basis in order to maintain a “pay-as-you-go” basis. This 15-year plan impacts the budget by allowing for funding of replacements annually at an established base level. The Public Works Department works together with other departments to determine the useful life and condition of certain vehicles and equipment. This ensures that the condition of the fleet is at an optimum level, reducing fleet maintenance and service costs.

The Go Montgomery 2035 Comprehensive Plan is a 20-year plan meant to inform and share decisions about land use and development, transportation and mobility, parks and open space, community facilities and infrastructure, and hazard mitigation and sustainability. The plan recognizes changes in economic climate, represents the Village's vision for the future, and serves as the official policy and guide for improvement and development throughout the community. The Community Development Department follows the goals and vision set forth to review development proposals to ensure they meet the guidelines set forth in the plan. It is used to identify development that works for specific areas through appropriate design, functionality, and uses, as well as to guide policy that leads to economic development opportunities.

The Comprehensive Plan identified a lack of community identity. Some think that the Village's ambiguous identity is linked to the Village's multiple taxing districts, particularly its five school districts. Although invisible, these district boundaries inadvertently create separate communities. Others find the identity of Montgomery can be explained through the Village's market makeup. Montgomery used to be acclaimed as "The Village of Industry," but recent loss of industry and additional residential and commercial development may no longer make this an accurate definition of the Village. Residents noted that creating a stronger core and central gathering place could be the answer to strengthening the Village's identity.

We started a marketing campaign for the community called "Montgomery in Motion". This campaign is intended to represent the many areas the Village is in motion, including:

- Water in the Fox River;
- Walking, running, or biking opportunities throughout the Village and its neighborhoods;
- Development providing additional services and jobs; and
- Concepts to continue to move the Village forward.

The Village requested designs from the Oswego High School Graphic Communications class depicting their interpretation of Montgomery in Motion. We feel the winning design, shown on the following page, is a starting point to bring the community together. The Village worked with a marketing professional during fiscal year 2018 to help develop this idea and will continue to do so into fiscal year 2019. We feel the development of a consistent message will serve the Village and our residents well into the future.

The Waterworks System Master Plan was undertaken by the Village of Montgomery to help identify a long-term sustainable water source for the community and was completed in fiscal year 2017. The Village Engineer worked with the Village and 2 other local communities (Oswego and Yorkville) to determine the best solution for future water needs of each community, as well as a sub-regional solution for all 3 together. The plan allows for each community to budget for current costs, starting in fiscal year 2018, needed to test each source of water. This 30-year plan will factor into the budget discussion each year including, but not limited to, the governance of a sub-regional solution (if applicable), land purchase, and ultimately the design and construction of a new or expanded Waterworks System plant.

### **Cash management policies and practices**

The cash management system is designed to accurately monitor and forecast revenues and expenditures, thus enabling the Village to invest funds to the fullest extent possible. The essential purpose of Village investments is to maximize interest income while preserving principal and maintaining sufficient liquidity to meet expenditure obligations. The Village invests cash temporarily idle during the year in demand deposits, certificates of deposit, and other investments allowed by state statute including, but not limited to, U.S. agency and municipal securities. 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. The Village extended its laddered portfolio of securities during fiscal year 2016 out to three years, and further in fiscal year 2017 out to five years, to capture additional yield from longer maturities. The Village Board adopted revised cash management and investment policies in February 2018. The Federal Reserve continues its pace of increasing interest rates, to the current level of 1.75 – 2.00%, with the potential for further rate increases this year which may result in additional investment income to the Village.

## 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, 2017. This was the fifteenth consecutive year that the Village has received this prestigious award. 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 sixteenth 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 2018 budget document. This was the sixth consecutive year the Village has received this award. 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, 2017**

*Christopher P. Morrill*

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
- Supplemental Schedules

## **INDEPENDENT AUDITORS' REPORT**



## INDEPENDENT AUDITORS' REPORT

August 17, 2018

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, 2018, 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 year-end, 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, 2018**

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, 2018. 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 our Letter of Transmittal, which can be found on pages iii through xii 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, 2018 was \$71,383. Of this amount, \$4,636 (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 \$2,944 from the prior year. The decrease reflects approximately \$1,584 and \$1,360 decreases attributable to the governmental and business-type operations of the Village, respectively. The decrease in governmental operations is mainly due to an increase in state sales tax and non-home rule sales tax; offset by the addition of three new police officers plus benefits and an increase in road maintenance, which reflects the first full year spending the non-home rule sales tax. The decrease in business-type operations is mainly due to the issuance of debt and subsequent concentration on the replacement and rehabilitation of infrastructure assets.
- As of April 30, 2018, the Village's governmental funds reported combined ending fund balances of \$10,613, a decrease of \$204 from the prior year. Approximately 34.0% of this total amount, \$3,626, 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 \$22,326, a decrease of \$1,360 from the prior year. Approximately 14.2% of this total amount, \$3,180, is available for spending at the Village's discretion (unrestricted net position) for proprietary purposes.

#### **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 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 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, and highways and streets. The Business-Type Activities include the waterworks and sewerage operations and sanitation.

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 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 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 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 64 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 65 through 73 of this report.

Individual fund statements and schedules are presented immediately following the required supplementary information discussed above which can be found on pages 74 through 130 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 \$71,383 as of April 30, 2018.

Table 1  
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	\$ 15,948	\$ 15,046	\$ 6,950	\$ 4,196	\$ 22,898	\$ 19,242
Capital assets	52,839	54,951	30,177	31,613	83,016	86,564
Total assets	68,787	69,997	37,127	35,809	105,914	105,806
Deferred outflows						
Unamortized loss	117	142	-	-	117	142
Deferred items - pension	2,966	2,909	119	148	3,085	3,057
Total deferred outflows	3,083	3,051	119	148	3,202	3,199
Liabilities						
Long-term liabilities	15,554	16,749	13,969	11,696	29,523	28,445
Other liabilities	1,781	1,434	562	495	2,343	1,929
Total liabilities	17,335	18,183	14,531	12,191	31,866	30,374
Deferred inflows						
Deferred taxes	3,347	2,713	-	-	3,347	2,713
Deferred items - pension	2,131	1,511	389	80	2,520	1,591
Total deferred inflows	5,478	4,224	389	80	5,867	4,304
Net position						
Net investment in capital assets	44,693	45,992	19,146	20,383	63,839	66,375
Restricted	2,908	3,288	-	-	2,908	3,288
Unrestricted	1,456	1,361	3,180	3,303	4,636	4,664
Total net position	\$ 49,057	\$ 50,641	\$ 22,326	\$ 23,686	\$ 71,383	\$ 74,327

The largest portion of the Village's net position (89.4%) 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 (4.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (6.5%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of April 30, 2018, the Village was able to report positive balances in all three categories of net position, for the government as a whole, and for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The Village's total net position decreased by \$2,944 over the prior year. The decrease reflects approximately \$1,584 and \$1,360 decreases attributable to the governmental and business-type operations of the Village, respectively. The decrease in governmental operations is due to an increase in state sales tax and non-home rule sales tax; offset by a decrease in state income tax, the addition of three new police officers plus benefits, and an increase in road maintenance. The decrease in business-type operations is mainly due to the issuance of debt with associated costs and subsequent concentration on the replacement or rehabilitation of infrastructure assets.

The Village's unrestricted net position increased by \$95 during the current fiscal year. Most of the restricted net position is legally restricted to either economic development or certain capital projects. The Village's net investment in capital assets decreased by \$2,536 during the current fiscal year. The Village added \$1,262 of new capital assets, had depreciation of \$4,811 during the year, and reduced long-term debt related to capital assets by \$1,672.

Table 2  
Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,799	\$ 1,757	\$ 5,931	\$ 6,206	\$ 7,730	\$ 7,963
Operating grants and contributions	656	681	-	-	656	681
Capital grants and contributions	-	404	-	587	-	991
General revenues:						
Property taxes	2,812	2,834	-	-	2,812	2,834
Other taxes	1,358	1,400	-	-	1,358	1,400
Intergovernmental	9,387	9,080	-	-	9,387	9,080
Other	414	422	147	252	561	674
Total revenues	16,426	16,578	6,078	7,045	22,504	23,623
<b>Expenses:</b>						
General government	4,117	4,245	-	-	4,117	4,245
Public safety	6,130	5,679	-	-	6,130	5,679
Highways and streets	7,467	5,719	-	-	7,467	5,719
Sanitation	-	-	1,213	1,332	1,213	1,332
Interest	296	319	358	301	654	620
Water and sewer	-	-	5,867	5,563	5,867	5,563
Total expenses	18,010	15,962	7,438	7,196	25,448	23,158
Change in net position	(1,584)	616	(1,360)	(151)	(2,944)	465
Net position, May 1	50,641	50,025	23,686	23,837	74,327	73,862
Net position, April 30	\$ 49,057	\$ 50,641	\$ 22,326	\$ 23,686	\$ 71,383	\$ 74,327

**Governmental activities.** Governmental activities decreased the Village's net position by \$1,584. Key elements of this increase are as follows:

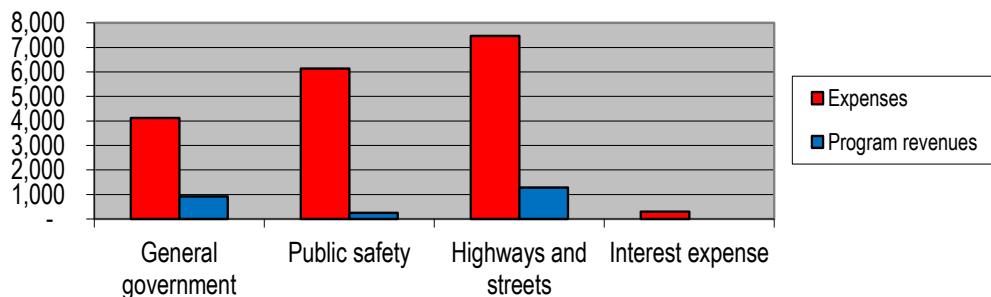
Governmental revenues decreased by \$152 (0.9%). Components of this decrease are as follows:

- Capital grants and contributions decreased by \$404 (100.0%) due to the contribution of Commerce Drive from a developer in fiscal year 2017.
- Intergovernmental revenue increased by \$307 (3.4%) due to an increase in state sales tax (\$367) and non-home rule sales tax (\$210) offset by a decrease in state income tax (\$312).

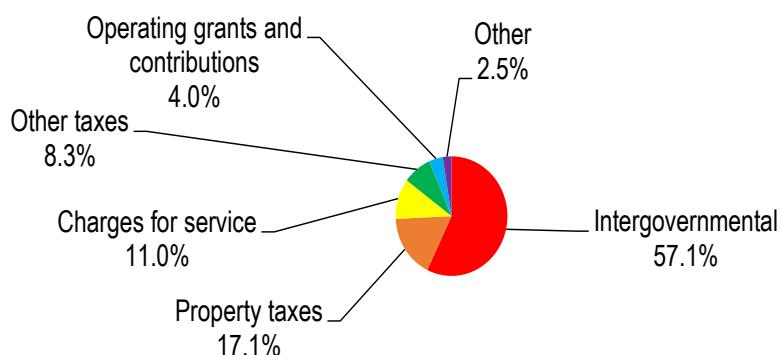
Governmental expenses increased by \$2,048 (12.8%). Components of this increase are as follows:

- Retirement of the Chief of Police and Streets Supervisor after 33 years each (\$62).
- A full year with three new police officers plus benefits (\$325).
- An increase in road maintenance of \$1,462 (95.6%), which reflects the first full year spending the non-home rule sales tax.

#### Expenses and Program Revenues - Governmental Activities



#### Revenues by Source - Governmental Activities



**Business-type activities.** Business-type activities decreased the Village's net position by \$1,360. Key elements of this decrease are as follows:

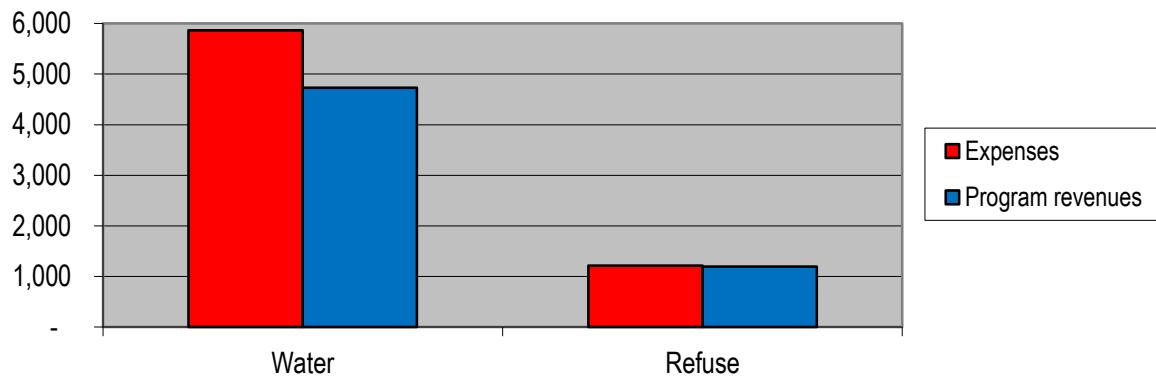
Business-type revenues decreased by \$967 (13.7%). Components of this decrease are as follows:

- A developer contribution of watermain of \$587 (100.0%) along Commerce Drive during fiscal year 2017.
- Tap fees decreased by \$158 (62.7%) due to a decrease in major commercial and industrial permits.

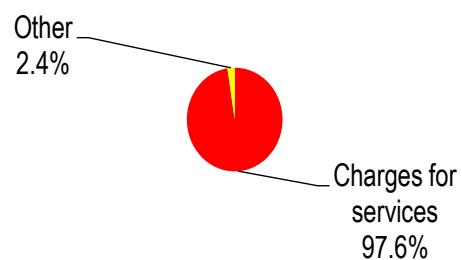
Business-type expenses increased by \$242 (3.4%). Components of this increase are as follows:

- Sanitation decreased by \$119 (8.9%) due to switching to a different third-party waste hauler.
- The issuance of debt with associated costs and subsequent concentration on the replacement and rehabilitation of infrastructure assets (\$432).
- Retirement of the Utilities Supervisor and a Water Operator after 29 years and 20 years, respectively (\$38).

#### 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, 2018, the Village's governmental funds reported combined ending fund balances of \$10,613, a decrease of \$204 from the prior year. Approximately 34.0% of this total amount, \$3,626, 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 (\$481), 2) restricted for particular purposes (\$2,959), or 3) assigned for particular purposes (\$3,547).

The General Fund is the chief operating fund of the Village. As of April 30, 2018, unassigned fund balance of the General Fund was \$3,626. 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 35.3% (4.2 months) of the total General Fund expenditures, while total fund balance represents 40.0% (4.8 months) of total General Fund expenditures.

The fund balance of the General Fund decreased by \$178 to a total of \$4,107 of fund balance at the end of the current fiscal year. The key factors in this increase are: 1) increase in state sales tax from new and existing stores; 2) decrease building permits and developer reimbursement due to decreased commercial and industrial development activity; 3) increase in police salaries due to a full year with three new officers plus benefits; and 4) retirement of the Chief of Police and Streets Supervisor after 33 years each

The fund balance of the Capital Improvement Fund increased by \$12 to a total of \$738 of fund balance at the end of the current fiscal year. The increase in fund balance is due to less projects being completed in fiscal year 2018 than prior years (replacement of the Village Hall audio/visual system).

The fund balance of the Infrastructure Improvement Fund increased by \$238 to a total of \$2,205 of fund balance at the end of the current fiscal year. The increase in fund balance is due to an increase in non-home rule sales tax from new and existing stores, offset by a large increase in the number and value of road maintenance projects.

The fund balance of the Debt Service Fund increased by \$1 to a total of \$51 of fund balance at the end of the current fiscal year. The receipt of transfers from the Capital Improvement Fund was slightly more than the payment of debt principal and interest, due to a delay in payment of fiscal charges.

**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 \$1,345 to a total of \$22,329 of net position at the end of the current fiscal year. Approximately 14.3% 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 a decrease in net position of \$15 to a total of \$3 of deficit net position at the end of the current fiscal year.

The Employee Insurance Fund had an increase in net position of \$113 to a total of \$324 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 less than the budget by \$193 or 1.9%. The most significant differences between budgeted and actual revenues included: 1) state sales tax was \$48 higher than budget due to the increases in sales at existing stores and opening of new stores; 2) video gaming tax was \$41 higher than budget due to continuing expansion in the Village; 3) income tax was \$84 lower than budget due to lower contributions at the state level, and 4) police fines and fees was \$105 lower than budget due to a decrease in the number of tickets written.

The General Fund expenditures were less than the budget by \$10 or 0.1%. The most significant differences between budgeted and actual expenditures included: 1) street light repair and maintenance was \$37 higher than budget due to several light poles being struck during accidents; 2) police building repair and maintenance was \$40 lower than budget due to projects being delayed; 3) police administration salaries was \$54 higher than budget mainly due to retirement of the Police Chief after 33 years; 4) insurance deductibles were \$23 higher than budget due to an increase in the deductible from \$1,000 to \$5,000 (not in thousands); and 5) economic development incentives was \$23 lower due to a delay in opening of stores in the incentive area.

### **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, 2018, amounts to \$83,016 (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 ten vehicles and 1 piece of equipment were replaced during the year totaling \$646 and \$39, respectively. The vehicles and equipment replaced included a Community Development pickup truck, three Police squad cars, a Police squad sport utility vehicle, three Public Works pickup trucks, a backhoe, a Ventrac, and a single axle dump truck.
- Replacement of the audio/visual system at the Village Hall was completed in fiscal year 2018 at a total cost of \$102.
- Water main replacement of \$381 in two neighborhoods during fiscal year 2018
- Depreciation of governmental and business-type activities capital assets totaling \$2,916 and \$1,895, 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	
	2018	2017	2018	2017	2018	2017
Land	\$ 17,950	\$ 17,933	\$ 17	\$ 17	\$ 17,967	\$ 17,950
Construction in progress	-	-	471	309	471	309
Land improvements	138	138	-	-	138	138
Buildings	22,311	22,311	-	-	22,311	22,311
Equipment	784	644	84	84	868	728
Vehicles	3,486	3,232	-	-	3,486	3,232
Infrastructure	33,856	33,856	50,258	49,961	84,114	83,817
Less:						
Accumulated depreciation	(25,686)	(23,163)	(20,653)	(18,758)	(46,339)	(41,921)
Total capital assets	\$ 52,839	\$ 54,951	\$ 30,177	\$ 31,613	\$ 83,016	\$ 86,564

Additional information regarding the capital assets can be found in note 3 on pages 38 through 39 of this report.

**Long-term Debt.** At the end of the current fiscal year, the Village had total debt outstanding of \$22,136 (excluding other postemployment benefit, net pension liabilities, 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 2011, Series 2013, Series 2014, and Series 2017 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 increased by \$1,804 (8.9%) during fiscal year 2018.

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

- The Village issued \$3,370 in alternate revenue bonds to kick start the Village's water main replacement program, replace lead service lines for residents, and update 2 lift stations.
- The Village made its regularly scheduled payments of principal (\$1,672) 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	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 8,262	\$ 9,102	\$ 8,096	\$ 5,070	\$ 16,358	\$ 14,172
IEPA loans	-	-	5,778	6,160	5,778	6,160
Total long-term debt	\$ 8,262	\$ 9,102	\$ 13,874	\$ 11,230	\$ 22,136	\$ 20,332

Additional information regarding the Village's long-term debt can be found in note 3 on pages 40 through 47 of this report.

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

Municipal revenue streams traditionally have been reasonably constant and predictable. However, the financial health of the Village is in part dependent on the strength of the local economy. Many factors affect the local economy including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions demographic characteristics population or commercial and industrial activity will occur and what impact such changes would have on the finances of the Village.

There is a wide variety of commercial establishments in the Village including JC Penney, Menards, Walmart, Sam's Club, Walgreens, Aldi, Firestone, Harris Bank, Jimmy John's, Fifth Third Bank, and Chase Bank. In addition, the Village has a diversified base of industrial, manufacturing, processing, wholesale and logistics firms. Among those firms are Butterball, Performance Food Service, Aurora Metals, Aurora Bearing, Hormann GADCO, Eby-Brown, United Facilities (General Mills), Yellow Transportation, Home Depot, and Lyon Workspace Products.

Residential development has yet to recover from the Great Recession. New single-family home permits have continued to decrease from 31 in 2014, 28 in 2015, 4 in 2016, and only 2 in 2017. However, the Village has seen renewed interest in new multi-family homes with 1 in 2016 and 4 in 2017. In addition, the Village Board approved a 468-unit upscale apartment complex, to be built by S.R. Jacobson Companies, on the east side of the Village which will start construction in summer 2018. Lastly, there are 3 developments with buildable single-family lots. A builder is actively selling homes in the first development, another builder has purchased the lots in a second development, and the owner of the third development has a contract pending with a third builder. Although permits have been low, the Village sees all the interest as a positive sign.

The Village saw commercial and industrial development rebound beginning in 2015, through 2016, and even further into 2017. 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 a 2 unit in-line building (Mattress Firm and AT&T) and Fuller's Car Wash, as well as other new businesses occupying vacant buildings like U-Haul, 9ers Grill, Pig Dog Pub, and Binny's Beverage Depot. 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 White Eagle Auto Body.

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. Although we budgeted \$150,000 per month, non-home rule sales tax

has averaged approximately \$210,000. This new revenue source is being 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 holds 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 began operations in late 2016.

In addition, Nexeo Solutions and Old Dominion Freight Line have also built industrial buildings in the Village within the last year. Nexeo Solutions, the largest global chemical and plastics distributor, completed a \$12 million, 158,000 square-foot warehouse and plastics distribution facility in early 2017. Old Dominion Freight Line, an industry-leading domestic and global shipper, began construction in November 2016 of a \$13 million, 52,000 square-foot freight depot that was completed in June 2017.

USC and Nexeo are both located within the Aucutt Road TIF District (TIF #2). The two industrial buildings will be assessed at approximately 50% of their estimated value for fiscal year 2019, which will result in nearly \$600,000 of additional tax increment. When fully assessed in fiscal year 2020, those two projects alone will produce \$1.2 million of tax increment to be used to assist development in the area. Accordingly, the Village initiated a storm sewer overflow study during fiscal year 2018 to determine what improvements could be made to recapture buildable land within the District. As improvements are made, the Village anticipates other businesses to join USC and Nexeo and continue to build upon the successful Aucutt Road TIF District.

The new development and additional revenues have allowed Montgomery to examine employee levels and determine where staff should be added. The fiscal year 2019 budget includes an additional 1.5 full-time equivalent employees (FTE). FTE equal the total hours of all employees divided by 2,080 working hours in a year. The new positions include 1 patrol officer the replacement of a part-time records clerk with a full-time records clerk (Public Safety). Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village has a contract with Public Works Local 150 which expires April 30, 2018. Negotiations are ongoing, and the Village expects to agree on a new contract during fiscal year 2019. The Village successfully negotiated and approved a new contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2020 and cost of living increases ranging from 2.00% to 2.25% and pay for performance increases ranging from 4.00% to 6.00%.

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 affected by state, national, and international decisions and events.

Caterpillar is one of the largest employers in the area and bordered on 2 sides by the Village. Caterpillar announced on March 31, 2017 that 800 manufacturing jobs would be moved to Decatur, Illinois and Little Rock, Arkansas. Although it is not within the corporate limits of the Village, there are residents who work at the facility that will be affected. Accordingly, we have been proactive and had several meetings with Caterpillar to discuss job training for employees with the local community college, annexation, and working together to redevelop the property.

The Illinois Budget Impasse lasted from July 1, 2015 to August 31, 2017. It was a 793-day-long budget crisis where the State of Illinois was without a complete state budget for fiscal years 2016, 2017, and part of 2018. After more than two years of political sparring, missed payments to creditors, plunging credit ratings, and adverse effects on Illinois' economy, Illinois ended a stalemate that saw itself \$15 billion behind on bills and warnings that its credit rating might fall to junk status. As part of its fiscal year 2018 budget, the State reduced its distribution to local governments of income tax by 10% and placed an administrative fee of 2% on the collection of locally imposed sales tax. This resulted in the Village receiving approximately \$250,000 less revenue than fiscal year 2017. The Village continues to have concerns about the fiscal year 2019 budget, further reduction of state shared revenues, property tax freezes, debt issuance only by passage of referendum, and pension reform.

The United States (US) economy continues to see steady growth between 2 – 3% per year. The unemployment rate dropped to 3.9% in April 2018, its lowest level since 2000. Many economists say the US is now at or near full employment, meaning the unemployment rate won't go down significantly more. US underemployment, which includes Americans in part-time jobs and those at different lengths of unemployment, hit its lowest mark of 7.8% in April 2018, its lowest level since 2001. Due to the strengthening economy, the Federal Reserve has raised the target range for the federal funds rate six times since December 2015, to the current level of 1.50 – 1.75%. This may result in additional investment income to the Village, although at the same time it may make borrowing more expensive (if necessary).

Internationally, there continue to be concerns over terrorism, political unrest, military confrontations, and a global economic slowdown related to the escalation of trade wars across the globe and rising oil prices.

The Village owns a water utility and charges residents a fee to use that water. The Village also charges residents a fee to maintain the sanitary sewer lines that feed to the Fox Metro Water Reclamation District. The revenue budget 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 2019 budget includes an increase in the water usage rates of 3% as of May 1, 2018. The Village started work on water rate study in fiscal year 2018 and completed the study in early fiscal year 2019. The Village now expects annual increases of 5.5% starting in fiscal year 2020 and ending in fiscal year 2032, then 2% 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 operating budget (second largest overall) on personal services (wages and benefits). For fiscal year 2019, personal services expenditures are expected to total \$7,983,426 or 23.32% of total budgeted expenditures. This is an increase of 4.93% over the fiscal year 2018 budgeted expenditures of \$7,608,274. Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village has a contract with Public Works Local 150 which expired April 30, 2018 and includes a pay for performance plan ranging from 0.00% to 3.00% increases. Negotiations are ongoing, and the Village expects to agree on a new contract during fiscal year 2019. The Village has a contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2020 and includes cost of living increases ranging from 2.00% to 2.25% and pay for performance increases ranging from 4.00% to 6.00%. The fiscal year 2019 budget includes an additional 1.5 full-time equivalent employees (FTE). FTE equal the total hours of all employees divided by 2,080 working hours in a year. The new positions include 1 patrol officer and the replacement of a part-time records clerk with a full-time records clerk (Public Safety).

#### **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, 2018**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 9,924,803	5,759,936	15,684,739
Receivables - Net	3,731,802	1,206,942	4,938,744
Due from Other Governments	2,164,727	-	2,164,727
Internal Balances	16,545	(16,545)	-
Prepays	66,783	-	66,783
<b>Total Current Assets</b>	<b>15,904,660</b>	<b>6,950,333</b>	<b>22,854,993</b>
Noncurrent Assets			
Capital Assets			
Nondepreciable	17,950,236	487,944	18,438,180
Depreciable	60,574,821	50,341,786	110,916,607
Depreciation	(25,686,561)	(20,652,932)	(46,339,493)
<b>Total Capital Assets</b>	<b>52,838,496</b>	<b>30,176,798</b>	<b>83,015,294</b>
Other Assets			
Notes Receivable	43,500	-	43,500
<b>Total Noncurrent Assets</b>	<b>52,881,996</b>	<b>30,176,798</b>	<b>83,058,794</b>
<b>Total Assets</b>	<b>68,786,656</b>	<b>37,127,131</b>	<b>105,913,787</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized Loss on Refunding	116,699	-	116,699
Deferred Items - IMRF	300,549	119,082	419,631
Deferred Items - Police Pension	2,665,621	-	2,665,621
<b>Total Deferred Outflows of Resources</b>	<b>3,082,869</b>	<b>119,082</b>	<b>3,201,951</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>71,869,525</b>	<b>37,246,213</b>	<b>109,115,738</b>

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	\$ 1,015,278	315,551	1,330,829
Accrued Payroll	231,297	29,820	261,117
Deposits Payable	416,667	-	416,667
Accrued Interest Payable	117,954	174,353	292,307
Other Payables	-	42,295	42,295
Current Portion of Long-Term Debt	1,503,914	947,535	2,451,449
Total Current Liabilities	<u>3,285,110</u>	<u>1,509,554</u>	<u>4,794,664</u>
Noncurrent Liabilities			
Compensated Absences Payable	426,579	16,828	443,407
Net Pension Liability - IMRF	111,518	44,185	155,703
Net Pension Liability - Police Pension	6,477,741	-	6,477,741
Net Other Post-Employment Benefit Payable	169,028	-	169,028
General Obligation Bonds Payable - Net	6,864,771	7,570,586	14,435,357
IEPA Loans Payable	-	5,390,258	5,390,258
Total Noncurrent Liabilities	<u>14,049,637</u>	<u>13,021,857</u>	<u>27,071,494</u>
Total Liabilities	<u>17,334,747</u>	<u>14,531,411</u>	<u>31,866,158</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	980,826	388,617	1,369,443
Deferred Items - Police Pension	1,149,788	-	1,149,788
Property Taxes	3,347,421	-	3,347,421
Total Deferred Inflows of Resources	<u>5,478,035</u>	<u>388,617</u>	<u>5,866,652</u>
Total Liabilities and Deferred Inflows of Resources	<u>22,812,782</u>	<u>14,920,028</u>	<u>37,732,810</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	44,692,893	19,146,577	63,839,470
Restricted - Economic Development	1,623,358	-	1,623,358
Restricted - Public Safety	7,239	-	7,239
Restricted - Highways and Streets	261,841	-	261,841
Restricted - Subdivision Maintenance	823,232	-	823,232
Restricted - Subdivision Improvements	191,931	-	191,931
Unrestricted	1,456,249	3,179,608	4,635,857
Total Net Position	<u>49,056,743</u>	<u>22,326,185</u>	<u>71,382,928</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, 2018**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 4,116,922	922,672	-	-
Public Safety	6,129,886	235,286	8,261	-
Highways and Streets	7,466,762	640,824	647,423	-
Interest on Long-Term Debt	296,284	-	-	-
<b>Total Governmental Activities</b>	<b>18,009,854</b>	<b>1,798,782</b>	<b>655,684</b>	<b>-</b>

**Business-Type Activities**

Water	5,867,020	4,732,639	-	-
Refuse	1,213,171	1,197,909	-	-
<b>Total Business-Type Activities</b>	<b>7,080,191</b>	<b>5,930,548</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>25,090,045</b>	<b>7,729,330</b>	<b>655,684</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  
 TIF Surplus  
 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
(3,194,250)	-	(3,194,250)
(5,886,339)	-	(5,886,339)
(6,178,515)	-	(6,178,515)
(296,284)	(357,429)	(653,713)
<u>(15,555,388)</u>	<u>(357,429)</u>	<u>(15,912,817)</u>
-	(1,134,381)	(1,134,381)
-	(15,262)	(15,262)
<u>-</u>	<u>(1,149,643)</u>	<u>(1,149,643)</u>
<u>(15,555,388)</u>	<u>(1,507,072)</u>	<u>(17,062,460)</u>
2,811,662	-	2,811,662
1,248,464	-	1,248,464
110,129	-	110,129
4,206,002	-	4,206,002
2,935,900	-	2,935,900
1,677,747	-	1,677,747
64,221	-	64,221
487,302	-	487,302
15,785	-	15,785
112,229	59,077	171,306
301,864	88,362	390,226
<u>13,971,305</u>	<u>147,439</u>	<u>14,118,744</u>
(1,584,083)	(1,359,633)	(2,943,716)
<u>50,640,826</u>	<u>23,685,818</u>	<u>74,326,644</u>
<u>49,056,743</u>	<u>22,326,185</u>	<u>71,382,928</u>

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

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Balance Sheet - Governmental Funds**

**April 30, 2018**

General

**ASSETS**

Cash and Investments	\$ 2,684,434
Receivables - Net of Allowances	
Property Taxes	2,174,319
Other Taxes	36,583
Accounts	182,109
Accrued Interest	12,286
Notes	-
Due from Other Governments	1,399,415
Due from Other Funds	16,545
Advances to Other Funds	414,920
Prepays	<u>66,783</u>
 Total Assets	<u>6,987,394</u>

**LIABILITIES**

Accounts Payable	473,923
Accrued Payroll	231,297
Deposits Payable	-
Due to Other Funds	507
Advances from Other Funds	-
Total Liabilities	<u>705,727</u>

**DEFERRED INFLOWS OF RESOURCES**

Property Taxes	<u>2,174,319</u>
Total Liabilities and Deferred Inflows	
of Resources	<u>2,880,046</u>

**FUND BALANCES**

Nonspendable	481,703
Restricted	-
Assigned	-
Unassigned	<u>3,625,645</u>
Total Fund Balances	<u>4,107,348</u>

Total Liabilities, Deferred Inflows of	
Resources and Fund Balances	<u>6,987,394</u>

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

Debt Service	Capital Projects			
	Capital Improvement	Infrastructure Improvement	Nonmajor	Totals
51,200	977,333	2,424,970	3,463,759	9,601,696
-	-	-	1,173,102	3,347,421
-	138,045	-	-	174,628
-	-	-	-	182,109
-	4,607	7,679	1,536	26,108
-	-	-	43,500	43,500
-	40,543	682,559	42,210	2,164,727
-	-	4,841	32,374	53,760
-	-	-	-	414,920
-	-	-	-	66,783
<b>51,200</b>	<b>1,160,528</b>	<b>3,120,049</b>	<b>4,756,481</b>	<b>16,075,652</b>
-	2,643	498,276	40,436	1,015,278
-	-	-	-	231,297
-	-	416,667	-	416,667
-	4,841	-	31,867	37,215
-	414,920	-	-	414,920
-	422,404	914,943	72,303	2,115,377
-	-	-	1,173,102	3,347,421
-	422,404	914,943	1,245,405	5,462,798
-	-	-	-	481,703
51,200	-	-	2,907,601	2,958,801
-	738,124	2,205,106	603,475	3,546,705
-	-	-	-	3,625,645
<b>51,200</b>	<b>738,124</b>	<b>2,205,106</b>	<b>3,511,076</b>	<b>10,612,854</b>
<b>51,200</b>	<b>1,160,528</b>	<b>3,120,049</b>	<b>4,756,481</b>	<b>16,075,652</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, 2018

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<b>Total Governmental Fund Balances</b>	\$ 10,612,854
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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.	52,838,496
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Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(680,277)
Deferred Items - Police Pension	1,515,833

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.	324,643
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(532,962)
Net Pension Liability - IMRF	(111,518)
Net Pension Liability - Police Pension	(6,477,741)
Net Other Post-Employment Benefit Payable	(169,028)
General Obligation Bonds Payable - Net	(8,262,302)
Unamortized Loss on Refunding	116,699
Accrued Interest Payable	<u>(117,954)</u>

<b>Net Position of Governmental Activities</b>	<u>49,056,743</u>
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The notes to the financial statements are an integral part of this statement.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2018**

---

**See Following Page**

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds**  
**For the Fiscal Year Ended April 30, 2018**

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	<u>General</u>
Revenues	
Property Taxes	\$ 2,264,512
Other Taxes	165,129
Licenses, Permits and Fees	427,199
Intergovernmental, Grants and Contributions	6,459,318
Fines and Forfeitures	197,546
Charges for Services	344,664
Interest	61,905
Miscellaneous	155,794
Total Revenues	<u>10,076,067</u>
Expenditures	
Current	
General Government	3,164,398
Public Safety	5,245,634
Highways and Streets	1,850,412
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>10,260,444</u>
Excess (Deficiency) of Revenues	
Over Expenditures	<u>(184,377)</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	-
Transfers In	7,050
Transfers Out	<u>(507)</u>
	<u>6,543</u>
Net Change in Fund Balances	(177,834)
Fund Balances - Beginning as Restated	<u>4,285,182</u>
Fund Balances - Ending	<u>4,107,348</u>

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

Debt Service	Capital Projects			Totals
	Capital Improvement	Infrastructure Improvement	Nonmajor	
-	-	-	547,150	2,811,662
1,193,464		-	-	1,358,593
-	-	-	-	427,199
125,976		2,938,137	519,210	10,042,641
-	-	-	18,515	216,061
82,760		-	617,415	1,044,839
10,905		15,536	22,050	110,396
-	-	-	145,450	301,244
1,413,105		2,953,673	1,869,790	16,312,635
-	14,716	129,645	273,652	3,582,411
-	-	-	34,180	5,279,814
-	11,472	2,585,465	1,129,865	5,577,214
244,779		-	884,650	1,129,429
810,000	-	-	-	810,000
312,015	-	-	-	312,015
1,122,015	270,967	2,715,110	2,322,347	16,690,883
(1,122,015)	1,142,138	238,563	(452,557)	(378,248)
-	-	-	174,142	174,142
1,123,015	-	-	32,374	1,162,439
-	(1,130,065)	-	(31,867)	(1,162,439)
1,123,015	(1,130,065)	-	174,649	174,142
1,000	12,073	238,563	(277,908)	(204,106)
50,200	726,051	1,966,543	3,788,984	10,816,960
51,200	738,124	2,205,106	3,511,076	10,612,854

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, 2018

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**Net Change in Fund Balances - Total Governmental Funds** \$ (204,106)

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	803,745
Depreciation Expense	(2,916,520)
Disposals - Cost	(392,815)
Disposals - Accumulated Depreciation	392,815

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

Change in Deferred Items - IMRF	(874,531)
Change in Deferred Items - Police Pension	312,790

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.

113,136

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.

(Increase) to Compensated Absences Payable	(22,830)
Decrease to Net Pension Liability - IMRF	1,080,606
(Increase) to Net Pension Liability - Police Pension	(657,283)
(Increase) to Net Other Post-Employment Payable	(44,821)
Retirement of Debt	810,000
Amortization of Bond Premium	29,389
Amortization of Loss on Refunding	(25,450)

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.

11,792

**Changes in Net Position of Governmental Activities**

(1,584,083)

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, 2018**

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**See Following Page**

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Net Position - Proprietary Funds**  
**April 30, 2018**

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

**ASSETS**

**Current Assets**

Cash and Investments	\$ 5,759,936	-	5,759,936	323,107
<b>Receivables - Net of Allowances</b>				
Accounts	1,003,465	193,899	1,197,364	-
Accrued Interest	9,578	-	9,578	1,536
	210,969	108,423	319,392	-
Total Current Assets	<u>6,983,948</u>	<u>302,322</u>	<u>7,286,270</u>	<u>324,643</u>

**Noncurrent Assets**

Nondepreciable Capital Assets	487,944	-	487,944	-
Depreciable Capital Assets	50,341,786	-	50,341,786	-
Accumulated Depreciation	(20,652,932)	-	(20,652,932)	-
Total Noncurrent Assets	<u>30,176,798</u>	<u>-</u>	<u>30,176,798</u>	<u>-</u>
Total Assets	<u>37,160,746</u>	<u>302,322</u>	<u>37,463,068</u>	<u>324,643</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Items - IMRF	119,082	-	119,082	-
<b>Total Assets and Deferred Outflows of Resources</b>				
	<u>37,279,828</u>	<u>302,322</u>	<u>37,582,150</u>	<u>324,643</u>

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	\$ 217,163	98,388	315,551	-
Accrued Payroll	29,820	-	29,820	-
Accrued Interest Payable	174,353	-	174,353	-
Other Payables	42,295	-	42,295	-
Due to Other Funds	128,785	207,152	335,937	-
Current Portion of Long-Term Debt	947,535	-	947,535	-
<b>Total Current Liabilities</b>	<b>1,539,951</b>	<b>305,540</b>	<b>1,845,491</b>	<b>-</b>

### Noncurrent Liabilities

Compensated Absences Payable	16,828	-	16,828	-
Net Pension Liability - IMRF	44,185	-	44,185	-
General Obligation Bonds Payable - Net	7,570,586	-	7,570,586	-
IEPA Loans Payable	5,390,258	-	5,390,258	-
<b>Total Noncurrent Liabilities</b>	<b>13,021,857</b>	<b>-</b>	<b>13,021,857</b>	<b>-</b>
<b>Total Liabilities</b>	<b>14,561,808</b>	<b>305,540</b>	<b>14,867,348</b>	<b>-</b>

## DEFERRED INFLOWS OF RESOURCES

Deferred Items - IMRF	388,617	-	388,617	-
<b>Total Liabilities and Derferred Inflows of Resources</b>	<b>14,950,425</b>	<b>305,540</b>	<b>15,255,965</b>	<b>-</b>

## NET POSITION

Net Investment in Capital Assets	19,146,577	-	19,146,577	-
Unrestricted (Deficit)	3,182,826	(3,218)	3,179,608	324,643
<b>Total Net Position</b>	<b>22,329,403</b>	<b>(3,218)</b>	<b>22,326,185</b>	<b>324,643</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, 2018**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Refuse	Totals	Internal Service
Operating Revenues				Employee Insurance
Charges for Services	\$ 4,732,639	1,197,909	5,930,548	-
Interfund Services	-	-	-	1,207,952
Total Operating Revenues	<u>4,732,639</u>	<u>1,197,909</u>	<u>5,930,548</u>	<u>1,207,952</u>
Operating Expenses				
Operations	3,982,215	1,213,171	5,195,386	1,096,649
Depreciation and Amortization	1,884,805	-	1,884,805	-
Total Operating Expenses	<u>5,867,020</u>	<u>1,213,171</u>	<u>7,080,191</u>	<u>1,096,649</u>
Operating Income (Loss)	<u>(1,134,381)</u>	<u>(15,262)</u>	<u>(1,149,643)</u>	<u>111,303</u>
Nonoperating Revenues (Expenses)				
Investment Earnings	59,077	-	59,077	1,833
Other Income	88,362	-	88,362	-
Interest Expense	(357,429)	-	(357,429)	-
	<u>(209,990)</u>	<u>-</u>	<u>(209,990)</u>	<u>1,833</u>
Change in Net Position	<u>(1,344,371)</u>	<u>(15,262)</u>	<u>(1,359,633)</u>	<u>113,136</u>
Net Position - Beginning	<u>23,673,774</u>	<u>12,044</u>	<u>23,685,818</u>	<u>211,507</u>
Net Position - Ending	<u>22,329,403</u>	<u>(3,218)</u>	<u>22,326,185</u>	<u>324,643</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, 2018**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Refuse	Totals	Internal Service
				Employee Insurance
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 4,615,830	1,190,087	5,805,917	(1,490)
Receipts from Interfund Services	-	-	-	1,207,952
Payments to Employees	(665,605)	-	(665,605)	-
Payments to Suppliers	(3,030,867)	(1,190,087)	(4,220,954)	(1,096,649)
	<u>919,358</u>	-	<u>919,358</u>	<u>109,813</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchase of Capital Assets	(458,617)	-	(458,617)	-
Principal Paid on Debt	(861,537)	-	(861,537)	-
Issuance of Bond Principal	3,515,898	-	3,515,898	-
Interest Paid on Debt	(357,429)	-	(357,429)	-
	<u>1,838,315</u>	-	<u>1,838,315</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>				
Investment Income	<u>59,077</u>	-	<u>59,077</u>	<u>1,833</u>
Net Change in Cash and Cash Equivalents	<u>2,816,750</u>	-	<u>2,816,750</u>	<u>111,646</u>
Cash and Cash Equivalents - Beginning	<u>2,943,186</u>	-	<u>2,943,186</u>	<u>211,461</u>
Cash and Cash Equivalents - Ending	<u>5,759,936</u>	-	<u>5,759,936</u>	<u>323,107</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.</b>				
Operating Income (Loss)	(1,134,381)	(15,262)	(1,149,643)	111,303
<b>Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in)</b>				
Depreciation and Amortization Expense	1,884,805	-	1,884,805	-
Other Income	88,362	-	88,362	-
Other Expense - IMRF	(34,193)	-	(34,193)	-
(Increase) Decrease in Current Assets	(205,171)	(7,822)	(212,993)	(1,490)
Increase (Decrease) in Current Liabilities	319,936	23,084	343,020	-
Net Cash Provided by Operating Activities	<u>919,358</u>	-	<u>919,358</u>	<u>109,813</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, 2018**

	Pension	Trust	Police	Pension	Agency
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 162,443				2,045,800
Investments					
U.S. Treasury Obligations	23,445				-
U.S. Agency Obligations	2,836,309				-
Municipal Bonds	359,639				-
Corporate Bonds	2,214,877				-
Mutual Funds	3,676,246				-
Common Stock	496,181				-
Receivables - Net of Allowance					
Accrued Interest	<u>68,062</u>				-
Total Assets	<u>9,837,202</u>				<u>2,045,800</u>
<b>LIABILITIES</b>					
Deposits Payable					361,272
Due to Others	-				(4,227)
Due to Bondholders	<u>-</u>				<u>1,688,755</u>
Total Liabilities	<u>-</u>				<u>2,045,800</u>
<b>NET POSITION</b>					
Net Position Restricted for Pensions	<u>9,837,202</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, 2018**

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	Pension Trust
	Police Pension
<b>Additions</b>	
Contributions - Employer	\$ 580,602
Contributions - Plan Members	<u>223,418</u>
Total Contributions	<u>804,020</u>
 Investment Income	
Investment Earnings	381,787
Net Change in Fair Value	<u>107,965</u>
	489,752
Less Investment Expenses	<u>(23,011)</u>
Net Investment Income	<u>466,741</u>
 Total Additions	<u>1,270,761</u>
 Deductions	
Administration	11,237
Benefits and Refunds	<u>537,010</u>
 Total Deductions	<u>548,247</u>
 Change in Fiduciary Net Position	722,514
 Net Position Restricted for Pensions	
Beginning	<u>9,114,688</u>
Ending	<u>9,837,202</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, 2018**

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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, 2018**

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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, 2018**

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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, 2018**

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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, 2018**

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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 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, 2018**

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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, 2018**

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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 generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

##### **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.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2018**

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

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

##### **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.

##### **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 acquisition 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, 2018**

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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, 2018**

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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, 2018**

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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
Capital Improvement	\$ 10,970
Forfeiture and Seizure	25,106
Police Gift	315
Montgomery Crossing Special Service Area	1,539
Ogden Hill Special Service Area	182
Arbor Ridge Special Service Area	4,374
Fairfield Way Special Service Area	8,714
Foxmoor Special Service Area	5,145
Orchard Prairie North Special Service Area	3,744
Vehicle Reserve	33,102

#### **DEFICIT FUND BALANCE/NET POSITION**

The following fund had deficit fund balance/net position as of the date of this report:

Fund	Deficit
Refuse	\$ 3,218

#### **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, 2018**

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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 \$8,805,031 and the bank balances totaled \$9,292,997.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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

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

Investment Type	Fair Value	Remaining Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S Agency Obligations	\$ 469,462	-	469,462	-	-
Municipal Bonds	476,502	-	476,502	-	-
IIIT Illinois Trust	5,933,744	5,933,744	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,879,708	5,933,744	945,964	-	-

The Village has the following recurring fair value measurements as of April 30, 2018:

Investments by Fair Value Level		Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
		Total	(Level 1)	(Level 2)	(Level 3)
Debt Securities					
U.S. Agency Obligations	\$ 469,462	-	469,462	-	-
Municipal Bonds	476,502	-	476,502	-	-
Total Investments by Fair Value Level	945,964	<hr/>	<hr/>	<hr/>	<hr/>
Investments Measured at the Net Asst Value (NAV)					
IIIT Illinois Trust	5,933,744				
Total Investment Measured at Fair Value	6,879,708	<hr/>	<hr/>	<hr/>	<hr/>

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2018**

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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**

*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.

*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 obligations, 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 year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled 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. The municipal bonds are rated AA to AA+ and U.S. Agency obligations are rated AA+, both by Standard & Poor's.

*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. At April 30, 2018, 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 \$162,443 and the bank balances totaled \$162,443.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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		6-10	More Than
		1	1-5		
U.S. Treasury Obligations	\$ 23,445	-	23,445	-	-
U.S. Agency Obligations	2,836,309	696,367	1,163,315	969,047	7,580
Municipal Bonds	359,639	131,156	177,139	-	51,344
Corporate Bonds	2,214,877	98,027	1,544,833	572,017	-
<b>Totals</b>	<b>5,434,270</b>	<b>925,550</b>	<b>2,908,732</b>	<b>1,541,064</b>	<b>58,924</b>

The Fund has the following recurring fair value measurements as of April 30, 2018:

Investments by Fair Value Level		Fair Value Measurements Using		
		Quoted Prices	in Active Markets for Identical Assets	Significant Other Observable Inputs
		Total	(Level 1)	(Level 2)
Debt Securities				
U.S. Treasury Obligations	\$ 23,445	23,445	-	-
U.S. Agency Obligations	2,836,309	-	2,836,309	-
Municipal Bonds	359,639	-	359,639	-
Corporate Bonds	2,214,877	-	2,214,877	-
Equity Securities				
Mutual Funds	3,676,246	3,676,246	-	-
Common Stock	496,181	496,181	-	-
<b>Total Investments by Fair Value Level</b>	<b>9,606,697</b>	<b>4,195,872</b>	<b>5,410,825</b>	<b>-</b>

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2018**

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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**

*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 municipal bonds and corporate bonds range in rating from BBB- to AA+. The U.S. agency obligations ratings are not available.

*Custodial Credit Risk – Deposits.* The Fund's investment policy requires all bank balances to be covered by federal depository insurance. At April 30, 2018, 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, 2018, 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, 2018, the Fund had no investments that represent over 5% of net plan position available for retirement (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). The Fund also has \$496,181 invested in common stock and \$3,676,246 invested in mutual funds at year-end.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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 45%. 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 2018 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, 2018 are listed in the table above.

#### Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.98%. 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, 2018

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

#### NOTES RECEIVABLE

##### **Montgomery Development**

The Montgomery Development Fund (MDF) accounts for the Village's loan program established to provide financial support to new or expanding business in the Village; encourage economic development by supporting projects that create or retain jobs; encourage area financial institutions to work with the Village and to utilize MDF programs to better serve its customers; and support projects and investments that protect and expand the tax base. The MDF consists of two programs:

- The Forgivable Loan Program will be capitalized by approximately \$500,000 and its focused on retail and commercial businesses. Businesses will be required to continue operating in the Village for at least three (3) years from the date of project approval to receive forgiveness of the loan. The maximum forgivable loan is \$10,000. Activities that could be funded through this program include façade or streetscape improvements such as painting; window or door repairs or replacement; restoration of historic or architectural details; signage; and landscaping. Two forgivable loans were approved during fiscal year 2018 for a total of \$16,200.
- The Low Interest Loan Program will be capitalized with approximately \$1,000,000 and can be used for retail, commercial, industrial, and manufacturing or distribution center projects. The interest rate will be fixed for the term of the loan and may vary as a function of the amount, equity, security and purpose of the loan. Activities that could be funded through this program include acquisition of land, buildings, machinery, or equipment; site preparation including clearance, demolition, removal of buildings and improvements; construction or rehabilitation of commercial or industrial buildings, as well as the necessary infrastructure improvements. One low interest loan was approved during fiscal year 2018 for \$43,500. The outstanding balance of this loan as of April 30, 2018 is \$43,500.

#### PROPERTY TAXES

Property taxes for 2016 attach as an enforceable lien on January 1, 2016, 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 Improvement	\$ <u>414,920</u>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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

### INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – Continued

#### 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	Water	\$ 16,545
Infrastructure Improvement	Capital Improvement	4,841
Water	Refuse	207,152
Water Improvement	Water	3,817
Refuse	Water	108,423
Vehicle Reserve - Nonmajor	Forfeiture and Seizure - Nonmajor	31,867
E911 - Nonmajor	General	507
		<u>373,152</u>

#### Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Capital Improvement	\$ 7,050 (1)
Debt Service	Capital Improvement	1,123,015 (2)
Vehicle Reserve - Nonmajor	Forfeiture and Seizure - Nonmajor	31,867 (3)
E911 - Nonmajor	General	507 (4)
		<u>1,162,439</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, (3) the Forfeiture and Seizure Fund was closed into the Vehicle Reserve Fund as of April 30, 2018, and (4) the E911 Fund was closed into the General Fund as of April 30, 2018.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 9,876,696	17,140	-	9,893,836
Land Right of Way	8,056,400	-	-	8,056,400
	<u>17,933,096</u>	<u>17,140</u>	<u>-</u>	<u>17,950,236</u>
Depreciable Capital Assets				
Land Improvements	138,448	-	-	138,448
Buildings	22,310,653	-	-	22,310,653
Equipment	643,594	140,294	-	783,888
Vehicles	3,232,227	646,311	392,815	3,485,723
Infrastructure	33,856,109	-	-	33,856,109
	<u>60,181,031</u>	<u>786,605</u>	<u>392,815</u>	<u>60,574,821</u>
Less Accumulated Depreciation				
Land Improvements	134,288	4,160	-	138,448
Buildings	10,400,251	1,115,533	-	11,515,784
Equipment	346,613	80,600	-	427,213
Vehicles	1,620,341	361,983	392,815	1,589,509
Infrastructure	10,661,363	1,354,244	-	12,015,607
	<u>23,162,856</u>	<u>2,916,520</u>	<u>392,815</u>	<u>25,686,561</u>
Total Depreciable Capital Assets	<u>37,018,175</u>	<u>(2,129,915)</u>	<u>-</u>	<u>34,888,260</u>
Total Capital Assets	<u>54,951,271</u>	<u>(2,112,775)</u>	<u>-</u>	<u>52,838,496</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 672,935
Public Safety	679,721
Highways and Streets	<u>1,563,864</u>
	<u>2,916,520</u>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 16,533	-	-	16,533
Construction in Progress	309,090	196,950	34,629	471,411
	<u>325,623</u>	<u>196,950</u>	<u>34,629</u>	<u>487,944</u>
<b>Depreciable Capital Assets</b>				
Equipment	84,062	-	-	84,062
Infrastructure	49,961,428	296,296	-	50,257,724
	<u>50,045,490</u>	<u>296,296</u>	<u>-</u>	<u>50,341,786</u>
<b>Less Accumulated Depreciation</b>				
Equipment	84,062	-	-	84,062
Infrastructure	18,674,097	1,894,773	-	20,568,870
	<u>18,758,159</u>	<u>1,894,773</u>	<u>-</u>	<u>20,652,932</u>
<b>Total Depreciable Capital Assets</b>	<u>31,287,331</u>	<u>(1,598,477)</u>	<u>-</u>	<u>29,688,854</u>
<b>Total Capital Assets</b>	<u>31,612,954</u>	<u>(1,401,527)</u>	<u>34,629</u>	<u>30,176,798</u>

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

Water \$ 1,894,773

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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	\$ 715,000	-	350,000	365,000
\$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	605,000	-	605,000	-
\$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	3,070,000	-	205,000	2,865,000

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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	\$ 4,220,000	-	130,000	4,090,000
\$3,335,000 Taxable General Obligation Alternate Revenue Source Refunding 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
\$3,370,000 General Obligation Alternate Revenue Source Bonds of 2017, due in annual installments of \$135,000 to \$235,000 plus interest at 3.00% to 4.00% through December 1, 2037.	Water	-	3,370,000	-	3,370,000
		13,945,000	3,370,000	1,290,000	16,025,000

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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 \$37,395, including interest of 2.675% through December 1, 2022.	Sewer	\$ 412,045	-	64,194	347,851
IEPA Loan Payable of 2011, due in semi-annual installments of \$125,440, including interest of 1.25% through April 19, 2032.	Sewer	3,421,739	-	208,758	3,212,981
IEPA Loan Payable of 2014, due in semi-annual installments of \$77,226, including interest of 1.995% through December 7, 2034.	Sewer	2,326,072	-	108,585	2,217,487
		6,159,856	-	381,537	5,778,319

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 510,132	405,429	382,599	532,962	106,383
Net Pension Liability					
IMRF	1,192,124	-	1,080,606	111,518	-
Police Pension	5,820,458	657,283	-	6,477,741	-
Net Other Post-Employment					
Benefit Payable	124,207	44,821	-	169,028	-
General Obligation Bonds Payable	9,010,000	-	810,000	8,200,000	1,375,000
Unamortized Bond Premium	91,691	-	29,389	62,302	22,531
	<b>16,748,612</b>	<b>1,107,533</b>	<b>2,302,594</b>	<b>15,553,551</b>	<b>1,503,914</b>
<b>Business-Type Activities</b>					
Compensated Absences	50,237	38,454	37,678	51,013	34,185
Net Pension Liability					
IMRF	415,642	-	371,457	44,185	-
General Obligation Bonds Payable	4,935,000	3,370,000	480,000	7,825,000	500,000
Unamortized Bond Premium	134,944	145,898	9,967	270,875	25,289
IEPA Loans Payable	6,159,856	-	381,537	5,778,319	388,061
	<b>11,695,679</b>	<b>3,554,352</b>	<b>1,280,639</b>	<b>13,969,392</b>	<b>947,535</b>

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liabilities, and the net other post-employment benefit obligation. The Debt Service Fund makes payments on the general obligation bonds 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, 2018

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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		General Obligation		IEPA		
	Bonds Payable	Bonds Payable	Bonds Payable	Loans Payable	Principal	Interest	
Year	Principal	Interest	Principal	Interest	Principal	Interest	
2019	\$ 1,375,000	283,090	500,000	321,241	388,061	92,061	
2020	1,385,000	224,652	275,000	261,786	394,708	85,413	
2021	1,025,000	165,508	285,000	253,536	401,480	78,641	
2022	1,050,000	136,734	285,000	244,986	408,380	71,741	
2023	1,085,000	106,753	295,000	236,436	415,410	64,711	
2024	1,120,000	75,253	305,000	227,588	347,284	58,047	
2025	1,160,000	38,913	315,000	218,438	352,559	52,772	
2026	-	-	325,000	207,388	357,916	47,415	
2027	-	-	340,000	195,988	363,360	41,971	
2028	-	-	350,000	184,038	368,891	36,440	
2029	-	-	365,000	171,738	374,511	30,820	
2030	-	-	375,000	158,888	380,221	25,110	
2031	-	-	390,000	145,688	386,024	19,307	
2032	-	-	400,000	131,938	391,920	13,411	
2033	-	-	415,000	117,838	146,248	8,203	
2034	-	-	430,000	102,700	149,180	5,271	
2035	-	-	450,000	87,000	152,166	2,281	
2036	-	-	460,000	69,000	-	-	
2037	-	-	480,000	50,600	-	-	
2038	-	-	505,000	31,400	-	-	
2039	-	-	280,000	11,200	-	-	
<b>Totals</b>	<b>8,200,000</b>	<b>1,030,903</b>	<b>7,825,000</b>	<b>3,429,415</b>	<b>5,778,319</b>	<b>733,615</b>	

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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 - 2017	<u>\$ 423,888,453</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>36,560,379</u>
<hr/>	
Amount of Debt Applicable to Limit	
General Obligation ARS Refunding Bonds of 2007	\$ 365,000
General Obligation ARS Bonds of 2008A	2,000,000
General Obligation ARS Refunding Bonds of 2011	2,865,000
General Obligation ARS Bonds of 2013	4,090,000
Taxable General Obligation ARS Refunding Bonds of 2014	3,335,000
General Obligation ARS Bonds of 2017	<u>3,370,000</u>
	<u>16,025,000</u>
Less: Alternate Revenue Source Bonds	<u>(16,025,000)</u>
Total Applicable Debt	<hr/> <u>-</u> <hr/>
Legal Debt Margin	<u>36,560,379</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, 2018, \$27,807 of the Special Service Area No. 17 bonds are outstanding.

##### Special Assessment Bonds

During fiscal year ended April 30, 2018, the Village refunded \$9,901,000 of special assessment bonds, which were paid from escrow during the fiscal year ended April 30, 2018. The refunding special assessment bonds, dated February 6, 2018, were outstanding as of April 30, 2018 and totaled \$8,650,000. 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, 2018**

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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 \$379,418, with the bonds maturing December 1, 2018. During the current fiscal year, the pledge of water revenues for the bonds of \$378,242 was approximately 7.99% of total water operating 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 \$2,150,000 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 1.99% 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 zero with the bonds maturing December 1, 2017. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$629,200 was approximately 12.53% 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 \$3,198,363 with the bonds maturing December 1, 2024. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$285,850 was approximately 5.69% 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 \$6,081,100, with the bonds maturing December 1, 2038. During the current fiscal year, the pledge of water revenues of \$288,800 was approximately 6.10% 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 \$3,882,540 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 2.12% of total sales, telecommunication and use tax.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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

#### LONG-TERM DEBT – Continued

##### Pledged Revenues – Continued

The General Obligation Alternate Revenue Source Bonds of 2017, issued for various water system improvements, are payable from a pledge of the Village's water operations revenue, with a remaining total pledge of \$4,793,898, with the bonds maturing December 1, 2037. During the current fiscal year, the pledge of water revenues of zero was approximately 0.00% of total water operating revenues.

#### NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2018:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 52,838,496
Plus: Unamortized Loss on Refunding	116,699
Less Capital Related Debt:	
General Obligation ARS Refunding Bonds of 2008A	(2,000,000)
General Obligation ARS Refunding Bonds of 2011	(2,865,000)
General Obligation ARS Refunding Bonds of 2014	(3,335,000)
Unamortized Bond Premium	<u>(62,302)</u>
Net Investment in Capital Assets	<u>44,692,893</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	30,176,798
Plus: Unspent Bond Proceeds	2,843,973
Less Capital Related Debt:	
General Obligation ARS Refunding Bonds of 2007	(365,000)
General Obligation ARS Refunding Bonds of 2013	(4,090,000)
General Obligation ARS Bonds of 2017	(3,370,000)
IEPA Loan Payable of 2002	(347,851)
IEPA Loan Payable of 2011	(3,212,981)
IEPA Loan Payable of 2014	(2,217,487)
Unamortized Bond Premium	<u>(270,875)</u>
Net Investment in Capital Assets	<u>19,146,577</u>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

### 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	\$ 414,920	-	-	-	-	414,920
Prepays	66,783	-	-	-	-	66,783
	<b>481,703</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>481,703</b>
Restricted						
Economic Development	-	-	-	-	1,623,358	1,623,358
Police	-	-	-	-	7,239	7,239
Highways and Streets	-	-	-	-	261,841	261,841
Subdivision Maintenance	-	-	-	-	823,232	823,232
Subdivision Improvements	-	-	-	-	191,931	191,931
Debt Service	-	51,200	-	-	-	51,200
	<b>-</b>	<b>51,200</b>	<b>-</b>	<b>-</b>	<b>2,907,601</b>	<b>2,958,801</b>
Assigned						
Capital	-	-	738,124	2,205,106	603,475	3,546,705
Unassigned	<b>3,625,645</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,625,645</b>
<b>Total Fund Balances</b>	<b>4,107,348</b>	<b>51,200</b>	<b>738,124</b>	<b>2,205,106</b>	<b>3,511,076</b>	<b>10,612,854</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.

*Nonspendable Fund Balance.* Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

*Restricted Fund Balance.* Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2018**

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

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

*Committed Fund Balance.* Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

*Assigned Fund Balance.* Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

*Unassigned Fund Balance.* Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

*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.

#### **NET POSITION/FUND BALANCE RESTATEMENTS**

Beginning net position/ fund balance was restated due to the State of Illinois catching up on income tax in the current year. The following is a summary of the net position/fund balance as originally reported and as restated:

Net Position/Fund Balance	As Reported	As Restated	Increase
Governmental Activities	\$ 50,393,703	50,640,826	247,123
General	4,038,059	4,285,182	247,123

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2018**

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#### **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, 2018, 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.

##### **Intergovernmental Personnel Benefit Cooperative (IPBC)**

Risks for medical and death benefits for employees and retirees are provided for through the Village's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years experience factor for premiums.

#### **COMMITMENTS AND CONTINGENCIES**

##### **Economic Incentive**

The Village has entered into economic development agreements with various 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, 2018 was \$872,606, and the total cumulative expenditures incurred to date in rebates of current development agreements was \$7,524,105.

##### **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.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2018**

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

#### **CONTINGENT LIABILITIES – Continued**

##### **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.

#### **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, 2018

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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, 2017, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	37
Inactive Plan Members Entitled to but not yet Receiving Benefits	44
Active Plan Members	<u>35</u>
Total	<u><u>116</u></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. For the year-ended April 30, 2018, the Village's contribution was 11.57% of covered payroll.

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2017. 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, 2018

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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, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age
	Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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 – Continued.*

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28%	3.00%
Domestic Equities	37%	6.85%
International Equities	18%	6.75%
Real Estate	9%	5.75%
Blended	7%	2.65% - 7.35%
Cash and Cash Equivalents	1%	2.25%

###### Discount Rate

The discount rate used to measure the total pension liability was 7.50%, the same as the prior year valuation. 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.

###### 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability/(Asset)	\$ 1,833,863	155,703	(1,214,616)

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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, 2016	\$ 12,794,138	11,186,372	1,607,766
Changes for the Year:			
Service Cost	232,978	-	232,978
Interest on the Total Pension Liability	949,180	-	949,180
Difference Between Expected and Actual			
Experience of the Total Pension Liability	(91,234)	-	(91,234)
Changes of Assumptions	(390,097)	-	(390,097)
Contributions - Employer	-	271,330	(271,330)
Contributions - Employees	-	103,737	(103,737)
Net Investment Income	-	1,936,009	(1,936,009)
Benefit Payments, including Refunds			
of Employee Contributions	(509,785)	(509,785)	-
Other (Net Transfer)	-	(158,186)	158,186
Net Changes	191,042	1,643,105	(1,452,063)
Balances at December 31, 2017	12,985,180	12,829,477	155,703

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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, 2018, the Village recognized pension expense of \$37,904. At April 30, 2018, 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	\$ -	(190,231)	(190,231)
Change in Assumptions	-	(292,800)	(292,800)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	331,898	(886,412)	(554,514)
	331,898	(1,369,443)	(1,037,545)
Pension Contributions Made Subsequent to the Measurement Date	87,733	-	87,733
Total Deferred Amounts Related to IMRF	<u>419,631</u>	<u>(1,369,443)</u>	<u>(949,812)</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 (Inflows) of Resources
2019	\$ (306,046)
2020	(230,987)
2021	(278,909)
2022	(221,603)
2023	-
Thereafter	-
Total	<u>(1,037,545)</u>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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, 2018, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	10
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>28</u>
 Total	 <u>38</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, 2018**

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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, 2018, the Village's contribution was 26.08% of covered payroll.

*Significant Investments.* At year end, the Pension Plan has no investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

# **VILLAGE OF MONTGOMERY, ILLINOIS**

## **Notes to the Financial Statements** **April 30, 2018**

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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, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age
	Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.75% - 8.50%
Cost of Living Adjustments	2.50%
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%, which is the same as the prior year. 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, 2018

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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	\$ 9,200,458	6,477,741	4,304,480

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2017	\$ 14,935,146	9,114,688	5,820,458
<b>Changes for the Year:</b>			
Service Cost	460,254	-	460,254
Interest on the Total Pension Liability	1,026,666	-	1,026,666
Difference Between Expected and Actual			
Experience of the Total Pension Liability	429,887	-	429,887
Changes of Assumptions	-	-	-
Contributions - Employer	-	580,602	(580,602)
Contributions - Employees	-	223,418	(223,418)
Net Investment Income	-	466,741	(466,741)
Benefit Payments, including Refunds			
of Employee Contributions	(537,010)	(537,010)	-
Administrative Expense	-	(11,237)	11,237
Net Changes	1,379,797	722,514	657,283
Balances at April 30, 2018	<u>16,314,943</u>	<u>9,837,202</u>	<u>6,477,741</u>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2018

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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, 2018, the Village recognized pension expense of \$925,094. At April 30, 2018, 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	\$ 394,003	(1,147,682)	(753,679)
Change in Assumptions	1,885,019	-	1,885,019
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	386,599	(2,106)	384,493
Total Deferred Amounts Related to Police Pension	<u>2,665,621</u>	<u>(1,149,788)</u>	<u>1,515,833</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
2019	\$ 297,336
2020	297,336
2021	176,132
2022	176,833
2023	140,786
Thereafter	<u>427,410</u>
Total	<u><u>1,515,833</u></u>

# **VILLAGE OF MONTGOMERY, ILLINOIS**

## **Notes to the Financial Statements** **April 30, 2018**

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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, 2018, retirees contributed \$84,990. Active employees do not contribute to the plan until retirement.

At April 30, 2018 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, 2018

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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, 2018, was calculated as follows:

Annual Required Contribution	\$ 191,263
Interest on the NOPEBO	4,968
Adjustment to the ARC	<u>(4,600)</u>
Annual OPEB Cost	191,631
Actual Contribution	<u>146,810</u>
Change in NOPEBO	44,821
NOPEBO - Beginning	<u>124,207</u>
NOPEBO - Ending	<u><u>169,028</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
2016	\$ 176,993	148,083	83.67%	82,745
2017	184,152	142,690	77.48%	124,207
2018	191,631	146,810	76.61%	169,028

# **VILLAGE OF MONTGOMERY, ILLINOIS**

## **Notes to the Financial Statements** **April 30, 2018**

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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, the date of the most recent valuation, 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 closed basis. The remaining amortization period at April 30, 2018, 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, 2018

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#### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Assets - Entry Age	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded)		(5) Actuarial Accrued Liability Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll
					Actuarial	Accrued	Liability	Annual
4/30/2013	\$ -	\$ 882,324	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	2,759,939	0.00%	2,759,939	4,059,995	67.98%	
4/30/2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

#### Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
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%
2017	142,690	183,907	77.59%
2018	146,810	191,263	76.76%

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, 2018

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Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 298,271	\$ 298,271	\$ -	\$ 2,242,641	13.30%
2017	299,313	299,313	-	2,218,784	13.49%
2018	278,172	278,172	-	2,404,142	11.57%

#### Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2014 Blue Collar Health Annuitant Mortality Table

#### Note:

This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Police Pension Fund

### Required Supplementary Information

#### Schedule of Employer Contributions

April 30, 2018

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Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution		Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
		Actuarially Determined Contribution	Excess/ (Deficiency)			
2015	\$ 427,528	\$ 449,027	\$ 21,499	\$ 2,010,832		22.33%
2016	436,387	452,282	15,895	1,951,463		23.18%
2017	520,987	520,987	-	2,070,191		25.17%
2018	530,247	580,602	50,355	2,226,229		26.08%

#### Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Credit (Level Dollars)
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.75% to 8.50%
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. Additional 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, 2018

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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)
Other (Net Transfer)	<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 Payroll	\$ 2,242,641
Employer's Net Pension Liability as a Percentage of Covered Payroll	86.31%

Note:

This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

<u>12/31/2016</u>	<u>12/31/2017</u>
242,720	232,978
917,636	949,180
-	-
(233,085)	(91,234)
(33,076)	(390,097)
<u>(493,110)</u>	<u>(509,785)</u>
401,085	191,042
<u>12,393,053</u>	<u>12,794,138</u>
<u>12,794,138</u>	<u>12,985,180</u>
299,313	271,330
99,846	103,737
718,169	1,936,009
(493,110)	(509,785)
<u>104,625</u>	<u>(158,186)</u>
728,843	1,643,105
<u>10,457,529</u>	<u>11,186,372</u>
<u>11,186,372</u>	<u>12,829,477</u>
<u>1,607,766</u>	<u>155,703</u>
87.43%	98.80%
2,218,784	2,305,270
72.46%	6.75%

# VILLAGE OF MONTGOMERY, ILLINOIS

## Police Pension Fund

### Required Supplementary Information

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

April 30, 2018

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4/30/2015

Total Pension Liability	
Service Cost	\$ 463,455
Interest	782,101
Differences Between Expected and Actual Experience	-
Change in Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	(431,684)
Net Change in Total Pension Liability	813,872
Total Pension Liability - Beginning	<u>11,388,718</u>
Total Pension Liability - Ending	<u>12,202,590</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 449,027
Contributions - Members	228,037
Net Investment Income	471,668
Benefit Payments, Including Refunds of Member Contributions	(431,684)
Administrative Expense	(8,625)
Net Change in Plan Fiduciary Net Position	708,423
Plan Net Position - Beginning	<u>7,498,173</u>
Plan Net Position - Ending	<u>8,206,596</u>
Employer's Net Pension Liability	<u>\$ 3,995,994</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.25%
Covered Payroll	\$ 2,010,832
Employer's Net Pension Liability as a Percentage of Covered Payroll	198.72%

Note:

This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

4/30/2016	4/30/2017	4/30/2018
400,101	426,069	460,254
837,341	1,000,049	1,026,666
(589,343)	(874,635)	429,887
2,189,746	370,109	-
(481,164)	(545,717)	(537,010)
2,356,681	375,875	1,379,797
12,202,590	14,559,271	14,935,146
<u>14,559,271</u>	<u>14,935,146</u>	<u>16,314,943</u>
452,282	520,987	580,602
216,533	205,654	223,418
(25,628)	593,998	466,741
(481,164)	(545,717)	(537,010)
(18,226)	(10,627)	(11,237)
143,797	764,295	722,514
8,206,596	8,350,393	9,114,688
<u>8,350,393</u>	<u>9,114,688</u>	<u>9,837,202</u>
<u>6,208,878</u>	<u>5,820,458</u>	<u>6,477,741</u>
57.35%	61.03%	60.30%
1,951,463	2,070,191	2,226,229
318.17%	281.16%	290.97%

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information**

**Schedule of Investment Returns**

**April 30, 2018**

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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%
2017	6.61%
2018	4.98%

**Note:**

This schedule is intended to show information for ten years. Additional 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, 2018**

	Original and Final Budget	Actual
<b>Revenues</b>		
Property Taxes	\$ 2,281,243	2,264,512
Other Taxes	134,559	165,129
Licenses, Permits and Fees	458,055	427,199
Intergovernmental, Grants and Contributions	6,577,958	6,459,318
Charges for Services	340,692	344,664
Fines and Forfeitures	303,000	197,546
Investment Earnings	49,500	61,905
Miscellaneous	123,790	155,794
<b>Total Revenues</b>	<b>10,268,797</b>	<b>10,076,067</b>
<b>Expenditures</b>		
<b>Current</b>		
General Government	3,213,340	3,164,398
Public Safety	5,198,281	5,245,634
Highways and Streets	1,858,397	1,850,412
<b>Total Expenditures</b>	<b>10,270,018</b>	<b>10,260,444</b>
<b>Excess (Deficiency) of Revenues</b>		
<b>Over Expenditures</b>	<b>(1,221)</b>	<b>(184,377)</b>
<b>Other Financing Sources (Uses)</b>		
Transfers In	17,800	7,050
Transfers Out	-	(507)
	<b>17,800</b>	<b>6,543</b>
<b>Net Change in Fund Balance</b>	<b>(146,121)</b>	<b>(177,834)</b>
<b>Fund Balance - Beginning as Restated</b>		<b>4,285,182</b>
<b>Fund Balance - Ending</b>		<b>4,107,348</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.

#### **Montgomery Development Fund**

The Montgomery Development Fund (MDF) accounts for the Village's loan program established to provide financial support to new or expanding business in the Village; encourage economic development by supporting projects that create or retain jobs; encourage area financial institutions to work with the Village and to utilize MDF programs to better serve its customers; and support projects and investments that protect and expand the tax base. The MDF consists of two programs: the Forgivable Loan Program and the Low Interest Loan Program.

#### **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.

##### **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, 2018**

	Original and Final Budget	Actual
Property Taxes		
Corporate	\$ 556,975	556,720
Police Pension	583,505	580,602
Social Security	238,591	237,431
IMRF	229,591	228,471
Insurance	294,799	293,350
Police Protection	265,000	263,695
Road and Bridge	<u>112,782</u>	<u>104,243</u>
	<u>2,281,243</u>	<u>2,264,512</u>
Other Taxes		
Utility Tax	64,959	55,000
Video Gaming Tax	<u>69,600</u>	<u>110,129</u>
Total Other Taxes	<u>134,559</u>	<u>165,129</u>
Licenses, Permits and Fees		
Licenses		
Liquor	30,900	30,808
Amusement Machine	150	-
Tobacco	350	400
Contractors	28,125	24,820
Other	1,050	90
Permits		
Building	125,000	113,367
Oversized Vehicle	12,000	7,825
Solicitor	1,500	3,360
Other	500	495
Fees		
Cable Franchise	<u>258,480</u>	<u>246,034</u>
	<u>458,055</u>	<u>427,199</u>
Intergovernmental		
Sales Tax	4,157,976	4,206,002
State Income Tax	1,862,238	1,677,747

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2018**

	Original and Final Budget	Actual
Intergovernmental - Continued		
Corporate Replacement Tax	\$ 51,086	57,546
Road and Bridge Replacement Tax	6,386	6,675
Local Use Tax	466,481	487,302
TIF Surplus	14,788	15,785
State Grant - Body Armor (Police)	2,363	3,417
State Grant - ILCC Tobacco (Police)	1,760	1,045
State Grant - Traffic Safety (Police)	14,880	3,799
Total Intergovernmental	<u>6,577,958</u>	<u>6,459,318</u>
Charges for Services		
Refuse Removal	7,000	688
Plumbing Inspections	17,000	12,510
Engineering Inspections	11,000	3,632
Reinspections	-	120
Elevator Inspections	1,600	1,394
Planning - Plan Commission Applications	6,000	6,900
Recycling Income	4,000	2,831
Lawn Services	5,418	7,434
Professional Services Reimbursements - Dispatch Service	13,302	13,450
Professional Services Reimbursements - Engineering Service	170,100	169,566
Professional Services Reimbursements - Legal Service	31,500	30,411
Professional Services Reimbursements - Planning Service	10,500	21,275
Professional Services Reimbursements - Printing and Publishing	500	-
Police Reimbursements - Training	13,452	15,041
Police Reimbursements - Special Duty	2,700	204
Police Reimbursements - Other	3,000	3,744
Police Reimbursements - Firing Range	500	236
Other Reimbursements - Streets	11,680	20,390
Other Reimbursements - Credit Card Fees	23,400	27,496
Other Reimbursements - Miscellaneous	6,000	4,477
Rents and Royalties - Municipal Building Rental	2,040	2,865
Total Charges for Services	<u>340,692</u>	<u>344,664</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2018**

	Original and Final Budget	Actual
<b>Fines and Forfeitures</b>		
Tow Impoundment Fee	\$ 120,000	71,000
Court Fines - Village	27,000	23,165
Court Fines - Kane County	125,000	82,989
Court Fines - Kendall County	12,000	10,003
Patrol Car Maintenance Fines - Kane County	12,000	6,116
Patrol Car Maintenance Fines - Kendall County	2,000	1,075
Code Enforcement Fines	5,000	3,198
 Total Fines and Forfeitures	 303,000	 197,546
 <b>Investment Earnings</b>		
Interest	49,500	61,905
 <b>Miscellaneous</b>		
Other Reimbursements - Insurance	30,000	60,090
Donations - Montgomery Fest	63,000	66,513
Donations - Beautification	5,000	7,625
Donations - River Run	12,340	11,240
Donations - Garage Sales	2,000	1,200
Donations - Settler's Cottage	500	230
Donations - HPC Brick Paver Program	500	200
Donations - Senior Luncheon	2,000	3,070
Donations - Parkway Tree Program	5,000	750
Donations - Car Show	3,000	2,153
Donations - Safety Event	-	1,700
Salable Items - History Books	350	175
Salable Items - Miscellaneous	100	-
Miscellaneous	-	848
 Total Miscellaneous	 123,790	 155,794
 <b>Total Revenues</b>	 10,268,797	 10,076,067

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended April 30, 2018**

	Original and Final Budget	Actual
<b>General Government</b>		
<b>Elected Officials</b>		
Personal Services	\$ 70,866	69,073
Contractual Services	110,303	88,046
Commodities	2,675	1,281
	<hr/> 183,844	<hr/> 158,400
<b>Administration</b>		
Personal Services	295,377	288,784
Contractual Services	94,667	98,787
Commodities	16,645	15,133
	<hr/> 406,689	<hr/> 402,704
<b>Finance</b>		
<b>Accounting</b>		
Personal Services	429,097	426,455
Contractual Services	495,467	500,604
Commodities	7,820	7,727
	<hr/> 932,384	<hr/> 934,786
<b>Utility Billing</b>		
Personal Services	125,110	137,620
Contractual Services	49,146	53,075
Commodities	26,835	25,440
	<hr/> 201,091	<hr/> 216,135
	1,133,475	1,150,921
<b>Less: Internal Charges</b>	<hr/> (574,045)	<hr/> (590,051)
<b>Total Finance</b>	<hr/> 559,430	<hr/> 560,870
<b>Legal</b>		
Contractual Services	171,500	172,479

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2018**

	Original and Final Budget	Actual
General Government - Continued		
Engineering		
Contractual Services	\$ 219,000	<u>230,974</u>
Community Development		
Economic Development		
Contractual Services	97,660	94,279
Other	895,541	872,606
	<u>993,201</u>	<u>966,885</u>
Planning and Zoning		
Personal Services	268,443	269,533
Contractual Services	31,620	37,194
Commodities	2,315	2,074
	<u>302,378</u>	<u>308,801</u>
Code Enforcement and Inspections		
Personal Services	295,645	282,664
Contractual Services	76,958	77,166
Commodities	4,695	3,455
	<u>377,298</u>	<u>363,285</u>
Total Community Development	<u>1,672,877</u>	<u>1,638,971</u>
Total General Government	<u>3,213,340</u>	<u>3,164,398</u>
Public Safety		
Police		
Administration		
Personal Services	410,892	467,269
Contractual Services	230,645	196,474
Commodities	17,620	17,337
	<u>659,157</u>	<u>681,080</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2018**

	Original and Final Budget	Actual
<b>Public Safety - Continued</b>		
Police - Continued		
Support Services		
Personal Services	\$ 208,069	207,355
Contractual Services	266,049	269,028
	<hr/>	<hr/>
	474,118	476,383
Patrol		
Personal Services	3,502,375	3,424,052
Contractual Services	227,959	231,158
Commodities	30,725	28,408
	<hr/>	<hr/>
	3,761,059	3,683,618
Investigations		
Personal Services	277,208	372,787
Contractual Services	9,867	8,512
Commodities	8,095	9,228
	<hr/>	<hr/>
	295,170	390,527
Police Commission		
Personal Services	452	-
Contractual Services	5,875	11,602
Commodities	250	85
	<hr/>	<hr/>
	6,577	11,687
ESDA		
Contractual Services	2,000	2,339
Commodities	200	-
	<hr/>	<hr/>
	2,200	2,339
<b>Total Public Safety</b>	<hr/>	<hr/>
	5,198,281	5,245,634

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2018**

	Original and Final Budget	Actual
<b>Highways and Streets</b>		
Administration		
Personal Services	\$ 94,517	101,107
Contractual Services	34,310	34,129
Commodities	3,435	4,938
	<hr/> 132,262	<hr/> 140,174
Streets		
Personal Services	434,814	449,384
Contractual Services	543,228	537,638
Commodities	78,550	62,037
	<hr/> 1,056,592	<hr/> 1,049,059
Vehicle Maintenance		
Personal Services	128,844	131,607
Contractual Services	104,271	112,487
Commodities	154,500	159,369
	<hr/> 387,615	<hr/> 403,463
Buildings and Grounds		
Personal Services	191,389	183,956
Contractual Services	415,620	407,912
Commodities	12,500	12,053
	<hr/> 619,509	<hr/> 603,921
Stormwater Management		
Contractual Services	<hr/> 50,000	<hr/> 41,901
	2,245,978	2,238,518
Less: Internal Charges	<hr/> (387,581)	<hr/> (388,106)
Total Highways and Streets	<hr/> 1,858,397	<hr/> 1,850,412
Total Expenditures	<hr/> 10,270,018	<hr/> 10,260,444

**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, 2018**

	Original and Final Budget	Actual
Revenues		
Interest	\$ -	-
Expenditures		
Debt Service		
Principal Retirement	810,000	810,000
Interest and Fiscal Charges	313,190	312,015
Total Expenditures	<u>1,123,190</u>	<u>1,122,015</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,123,190)	(1,122,015)
Other Financing Sources		
Transfers In	<u>1,123,190</u>	<u>1,123,015</u>
Net Change in Fund Balance	<u>—</u>	1,000
Fund Balance - Beginning		<u>50,200</u>
Fund Balance - Ending		<u>51,200</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, 2018**

	Original and Final Budget	Actual
<b>Revenues</b>		
Other Taxes		
Utility Taxes	\$ 1,302,352	1,193,464
Intergovernmental, Grants and Contributions	150,000	125,976
Charges for Services	78,712	82,760
Interest	9,000	10,905
Total Revenues	<u>1,540,064</u>	<u>1,413,105</u>
<b>Expenditures</b>		
Current		
General Government		
Contractual Services	19,997	14,716
Highways and Streets		
Contractual Services	50,000	11,472
Capital Outlay	<u>190,000</u>	<u>244,779</u>
Total Expenditures	<u>259,997</u>	<u>270,967</u>
<b>Excess (Deficiency) of Revenues</b>		
Over Expenditures	1,280,067	1,142,138
<b>Other Financing Sources (Uses)</b>		
Transfers Out	(1,140,990)	(1,130,065)
<b>Net Change in Fund Balances</b>	<u>139,077</u>	<u>12,073</u>
<b>Fund Balances - Beginning</b>	<u>726,051</u>	
<b>Fund Balances - Ending</b>	<u>738,124</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, 2018**

	Original and Final Budget	Actual
<b>Revenues</b>		
Intergovernmental, Grants and Contributions		
Non-Home Rule Sales Tax	\$ 2,986,750	2,935,900
State Grants	10,000	2,237
Interest	9,000	15,536
Total Revenues	<u>3,005,750</u>	<u>2,953,673</u>
<b>Expenditures</b>		
Current		
General Government		
Contractual Services	164,335	129,645
Highways and Streets		
Contractual Services	<u>2,779,472</u>	<u>2,585,465</u>
Total Expenditures	<u>2,943,807</u>	<u>2,715,110</u>
Net Change in Fund Balance	<u>61,943</u>	<u>238,563</u>
Fund Balance - Beginning		<u>1,966,543</u>
Fund Balance - Ending		<u>2,205,106</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

**April 30, 2018**

	Special Revenue	Capital Projects	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 2,780,387	683,372	3,463,759
Receivables - Net of Allowances			
Property Taxes	1,173,102	-	1,173,102
Accrued Interest	-	1,536	1,536
Notes	43,500	-	43,500
Due from Other Funds	507	31,867	32,374
Due from Other Governments	42,210	-	42,210
 Total Assets	 4,039,706	 716,775	 4,756,481
<b>LIABILITIES</b>			
Accounts Payable	40,436	-	40,436
Due to Other Funds	31,867	-	31,867
 Total Liabilities	 72,303	 -	 72,303
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	1,173,102	-	1,173,102
Total Liabilities and Deferred Inflows of Resources	1,245,405	-	1,245,405
<b>FUND BALANCES</b>			
Restricted	2,794,301	113,300	2,907,601
Assigned	-	603,475	603,475
 Total Fund Balances	 2,794,301	 716,775	 3,511,076
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 4,039,706	 716,775	 4,756,481

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2018**

	Special Revenue	Capital Projects	Totals
<b>Revenues</b>			
Property Taxes	\$ 547,150	-	547,150
Intergovernmental, Grants and Contributions	519,210	-	519,210
Fines and Forfeitures	18,515	-	18,515
Charges for Services	500	616,915	617,415
Interest	16,995	5,055	22,050
Miscellaneous	450	145,000	145,450
<b>Total Revenues</b>	<b>1,102,820</b>	<b>766,970</b>	<b>1,869,790</b>
<b>Expenditures</b>			
Current			
General Government	217,803	55,849	273,652
Public Safety	34,180	-	34,180
Highways and Streets	1,129,865	-	1,129,865
Capital Outlay	159,433	725,217	884,650
<b>Total Expenditures</b>	<b>1,541,281</b>	<b>781,066</b>	<b>2,322,347</b>
Excess (Deficiency) of Revenues Over Expenditures	(438,461)	(14,096)	(452,557)
<b>Other Financing Sources (Uses)</b>			
Disposal of Capital Assets	-	174,142	174,142
Transfers In	507	31,867	32,374
Transfers Out	(31,867)	-	(31,867)
	(31,360)	206,009	174,649
Net Change in Fund Balances	(469,821)	191,913	(277,908)
Fund Balances - Beginning	3,264,122	524,862	3,788,984
<b>Fund Balances - Ending</b>	<b>2,794,301</b>	<b>716,775</b>	<b>3,511,076</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**

**April 30, 2018**

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**See Following Page**

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**

**April 30, 2018**

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	<u>Montgomery Development</u>	<u>Forfeiture and Seizure</u>	<u>Motor Fuel Tax</u>	<u>Emergency 911</u>
<b>ASSETS</b>				
Cash and Investments	\$ 1,579,858	33,118	241,739	1,560
Receivables - Net of Allowances				
Property Taxes	-	-	-	-
Notes	43,500	-	-	-
Due from Other Funds	-	-	-	507
Due from Other Governments	-	-	42,210	-
<b>Total Assets</b>	<b>1,623,358</b>	<b>33,118</b>	<b>283,949</b>	<b>2,067</b>
<b>LIABILITIES</b>				
Accounts Payable	-	1,251	22,108	2,067
Due to Other Funds	-	31,867	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>33,118</b>	<b>22,108</b>	<b>2,067</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	-	-	-	-
Total Liabilities and Deferred				
Inflows of Resources	-	33,118	22,108	2,067
<b>FUND BALANCES</b>				
Restricted	<u>1,623,358</u>	-	261,841	-
Total Liabilities and Fund Balances	<u>1,623,358</u>	<u>33,118</u>	<u>283,949</u>	<u>2,067</u>

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
7,239	131,535	55,497	44,517	31,834	18,278
-	51,500	16,000	25,030	14,030	35,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>7,239</b>	<b>183,035</b>	<b>71,497</b>	<b>69,547</b>	<b>45,864</b>	<b>53,278</b>
-	1,752	810	-	-	-
-	-	-	-	-	-
<b>-</b>	<b>1,752</b>	<b>810</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>-</b>	<b>51,500</b>	<b>16,000</b>	<b>25,030</b>	<b>14,030</b>	<b>35,000</b>
<b>-</b>	<b>53,252</b>	<b>16,810</b>	<b>25,030</b>	<b>14,030</b>	<b>35,000</b>
<b>7,239</b>	<b>129,783</b>	<b>54,687</b>	<b>44,517</b>	<b>31,834</b>	<b>18,278</b>
<b>7,239</b>	<b>183,035</b>	<b>71,497</b>	<b>69,547</b>	<b>45,864</b>	<b>53,278</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet - Continued**

**April 30, 2018**

	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	\$ 25,756	162,175	111,231	67,559
Receivables - Net of Allowances				
Property Taxes	22,000	22,500	47,500	34,255
Notes	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
<b>Total Assets</b>	<b>47,756</b>	<b>184,675</b>	<b>158,731</b>	<b>101,814</b>
<b>LIABILITIES</b>				
Accounts Payable	794	2,503	3,194	-
Due to Other Funds	-	-	-	-
<b>Total Liabilities</b>	<b>794</b>	<b>2,503</b>	<b>3,194</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	22,000	22,500	47,500	34,255
Total Liabilities and Deferred Inflows of Resources	22,794	25,003	50,694	34,255
<b>FUND BALANCES</b>				
Restricted	24,962	159,672	108,037	67,559
<b>Total Liabilities and Fund Balances</b>	<b>47,756</b>	<b>184,675</b>	<b>158,731</b>	<b>101,814</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
14,242	36,430	35,871	160,321	21,627	2,780,387
816,283	16,001	31,000	37,003	5,000	1,173,102
-	-	-	-	-	43,500
-	-	-	-	-	507
-	-	-	-	-	42,210
<b>830,525</b>	<b>52,431</b>	<b>66,871</b>	<b>197,324</b>	<b>26,627</b>	<b>4,039,706</b>
3,170	502	1,316	969	-	40,436
-	-	-	-	-	31,867
<b>3,170</b>	<b>502</b>	<b>1,316</b>	<b>969</b>	<b>-</b>	<b>72,303</b>
816,283	16,001	31,000	37,003	5,000	1,173,102
819,453	16,503	32,316	37,972	5,000	1,245,405
<b>11,072</b>	<b>35,928</b>	<b>34,555</b>	<b>159,352</b>	<b>21,627</b>	<b>2,794,301</b>
<b>830,525</b>	<b>52,431</b>	<b>66,871</b>	<b>197,324</b>	<b>26,627</b>	<b>4,039,706</b>

**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, 2018**

	Montgomery Development	Forfeiture and Seizure	Motor Fuel Tax	Emergency 911
<b>Revenues</b>				
Property Taxes	\$ -	-	-	-
Intergovernmental, Grants and Contributions	-	-	519,210	-
Fines and Forfeitures	-	18,515	-	-
Charges for Services	500	-	-	-
Interest	16,055	-	940	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>16,555</b>	<b>18,515</b>	<b>520,150</b>	<b>-</b>
<b>Expenditures</b>				
Current				
General Government	19,019	-	-	-
Public Safety	-	10,216	-	22,269
Highways and Streets	-	-	813,296	-
Capital Outlay	-	17,890	-	88,110
<b>Total Expenditures</b>	<b>19,019</b>	<b>28,106</b>	<b>813,296</b>	<b>110,379</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,464)</b>	<b>(9,591)</b>	<b>(293,146)</b>	<b>(110,379)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	507
Transfers Out	-	(31,867)	-	-
	-	(31,867)	-	507
<b>Net Change in Fund Balances</b>	<b>(2,464)</b>	<b>(41,458)</b>	<b>(293,146)</b>	<b>(109,872)</b>
<b>Fund Balances - Beginning</b>	<b>1,625,822</b>	<b>41,458</b>	<b>554,987</b>	<b>109,872</b>
<b>Fund Balances - Ending</b>	<b>1,623,358</b>	<b>-</b>	<b>261,841</b>	<b>-</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
-	47,986	8,001	25,029	14,029	35,212
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
450	-	-	-	-	-
<b>450</b>	<b>47,986</b>	<b>8,001</b>	<b>25,029</b>	<b>14,029</b>	<b>35,212</b>
<hr/>					
-	-	-	-	-	-
1,695	-	-	-	-	-
-	53,207	15,154	13,113	7,702	18,009
-	-	-	-	-	-
<b>1,695</b>	<b>53,207</b>	<b>15,154</b>	<b>13,113</b>	<b>7,702</b>	<b>18,009</b>
<hr/>					
<b>(1,245)</b>	<b>(5,221)</b>	<b>(7,153)</b>	<b>11,916</b>	<b>6,327</b>	<b>17,203</b>
<hr/>					
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>(1,245)</b>	<b>(5,221)</b>	<b>(7,153)</b>	<b>11,916</b>	<b>6,327</b>	<b>17,203</b>
<b>8,484</b>	<b>135,004</b>	<b>61,840</b>	<b>32,601</b>	<b>25,507</b>	<b>1,075</b>
<b>7,239</b>	<b>129,783</b>	<b>54,687</b>	<b>44,517</b>	<b>31,834</b>	<b>18,278</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, 2018**

	Arbor Ridge Special Service Area	Fairfield Way Special Service Area	Foxmoor Special Service Area	Tax Increment Financing District #1
Revenues				
Property Taxes	\$ 19,928	24,935	42,833	33,680
Intergovernmental, Grants and Contributions	-	-	-	-
Fines and Forfeitures	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>19,928</b>	<b>24,935</b>	<b>42,833</b>	<b>33,680</b>
Expenditures				
Current				
General Government	-	-	-	5,916
Public Safety	-	-	-	-
Highways and Streets	23,054	43,924	59,470	-
Capital Outlay	-	-	-	53,433
<b>Total Expenditures</b>	<b>23,054</b>	<b>43,924</b>	<b>59,470</b>	<b>59,349</b>
Excess (Deficiency) of Revenues Over Expenditures	(3,126)	(18,989)	(16,637)	(25,669)
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>(3,126)</b>	<b>(18,989)</b>	<b>(16,637)</b>	<b>(25,669)</b>
Fund Balances - Beginning	28,088	178,661	124,674	93,228
<b>Fund Balances - Ending</b>	<b>24,962</b>	<b>159,672</b>	<b>108,037</b>	<b>67,559</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
197,474	13,543	28,981	50,056	5,463	547,150
-	-	-	-	-	519,210
-	-	-	-	-	18,515
-	-	-	-	-	500
-	-	-	-	-	16,995
-	-	-	-	-	450
<b>197,474</b>	<b>13,543</b>	<b>28,981</b>	<b>50,056</b>	<b>5,463</b>	<b>1,102,820</b>
192,868	-	-	-	-	217,803
-	-	-	-	-	34,180
-	13,721	28,942	37,732	2,541	1,129,865
-	-	-	-	-	159,433
<b>192,868</b>	<b>13,721</b>	<b>28,942</b>	<b>37,732</b>	<b>2,541</b>	<b>1,541,281</b>
4,606	(178)	39	12,324	2,922	(438,461)
-	-	-	-	-	507
-	-	-	-	-	(31,867)
-	-	-	-	-	(31,360)
4,606	(178)	39	12,324	2,922	(469,821)
6,466	36,106	34,516	147,028	18,705	3,264,122
<b>11,072</b>	<b>35,928</b>	<b>34,555</b>	<b>159,352</b>	<b>21,627</b>	<b>2,794,301</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Montgomery Development - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2018**

	Original and Final Budget	Actual
<b>Revenues</b>		
Chargers for Services	\$ -	500
Interest	10,120	16,055
<b>Total Revenues</b>	<b>10,120</b>	<b>16,555</b>
 <b>Expenditures</b>		
Current		
General Government		
Contractual Services	1,000	19,019
Capital Outlay	155,000	-
Total Expenditures	<b>156,000</b>	<b>19,019</b>
 Net Change in Fund Balance	<b>(145,880)</b>	<b>(2,464)</b>
 Fund Balance - Beginning		<b>1,625,822</b>
 Fund Balance - Ending		<b>1,623,358</b>

**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, 2018**

	Original and Final Budget	Actual
<b>Revenues</b>		
Fines and Forfeitures	<u>\$ 16,900</u>	<u>18,515</u>
<b>Expenditures</b>		
Current		
Public Safety		
Commodities	3,000	10,216
Capital Outlay	-	17,890
Total Expenditures	<u>3,000</u>	<u>28,106</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>13,900</b>	<b>(9,591)</b>
<b>Other Financing Sources (Uses)</b>		
Transfers Out	-	(31,867)
<b>Net Change in Fund Balance</b>	<b><u>13,900</u></b>	<b>(41,458)</b>
<b>Fund Balance - Beginning</b>		<b><u>41,458</u></b>
<b>Fund Balance - Ending</b>		<b><u>-</u></b>

**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, 2018**

	Original and Final Budget	Actual
<b>Revenues</b>		
Intergovernmental, Grants and Contributions		
Motor Fuel Taxes	\$ 524,279	519,210
Interest	500	940
Total Revenues	<u>524,779</u>	<u>520,150</u>
<b>Expenditures</b>		
Current		
Highways and Streets		
Contractual Services	976,279	757,357
Commodities	185,000	55,939
Total Expenditures	<u>1,161,279</u>	<u>813,296</u>
Net Change in Fund Balance	<u>(636,500)</u>	<u>(293,146)</u>
Fund Balance - Beginning		<u>554,987</u>
Fund Balance - Ending		<u>261,841</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, 2018**

	Original and Final Budget	Actual
<b>Revenues</b>		
Charges for Services		
Kane County Wireless 911	\$ -	-
<b>Expenditures</b>		
Current		
Public Safety		
Contractual Services	19,248	22,269
Capital Outlay	91,767	88,110
Total Expenditures	<u>111,015</u>	<u>110,379</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(111,015)</b>	<b>(110,379)</b>
<b>Other Financing Sources</b>		
Transfers In	-	507
<b>Net Change in Fund Balance</b>	<b><u>(111,015)</u></b>	<b>(109,872)</b>
<b>Fund Balance - Beginning</b>		<u>109,872</u>
<b>Fund Balance - Ending</b>		<u>-</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, 2018**

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	Original and Final Budget	Actual
Revenues		
Miscellaneous	\$ 250	450
Expenditures		
Current		
Public Safety		
Commodities	1,380	1,695
Net Change in Fund Balance	<u>(1,130)</u>	(1,245)
Fund Balance - Beginning		<u>8,484</u>
Fund Balance - Ending		<u>7,239</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, 2018**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 48,000	47,986
Expenditures		
Current		
Highways and Streets		
Contractual Services	51,668	53,207
Net Change in Fund Balance	<u>(3,668)</u>	(5,221)
Fund Balance - Beginning		<u>135,004</u>
Fund Balance - Ending		<u>129,783</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, 2018**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 8,000	8,001
Expenditures		
Current		
Highways and Streets		
Contractual Services	<u>15,289</u>	<u>15,154</u>
Net Change in Fund Balance	<u>(7,289)</u>	<u>(7,153)</u>
Fund Balance - Beginning		<u>61,840</u>
Fund Balance - Ending		<u>54,687</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, 2018**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 25,000	25,029
Expenditures		
Current		
Highways and Streets		
Contractual Services	12,931	<u>13,113</u>
Net Change in Fund Balance	<u>12,069</u>	11,916
Fund Balance - Beginning		<u>32,601</u>
Fund Balance - Ending		<u>44,517</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, 2018**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 14,000	14,029
Expenditures		
Current		
Highways and Streets		
Contractual Services	9,608	7,702
Net Change in Fund Balance	<u>4,392</u>	6,327
Fund Balance - Beginning		<u>25,507</u>
Fund Balance - Ending		<u>31,834</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, 2018**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 35,000	35,212
Expenditures		
Current		
Highways and Streets		
Contractual Services	21,581	18,009
Net Change in Fund Balance	<u>13,419</u>	17,203
Fund Balance - Beginning		<u>1,075</u>
Fund Balance - Ending		<u>18,278</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, 2018**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 20,000	19,928
Expenditures		
Current		
Highways and Streets		
Contractual Services	18,680	23,054
Net Change in Fund Balance	<u>1,320</u>	(3,126)
Fund Balance - Beginning		<u>28,088</u>
Fund Balance - Ending		<u>24,962</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, 2018**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 25,000	24,935
Expenditures		
Current		
Highways and Streets		
Contractual Services	35,210	43,924
Net Change in Fund Balance	<u>(10,210)</u>	(18,989)
Fund Balance - Beginning		<u>178,661</u>
Fund Balance - Ending		<u>159,672</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, 2018**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 43,000	42,833
Expenditures		
Current		
Highways and Streets		
Contractual Services	54,325	<u>59,470</u>
Net Change in Fund Balance	<u>(11,325)</u>	(16,637)
Fund Balance - Beginning		<u>124,674</u>
Fund Balance - Ending		<u>108,037</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, 2018**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 40,000	<u>33,680</u>
Expenditures		
Current		
General Government		
Contractual Services	1,520	5,916
Capital Outlay	60,000	53,433
Total Expenditures	<u>61,520</u>	<u>59,349</u>
Net Change in Fund Balance	<u>(21,520)</u>	<u>(25,669)</u>
Fund Balance - Beginning		<u>93,228</u>
Fund Balance - Ending		<u>67,559</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, 2018**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 396,000	197,474
Expenditures		
Current		
General Government		
Contractual Services	360,520	192,868
Net Change in Fund Balance	<u>35,480</u>	4,606
Fund Balance - Beginning		<u>6,466</u>
Fund Balance - Ending		<u>11,072</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, 2018**

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	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Property Taxes	\$ 13,500	13,543
Expenditures		
Current		
Highways and Streets		
Contractual Services	14,142	13,721
Net Change in Fund Balance	<u>(642)</u>	(178)
Fund Balance - Beginning		<u>36,106</u>
Fund Balance - Ending		<u>35,928</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, 2018**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 29,000	28,981
Expenditures		
Current		
Highways and Streets		
Contractual Services	<u>25,198</u>	<u>28,942</u>
Net Change in Fund Balance	<u>3,802</u>	<u>39</u>
Fund Balance - Beginning		<u>34,516</u>
Fund Balance - Ending		<u>34,555</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, 2018**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 50,000	50,056
Expenditures		
Current		
Highways and Streets		
Contractual Services	43,218	<u>37,732</u>
Net Change in Fund Balance	<u>6,782</u>	12,324
Fund Balance - Beginning		<u>147,028</u>
Fund Balance - Ending		<u>159,352</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, 2018**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 5,500	5,463
Expenditures		
Current		
Highways and Streets		
Contractual Services	4,131	2,541
Net Change in Fund Balance	<u>1,369</u>	2,922
Fund Balance - Beginning		<u>18,705</u>
Fund Balance - Ending		<u>21,627</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet**

**April 30, 2018**

	Vehicle Reserve	Lakewood Creek Project	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 570,072	113,300	683,372
Receivables - Net of Allowances			
Accrued Interest	1,536	-	1,536
Due from Other Funds	31,867	-	31,867
<b>Total Assets</b>	<b>603,475</b>	<b>113,300</b>	<b>716,775</b>
<b>LIABILITIES</b>			
Accounts Payable	-	-	-
<b>FUND BALANCES</b>			
Restricted	-	113,300	113,300
Assigned	603,475	-	603,475
<b>Total Fund Balances</b>	<b>603,475</b>	<b>113,300</b>	<b>716,775</b>
<b>Total Liabilities and Fund Balances</b>	<b>603,475</b>	<b>113,300</b>	<b>716,775</b>

**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, 2018**

	Vehicle Reserve	Lakewood Creek Project	Totals
<b>Revenues</b>			
Charges for Services	\$ 616,915	-	616,915
Interest	4,756	299	5,055
Miscellaneous	-	145,000	145,000
<b>Total Revenues</b>	<b>621,671</b>	<b>145,299</b>	<b>766,970</b>
<b>Expenditures</b>			
<b>Current</b>			
General Government	-	55,849	55,849
<b>Capital Outlay</b>	<b>725,217</b>	-	<b>725,217</b>
<b>Total Expenditures</b>	<b>725,217</b>	<b>55,849</b>	<b>781,066</b>
<b>Excess (Deficiency) of Revenues</b>			
<b>Over Expenditures</b>	<b>(103,546)</b>	<b>89,450</b>	<b>(14,096)</b>
<b>Other Financing Sources</b>			
<b>Disposal of Capital Assets</b>	<b>174,142</b>	-	<b>174,142</b>
<b>Transfers In</b>	<b>31,867</b>	-	<b>31,867</b>
	<b>206,009</b>	-	<b>206,009</b>
<b>Net Change in Fund Balances</b>	<b>102,463</b>	<b>89,450</b>	<b>191,913</b>
<b>Fund Balances - Beginning</b>	<b>501,012</b>	<b>23,850</b>	<b>524,862</b>
<b>Fund Balances - Ending</b>	<b>603,475</b>	<b>113,300</b>	<b>716,775</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, 2018**

	Original and Final Budget	Actual
<b>Revenues</b>		
Charges for Services	\$ 616,915	616,915
Interest	500	4,756
Total Revenues	<u>617,415</u>	<u>621,671</u>
<b>Expenditures</b>		
Capital Outlay	<u>692,115</u>	<u>725,217</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(74,700)</u>	<u>(103,546)</u>
<b>Other Financing Sources</b>		
Disposal of Capital Assets	- 174,142	174,142
Transfers In	- 31,867	31,867
	<u>-</u>	<u>206,009</u>
<b>Net Change in Fund Balance</b>	<u>(74,700)</u>	<u>102,463</u>
<b>Fund Balance - Beginning</b>		<u>501,012</u>
<b>Fund Balance - Ending</b>		<u>603,475</u>

**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, 2018**

	Original and Final Budget	Actual
<b>Revenues</b>		
Interest	\$ 2	299
Miscellaneous	60,000	145,000
<b>Total Revenues</b>	<hr/> 60,002	<hr/> 145,299
<b>Expenditures</b>		
Current		
General Government		
Contractual Services	60,000	55,849
<b>Net Change in Fund Balance</b>	<hr/> <hr/> 2	<hr/> <hr/> 89,450
<b>Fund Balance - Beginning</b>		<hr/> <hr/> 23,850
<b>Fund Balance - Ending</b>		<hr/> <hr/> 113,300

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Water - Enterprise Fund - by Account**

**Combining Statement of Net Position**

**April 30, 2018**

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**See Following Page**

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Water - Enterprise Fund - by Account**

**Combining Schedule of Net Position**

**April 30, 2018**

	Water Account	Water Improvement Account	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 2,835,156	2,924,780	5,759,936
Receivables - Net of Allowances			
Accounts	1,003,465	-	1,003,465
Accrued Interest	9,578	-	9,578
Due from Other Funds	207,152	3,817	210,969
<b>Total Current Assets</b>	<b>4,055,351</b>	<b>2,928,597</b>	<b>6,983,948</b>
Noncurrent Assets			
Nondepreciable Capital Assets	487,944	-	487,944
Depreciable Capital Assets	50,341,786	-	50,341,786
Accumulated Depreciation	(20,652,932)	-	(20,652,932)
<b>Total Noncurrent Assets</b>	<b>30,176,798</b>	<b>-</b>	<b>30,176,798</b>
<b>Total Assets</b>	<b>34,232,149</b>	<b>2,928,597</b>	<b>37,160,746</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	119,082	-	119,082
<b>Total Assets and Deferred Outflows of Resources</b>	<b>34,351,231</b>	<b>2,928,597</b>	<b>37,279,828</b>

	Water Account	Water Improvement Account	Totals
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 122,107	95,056	217,163
Accrued Payroll	29,820	-	29,820
Accrued Interest Payable	174,353	-	174,353
Other Payables	36,000	6,295	42,295
Due to Other Funds	128,785	-	128,785
Current Portion of Long-Term Debt	947,535	-	947,535
<b>Total Current Liabilities</b>	<b>1,438,600</b>	<b>101,351</b>	<b>1,539,951</b>
<b>Noncurrent Liabilities</b>			
Compensated Absences Payable	16,828	-	16,828
Net Pension Liability - IMRF	44,185	-	44,185
General Obligation Bonds Payable - Net	7,570,586	-	7,570,586
IEPA Loans Payable	5,390,258	-	5,390,258
<b>Total Noncurrent Liabilities</b>	<b>13,021,857</b>	<b>-</b>	<b>13,021,857</b>
<b>Total Liabilities</b>	<b>14,460,457</b>	<b>101,351</b>	<b>14,561,808</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	388,617	-	388,617
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>14,849,074</b>	<b>101,351</b>	<b>14,950,425</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	19,146,577	-	19,146,577
Unrestricted	355,580	2,827,246	3,182,826
<b>Total Net Position</b>	<b>19,502,157</b>	<b>2,827,246</b>	<b>22,329,403</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, 2018**

	Water Account	Water Improvement Account	Totals
Operating Revenues			
Charges for Services	\$ 4,732,639	-	4,732,639
Operating Expenses			
Operations	3,329,144	653,071	3,982,215
Depreciation and Amortization	1,884,805	-	1,884,805
Total Operating Expenses	5,213,949	653,071	5,867,020
Operating Income (Loss)	(481,310)	(653,071)	(1,134,381)
Nonoperating Revenues (Expenses)			
Investment Income	34,606	24,471	59,077
Other Income	41,324	47,038	88,362
Interest Expense	(357,429)	-	(357,429)
	(281,499)	71,509	(209,990)
Income (Loss) Before Transfers	(762,809)	(581,562)	(1,344,371)
Transfers In	-	3,419,425	3,419,425
Transfers Out	(3,419,425)	-	(3,419,425)
	(3,419,425)	3,419,425	-
Change in Net Position	(4,182,234)	2,837,863	(1,344,371)
Net Position - Beginning	23,684,391	(10,617)	23,673,774
Net Position - Ending	19,502,157	2,827,246	22,329,403

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Water - Enterprise Fund - by Account**

**Combining Schedule of Cash Flows  
For the Fiscal Year Ended April 30, 2018**

	Water Account	Water Improvement Account	Totals
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers and Users	\$ 4,572,609	43,221	4,615,830
Payments to Employees	(665,605)	-	(665,605)
Payments to Suppliers	(2,460,234)	(570,633)	(3,030,867)
	<u>1,446,770</u>	<u>(527,412)</u>	<u>919,358</u>
<b>Cash Flows from Non-Capital Financing Activities</b>			
Transfers In	-	3,419,425	3,419,425
Transfers Out	(3,419,425)	-	(3,419,425)
	<u>(3,419,425)</u>	<u>3,419,425</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of Capital Assets	(458,617)	-	(458,617)
Principal Paid on Debt	(861,537)	-	(861,537)
Issuance of Bond Principal	3,515,898	-	3,515,898
Interest Paid on Debt	(357,429)	-	(357,429)
	<u>1,838,315</u>	<u>-</u>	<u>1,838,315</u>
<b>Cash Flows from Investing Activities</b>			
Investment Income	<u>34,606</u>	<u>24,471</u>	<u>59,077</u>
Net Change in Cash and Cash Equivalents	(99,734)	2,916,484	2,816,750
Cash and Cash Equivalents - Beginning	<u>2,934,890</u>	<u>8,296</u>	<u>2,943,186</u>
Cash and Cash Equivalents - Ending	<u>2,835,156</u>	<u>2,924,780</u>	<u>5,759,936</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.</b>			
Operating Income (Loss)	(481,310)	(653,071)	(1,134,381)
<b>Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:</b>			
Depreciation and Amortization Expense	1,884,805	-	1,884,805
Other Income	41,324	47,038	88,362
Other Expense - IMRF	(34,193)	-	(34,193)
(Increase) Decrease in Current Assets	(201,354)	(3,817)	(205,171)
Increase (Decrease) in Current Liabilities	237,498	82,438	319,936
Net Cash Provided by Operating Activities	<u>1,446,770</u>	<u>(527,412)</u>	<u>919,358</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, 2018**

	Original and Final Budget	Actual
<b>Operating Revenues</b>		
Charges for Services		
Water Sales	\$ 3,792,651	3,488,990
Late Charges	129,551	135,064
Water Service Charges	352,742	353,714
Delinquent Fees	50,000	65,850
Sewer Maintenance Charges	150,864	151,624
BH Infrastructure Fee	508,860	509,677
Fox Metro Reading Fee	27,705	27,720
Total Operating Revenues	<u>5,012,373</u>	<u>4,732,639</u>
<b>Operating Expenses</b>		
Operations		
Water Administration	1,064,146	191,249
Water Plant Operations	3,627,180	3,137,895
Depreciation and Amortization	-	1,884,805
Total Operating Expenses	<u>4,691,326</u>	<u>5,213,949</u>
<b>Operating Income (Loss)</b>	<u>321,047</u>	<u>(481,310)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Investment Income	30,000	34,606
Other Income	1,250	41,324
Interest Expense	(286,425)	(357,429)
	<u>(255,175)</u>	<u>(281,499)</u>
<b>Income (Loss) Before Transfers</b>	<u>65,872</u>	<u>(762,809)</u>
<b>Transfers Out</b>	<u>(137,250)</u>	<u>(3,419,425)</u>
<b>Change in Net Position</b>	<u>(71,378)</u>	<u>(4,182,234)</u>
<b>Net Position - Beginning</b>	<u>23,684,391</u>	
<b>Net Position - Ending</b>		<u>19,502,157</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Water Account - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended April 30, 2018**

	Original and Final Budget	Actual
Water Administration		
Personal Services	\$ 137,163	140,190
Contractual Services	58,696	45,421
Commodities	6,750	5,638
Debt Service		
Principal Payment	861,537	-
Interest Payment and Fiscal Agent Fees	<u>286,425</u>	<u>357,429</u>
	<u>1,350,571</u>	<u>548,678</u>
Less Nonoperating Items		
Debt Service	<u>(286,425)</u>	<u>(357,429)</u>
Total Water Administration	<u>1,064,146</u>	<u>191,249</u>
Water Plant Operations		
Personal Services	738,013	743,378
Contractual Services	2,618,967	2,077,926
Commodities	<u>270,200</u>	<u>316,591</u>
Total Water Plant Operations	<u>3,627,180</u>	<u>3,137,895</u>
Depreciation and Amortization	<u>-</u>	<u>1,884,805</u>
Total Operating Expenses	<u>4,691,326</u>	<u>5,213,949</u>

**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, 2018**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ -	-
Operating Expenses		
Operations	<u>3,702,250</u>	<u>653,071</u>
Operating Income (Loss)	<u>(3,702,250)</u>	<u>(653,071)</u>
Nonoperating Revenues		
Debt Issuance	3,500,000	-
Investment Income	- 24,471	24,471
Connection Fees and Reimbursements	<u>65,000</u>	<u>47,038</u>
	<u>3,565,000</u>	<u>71,509</u>
Income (Loss) Before Transfers	(137,250)	(581,562)
Transfers In	<u>137,250</u>	<u>3,419,425</u>
Change in Net Position	<u>-</u>	<u>2,837,863</u>
Net Position - Beginning		<u>(10,617)</u>
Net Position - Ending		<u>2,827,246</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, 2018**

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	<b>Original and Final Budget</b>	<b>Actual</b>
Operating Revenues		
Charges for Services		
Refuse Removal	\$ 1,416,396	1,197,909
Operating Expenses		
Operations		
Solid Waste Disposal	<u>1,416,396</u>	<u>1,213,171</u>
Change in Net Position	<u>-</u>	(15,262)
Net Position - Beginning		<u>12,044</u>
Net Position - Ending		<u>(3,218)</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, 2018**

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	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 1,201,117	1,207,952
Operating Expenses		
Operations		
Insurance	<u>1,201,117</u>	<u>1,096,649</u>
Operating Income	-	111,303
Nonoperating Revenues		
Investment Earnings	<u>-</u>	<u>1,833</u>
Change in Net Position	<u>-</u>	113,136
Net Position - Beginning		<u>211,507</u>
Net Position - Ending		<u>324,643</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, 2018**

	Original and Final Budget	Actual
<b>Additions</b>		
Contributions - Employer	\$ 583,505	580,602
Contributions - Plan Members	222,170	223,418
Total Contributions	<u>805,675</u>	<u>804,020</u>
 Investment Income		
Investment Earnings	667,275	381,787
Net Change in Fair Value	-	107,965
	<u>667,275</u>	<u>489,752</u>
Less Investment Expenses	(19,065)	(23,011)
Net Investment Income	<u>648,210</u>	<u>466,741</u>
 Total Additions	<u>1,453,885</u>	<u>1,270,761</u>
 Deductions		
Administration	19,870	11,237
Benefits and Refunds	614,557	537,010
	<u>634,427</u>	<u>548,247</u>
 Change in Fiduciary Net Position	<u>819,458</u>	<u>722,514</u>
 Net Position Restricted for Pensions		
Beginning	<u>9,114,688</u>	
Ending	<u>9,837,202</u>	

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Agency Funds**

**Combining Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended April 30, 2018**

	<u>Beginning Balances</u>			<u>Ending Balances</u>
		<u>Additions</u>	<u>Deductions</u>	
<b>ALL FUNDS</b>				
<b>ASSETS</b>				
Cash and Investments	<u>\$ 3,189,337</u>	<u>9,815,807</u>	<u>10,959,344</u>	<u>2,045,800</u>
<b>LIABILITIES</b>				
Deposits Payable	369,826	19,006	27,560	361,272
Due to Others	(439)	(2,665)	1,123	(4,227)
Due to Bondholders	<u>2,819,950</u>	<u>9,799,466</u>	<u>10,930,661</u>	<u>1,688,755</u>
Total Liabilities	<u>3,189,337</u>	<u>9,815,807</u>	<u>10,959,344</u>	<u>2,045,800</u>
<b>TALMA STREET SPECIAL SERVICE AREA</b>				
<b>ASSETS</b>				
Cash and Investments	<u>1,123</u>	<u>-</u>	<u>1,123</u>	<u>-</u>
<b>LIABILITIES</b>				
Due to Others	<u>1,123</u>	<u>-</u>	<u>1,123</u>	<u>-</u>

	Beginning Balances	Additions	Deductions	Ending Balances
<b>ESCROW</b>				
<b>ASSETS</b>				
Cash and Investments				
	\$ 342,266	19,006	-	361,272
<b>LIABILITIES</b>				
Deposits Payable				
	342,266	19,006	-	361,272
<b>FLEXIBLE BENEFITS</b>				
<b>ASSETS</b>				
Cash and Investments				
	(1,562)	(2,665)	-	(4,227)
<b>LIABILITIES</b>				
Due to Others				
	(1,562)	(2,665)	-	(4,227)

## VILLAGE OF MONTGOMERY, ILLINOIS

### Agency Funds

#### Combining Statement of Changes in Assets and Liabilities - Continued For the Fiscal Year Ended April 30, 2018

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	Beginning Balances	Additions	Deductions	Ending Balances
<b>LAKEWOOD CREEK SPECIAL ASSESSMENT</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 2,816,008	9,795,532	10,926,727	1,684,813
<b>LIABILITIES</b>				
Due to Bondholders	2,816,008	9,795,532	10,926,727	1,684,813
<b>CORNELL SPECIAL SERVICE AREA</b>				
<b>ASSETS</b>				
Cash and Investments	3,942	3,934	3,934	3,942
<b>LIABILITIES</b>				
Due to Bondholders	3,942	3,934	3,934	3,942

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	Beginning Balances	Additions	Deductions	Ending Balances
<b>TEMPORARY CO</b>				
<b>ASSETS</b>				
Cash and Investments				
	\$ 27,560	-	27,560	-
<b>LIABILITIES</b>				
Deposits Payable				
	27,560	-	27,560	-

## **SUPPLEMENTAL SCHEDULES**

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Long-Term Debt Requirements**

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

**April 30, 2018**

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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	Bank of America

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

Fiscal Year	Principal	Interest	Totals
2019	\$ 365,000	14,418	<u>379,418</u>

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

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

April 30, 2018

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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	Amalgamated Bank

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

Fiscal Year	Principal	Interest	Totals
2019	\$ 1,000,000	100,000	1,100,000
2020	1,000,000	50,000	1,050,000
	2,000,000	150,000	2,150,000

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

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

April 30, 2018

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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	Amalgamated Bank

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

Fiscal Year	Principal	Interest	Totals
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>2,865,000</u>	<hr/> <u>333,363</u>	<hr/> <u>3,198,363</u>

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

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

April 30, 2018

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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	Amalgamated Bank

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

Fiscal Year	Principal	Interest	Totals
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
	4,090,000	1,991,100	6,081,100

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

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

April 30, 2018

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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	Amalgamated Bank

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

Fiscal Year	Principal	Interest	Totals
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>547,540</u>	<u>3,882,540</u>

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

#### General Obligation Alternate Revenue Source Bonds of 2017

April 30, 2018

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Date of Issue	July 18, 2017
Date of Maturity	December 1, 2037
Authorized Issue	\$3,370,000
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	Amalgamated Bank

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

Fiscal Year	Principal	Interest	Totals
2019	\$ -	151,923	151,923
2020	135,000	110,936	245,936
2021	140,000	106,886	246,886
2022	140,000	102,686	242,686
2023	145,000	98,486	243,486
2024	150,000	94,138	244,138
2025	155,000	89,638	244,638
2026	160,000	84,988	244,988
2027	165,000	80,188	245,188
2028	170,000	75,238	245,238
2029	175,000	70,138	245,138
2030	180,000	64,888	244,888
2031	185,000	59,488	244,488
2032	190,000	53,938	243,938
2033	195,000	48,238	243,238
2034	200,000	41,900	241,900
2035	210,000	35,400	245,400
2036	215,000	27,000	242,000
2037	225,000	18,400	243,400
2038	235,000	9,400	244,400
	<hr/> <hr/> 3,370,000	<hr/> <hr/> 1,423,897	<hr/> <hr/> 4,793,897

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

#### IEPA Loan Payable of 2002

April 30, 2018

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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
2019	\$ 65,922	8,868	74,790
2020	67,698	7,092	74,790
2021	69,521	5,269	74,790
2022	71,393	3,397	74,790
2023	73,317	1,473	74,790
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	347,851	26,099	373,950
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>

## **VILLAGE OF MONTGOMERY, ILLINOIS**

## Long-Term Debt Requirements

## **IEPA Loan Payable of 2011**

**April 30, 2018**

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
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
	3,212,981	299,339	3,512,320

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

#### IEPA Loan Payable of 2014

April 30, 2018

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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	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
2019	\$ 110,763	43,689	154,452
2020	112,983	41,468	154,451
2021	115,248	39,203	154,451
2022	117,559	36,892	154,451
2023	119,915	34,536	154,451
2024	122,319	32,132	154,451
2025	124,773	29,678	154,451
2026	127,274	27,177	154,451
2027	129,826	24,625	154,451
2028	132,429	22,022	154,451
2029	135,084	19,367	154,451
2030	137,792	16,659	154,451
2031	140,555	13,896	154,451
2032	143,373	11,078	154,451
2033	146,248	8,203	154,451
2034	149,180	5,271	154,451
2035	152,166	2,281	154,447
	<u>2,217,487</u>	<u>408,177</u>	<u>2,625,664</u>

## **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, 2018 (Unaudited)**

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**See Following Page**

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years**  
**April 30, 2018 (Unaudited)**

	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Governmental Activities</b>			
Net Investment in			
Capital Assets	\$ 36,431,647	41,540,031	45,586,500
Restricted	2,580,672	3,055,679	3,226,346
Unrestricted	(499,811)	433,352	2,190,183
	<u>38,512,508</u>	<u>45,029,062</u>	<u>51,003,029</u>
<b>Business-Type Activities</b>			
Net Investment in			
Capital Assets	24,102,567	25,878,294	26,651,346
Unrestricted	637,045	1,244,447	1,865,399
	<u>24,739,612</u>	<u>27,122,741</u>	<u>28,516,745</u>
<b>Total Net Position</b>			
Net Investment in			
Capital Assets	60,534,214	67,418,325	72,237,846
Restricted	2,580,672	3,055,679	3,226,346
Unrestricted	137,234	1,677,799	4,055,582
	<u>63,252,120</u>	<u>72,151,803</u>	<u>79,519,774</u>

Data Source: Audited Financial Statements

2012	2013	2014	2015	2016	2017	2018
47,292,952	51,636,819	50,229,557	48,714,620	46,661,769	45,991,729	44,692,893
3,313,822	3,379,946	3,332,376	3,094,319	3,113,629	3,287,972	2,907,601
2,419,305	2,487,065	3,083,037	3,583,910	249,053	1,114,002	1,456,249
<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>50,393,703</b>	<b>49,056,743</b>
27,255,898	28,096,145	26,974,755	25,650,151	20,879,292	20,383,154	19,146,577
1,842,862	2,183,680	2,224,460	2,596,797	2,957,829	3,302,664	3,179,608
<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>23,685,818</b>	<b>22,326,185</b>
74,548,850	79,732,964	77,204,312	74,364,771	67,541,061	66,374,883	63,839,470
3,313,822	3,379,946	3,332,376	3,094,319	3,113,629	3,287,972	2,907,601
4,262,167	4,670,745	5,307,497	6,180,707	3,206,882	4,416,666	4,635,857
<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>	<b>74,079,521</b>	<b>71,382,928</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Changes in Net Position - Last Ten Fiscal Years**  
**April 30, 2018 (Unaudited)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 3,417,096	3,540,980	3,077,769	3,283,476	3,089,899	3,215,504	3,543,827	4,000,986	4,244,641	4,116,922
Public Safety	3,943,129	4,144,033	4,127,345	4,581,789	5,048,569	5,001,049	4,948,830	5,805,768	5,678,585	6,129,886
Highways and Streets	2,694,913	2,724,614	3,610,159	3,175,332	3,818,065	4,608,540	4,376,423	5,085,800	5,719,404	7,466,762
Sanitation *	889,190	997,054	1,030,129	1,062,656	1,159,173	1,265,497	64,954	-	-	-
Interest	633,176	639,111	537,769	502,037	496,752	466,594	358,069	344,003	318,881	296,284
<b>Total Governmental Activities Expenses</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>15,961,511</b>	<b>18,009,854</b>
<b>Business-Type Activities</b>										
<b>Waterworks</b>	3,807,890	3,813,368	4,108,643	5,134,321	5,097,758	5,235,850	5,528,881	5,507,018	5,864,400	6,224,449
<b>Refuse *</b>	-	-	-	-	-	-	1,235,387	1,293,243	1,332,282	1,213,171
<b>Total Business-Type Activities Net Position</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>7,196,682</b>	<b>7,437,620</b>
<b>Total Primary Government Expenses</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>23,158,193</b>	<b>25,447,474</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services										
General Government	887,648	791,624	1,343,545	520,260	479,102	749,477	560,053	747,280	864,196	922,672
Public Safety	548,645	634,341	764,147	837,875	737,683	478,482	314,769	509,588	271,302	235,286
Highways and Streets	59,138	75,614	168,046	74,715	281,136	607,452	648,251	713,056	621,374	640,824
Sanitation	872,656	975,454	1,004,889	1,050,053	1,133,823	1,190,325	7,852	-	-	-
Operating Grants/Contributions	488,826	476,945	1,413,932	620,940	601,387	605,838	673,299	1,319,509	681,547	655,684
Capital Grants/Contributions	5,656,409	7,463,786	5,640,911	3,154,115	5,634,735	195,711	6,783	-	403,637	-
Total Governmental Activities										
Program Revenue	8,513,322	10,417,764	10,335,470	6,257,958	8,867,866	3,827,285	2,211,007	3,289,433	2,842,056	2,454,466
<b>Business-Type Activities</b>										
Charges for Services	2,815,318	3,234,104	3,532,425	3,614,159	4,008,166	4,114,506	5,689,543	5,864,368	6,205,808	5,930,548
Capital Grants/Contributions	1,623,918	2,881,397	1,919,667	2,025,506	2,268,670	39,361	117,713	-	587,125	-
<b>Total Business-Type Activities</b>										
Program Revenue	4,439,236	6,115,501	5,452,092	5,639,665	6,276,836	4,153,867	5,807,256	5,864,368	6,792,933	5,930,548
<b>Total Primary Government</b>										
Program Revenue	12,952,558	16,533,265	15,787,562	11,897,623	15,144,702	7,981,152	8,018,263	9,153,801	9,634,989	8,385,014

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense) Revenue										
Governmental Activities	\$ (3,064,182)	(1,628,028)	(2,047,701)	(6,347,332)	(4,744,592)	(10,729,899)	(11,081,096)	(11,947,124)	(13,119,455)	(15,555,388)
Business-Type Activities	631,346	2,302,133	1,343,449	505,344	1,179,078	(1,081,983)	(957,012)	(935,893)	(403,749)	(1,507,072)
<b>Total Net Revenue (Expense)</b>	<b>(2,432,836)</b>	<b>674,105</b>	<b>(704,252)</b>	<b>(5,841,988)</b>	<b>(3,565,514)</b>	<b>(11,811,882)</b>	<b>(12,038,108)</b>	<b>(12,883,017)</b>	<b>(13,523,204)</b>	<b>(17,062,460)</b>

General Revenues and Other Changes in Net Position  
Governmental Activities

Taxes										
Property Taxes	2,107,824	2,538,391	2,131,202	2,258,978	2,570,184	2,607,364	2,650,814	2,681,695	2,833,737	2,811,662
Utility Taxes	1,501,852	1,365,252	1,429,762	2,684,106	1,301,361	1,391,352	1,324,307	1,256,073	1,330,011	1,248,464
Video Gaming Taxes	-	-	-	-	-	17,477	48,392	60,261	69,783	110,129
Intergovernmental - Unrestricted										
Sales Taxes	2,539,423	2,434,337	2,590,760	1,489,230	2,690,164	2,851,053	3,169,321	5,967,427	6,565,069	7,141,902
Income Taxes	1,454,677	1,355,129	1,330,267	264,029	1,661,642	1,796,712	1,805,718	1,964,982	1,742,849	1,677,747
Replacement Taxes	63,422	55,407	66,756	57,776	56,957	76,855	66,610	56,272	68,467	64,221
Local Use Taxes	238,046	206,509	250,488	1,350,780	303,898	316,541	370,691	436,512	456,796	487,302
Franchise Fees	141,767	158,204	178,225	186,217	229,121	218,343	237,577	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-
Investment Income	55,770	22,633	61,751	66,329	42,991	16,143	25,919	44,614	44,830	112,229
Miscellaneous	38,165	23,636	11,030	12,937	366,025	269,258	129,626	288,798	377,165	317,649
<b>Total Governmental Activities</b>	<b>8,140,946</b>	<b>8,159,498</b>	<b>8,050,241</b>	<b>8,370,382</b>	<b>9,222,343</b>	<b>9,561,098</b>	<b>9,828,975</b>	<b>12,756,624</b>	<b>13,488,707</b>	<b>13,971,305</b>
Business-Type Activities										
Investment Income	29,946	6,130	2,797	891	1,987	1,373	4,745	19,148	24,775	59,077
Miscellaneous	55,606	74,866	47,758	75,780	-	-	-	71,058	227,671	88,362
<b>Total Business-Type Activities</b>	<b>85,552</b>	<b>80,996</b>	<b>50,555</b>	<b>76,671</b>	<b>1,987</b>	<b>1,373</b>	<b>4,745</b>	<b>90,206</b>	<b>252,446</b>	<b>147,439</b>
<b>Total Primary Government</b>	<b>8,226,498</b>	<b>8,240,494</b>	<b>8,100,796</b>	<b>8,447,053</b>	<b>9,224,330</b>	<b>9,562,471</b>	<b>9,833,720</b>	<b>12,846,840</b>	<b>13,741,153</b>	<b>14,118,744</b>
Changes in Net Position										
Governmental Activities	5,076,764	6,531,470	6,002,540	2,023,050	4,477,751	(1,168,801)	(1,252,121)	809,510	369,252	(1,584,083)
Business-Type Activities	716,898	2,383,129	1,394,004	582,015	1,181,065	(1,080,610)	(952,267)	(845,687)	(151,303)	(1,359,633)
<b>Total Primary Government</b>	<b>5,793,662</b>	<b>8,914,599</b>	<b>7,396,544</b>	<b>2,605,065</b>	<b>5,658,816</b>	<b>(2,249,411)</b>	<b>(2,204,388)</b>	<b>(36,177)</b>	<b>217,949</b>	<b>(2,943,716)</b>

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, 2018 (Unaudited)**

	2009	2010	2011
<b>General Fund</b>			
Reserved	\$ 701,124	691,533	-
Unreserved	769,038	1,338,650	-
Nonspendable	-	-	691,533
Unassigned	-	-	2,124,288
<b>Total General Fund</b>	<b>1,470,162</b>	<b>2,030,183</b>	<b>2,815,821</b>
<b>All Other Governmental Funds</b>			
Reserved	2,580,672	3,055,679	-
Unreserved, Reported in:			
Special Revenues Funds	(24,412)	(6,226)	-
Capital Projects Funds	(1,238,112)	(744,263)	-
Restricted	-	-	3,226,346
Assigned	-	-	165,254
Unassigned	-	-	(59,236)
<b>Total All Other Governmental Funds</b>	<b>2,788,310</b>	<b>4,335,373</b>	<b>6,148,185</b>
<b>Total Governmental Funds</b>	<b>4,258,472</b>	<b>6,365,556</b>	<b>8,964,006</b>

Data Source: Audited Financial Statements

Note: The Village implemented GASB No. 54 at April 30, 2011.

2012	2013	2014	2015	2016	2017	2018
-	-	-	-	-	-	-
-	-	-	-	-	-	-
691,533	691,533	754,783	686,895	617,742	549,233	481,703
2,484,493	2,860,573	2,799,352	2,972,861	3,394,156	3,488,826	3,625,645
<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>	<b>4,038,059</b>	<b>4,107,348</b>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,226,351	3,379,946	3,332,376	3,094,319	3,169,718	3,338,172	2,958,801
165,255	56,089	388,966	585,659	2,221,199	3,193,606	3,546,705
(59,234)	(565,377)	(360,486)	(129,852)	(30,090)	-	-
<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>6,531,778</b>	<b>6,505,506</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>	<b>10,569,837</b>	<b>10,612,854</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years**  
**April 30, 2018 (Unaudited)**

	2009	2010	2011
<b>Revenues</b>			
Property Taxes	\$ 2,107,824	2,538,391	2,131,202
Other Taxes	6,240,493	5,871,837	6,198,356
State Shared Income Taxes	-	-	-
Licenses and Permits	347,605	348,071	337,455
Charges for Services	3,406,271	2,318,607	2,658,910
Intergovernmental	123,206	199,193	908,238
Fines and Forfeits	239,539	327,227	333,126
Investment Income	55,770	22,633	61,751
Developer Contributions	-	148,541	-
Contributions from Property Owners	17,500	423	1,208
Miscellaneous	170,688	219,131	145,315
<b>Total Revenues</b>	<b>12,708,896</b>	<b>11,994,054</b>	<b>12,775,561</b>
<b>Expenditures</b>			
General Government	3,185,821	2,744,480	2,665,677
Public Safety	3,389,865	3,532,943	3,449,377
Highways and Streets	1,640,752	1,403,559	2,259,801
Sanitation **	889,190	997,054	1,030,129
Capital Outlay	5,540,861	485,739	501,212
Debt Service			
Principal	580,000	610,000	740,000
Interest and Fiscal Charges	609,961	658,300	599,438
<b>Total Expenditures</b>	<b>15,836,450</b>	<b>10,432,075</b>	<b>11,245,634</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,127,554)</b>	<b>1,561,979</b>	<b>1,529,927</b>
<b>Other Financing Sources (Uses)</b>			
Transfer In	1,218,711	1,595,763	1,443,300
Transfer (Out)	(1,218,711)	(1,595,763)	(1,443,300)
Capital Lease Issuance	-	-	-
Bonds Issued	2,000,000	-	7,375,000
Premium on Bonds Issued	138,290	-	339,600
Payment to Escrow	-	-	(7,599,986)
Disposal of Capital Assets	-	-	196,844
	<b>2,138,290</b>	<b>-</b>	<b>311,458</b>
<b>Net Change in Fund Balances</b>	<b>(989,264)</b>	<b>1,561,979</b>	<b>1,841,385</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>11.18%</b>	<b>12.45%</b>	<b>12.31%</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.

2012	2013*	2014	2015	2016	2017	2018
2,258,978	2,570,184	2,607,364	2,650,814	2,681,695	2,833,737	2,811,662
6,342,355	4,838,011	5,231,904	5,628,806	1,316,334	1,399,794	1,358,593
-	1,661,642	1,796,712	1,805,718	8,425,193	9,349,990	9,890,382
337,287	331,004	401,960	394,959	447,653	525,473	427,199
1,771,386	1,890,891	2,293,343	944,616	1,158,907	1,016,400	1,044,839
147,133	127,585	214,355	24,742	1,319,509	164,738	152,259
416,324	435,958	301,446	308,703	341,152	255,857	216,061
66,329	42,991	16,143	25,919	44,614	44,824	110,396
-	-	-	-	-	-	-
-	-	-	-	-	-	-
147,006	316,079	738,124	249,051	288,798	377,165	301,244
<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>	<b>15,967,978</b>	<b>16,312,635</b>
2,939,574	2,475,369	2,674,004	2,908,916	3,099,920	3,621,280	3,582,411
3,961,199	4,533,205	4,342,408	4,329,070	4,434,450	4,837,851	5,279,814
1,802,261	2,350,369	3,012,767	2,891,627	3,678,986	4,129,972	5,577,214
1,062,656	1,159,173	1,265,497	64,954	-	-	-
53,213	117,786	483,766	471,361	1,368,627	1,251,522	1,129,429
915,000	1,080,000	1,297,966	738,396	828,071	755,000	810,000
561,575	435,339	474,225	340,767	364,061	334,965	312,015
<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>14,930,590</b>	<b>16,690,883</b>
<b>191,320</b>	<b>63,104</b>	<b>50,718</b>	<b>288,237</b>	<b>2,249,740</b>	<b>1,037,388</b>	<b>(378,248)</b>
1,584,100	1,612,150	1,681,117	968,253	1,492,113	1,084,076	1,162,439
(1,584,100)	(1,612,150)	(1,681,117)	(968,253)	(1,492,113)	(1,084,076)	(1,162,439)
-	-	309,433	-	-	-	-
4,410,000	-	3,335,000	-	-	-	-
2,857	-	21,989	-	-	-	-
(4,412,857)	-	(3,289,345)	-	-	-	-
9,853	10,302	31,176	6,654	68,650	159,724	174,142
9,853	10,302	408,253	6,654	68,650	159,724	174,142
<b>201,173</b>	<b>73,406</b>	<b>458,971</b>	<b>294,891</b>	<b>2,318,390</b>	<b>1,197,112</b>	<b>(204,106)</b>
<b>13.21%</b>	<b>12.81%</b>	<b>13.65%</b>	<b>9.54%</b>	<b>9.44%</b>	<b>7.86%</b>	<b>7.06%</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years**  
**April 30, 2018 (Unaudited)**

Tax Levy Year		Residential Property	Commercial Property	Industrial Property
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
2016	Kane County	108,576,163	16,100,280	44,028,747
	Kendall County	198,500,016	32,069,048	2,773,279
2017	Kane County	116,542,473	16,680,893	42,863,804
	Kendall County	210,473,440	32,512,305	2,773,279

Data Source: Village and County Records

Railroad Property	Farm Property	Total Equalized Assessed Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Actual Value	Direct Tax Rate
\$ 600,802 10,056	\$ 459,791 126,025	\$ 232,064,445 276,253,159 508,317,604	\$ 696,262,961 828,842,361 1,525,105,322	33.33%	\$ 0.0487 0.3634
719,732 10,056	502,703 103,780	226,916,681 285,192,754 512,109,435	680,818,125 855,663,828 1,536,481,953	33.33%	0.0543 0.3664
761,544 10,056	537,493 142,280	212,767,415 257,479,363 470,246,778	638,366,082 772,515,341 1,410,881,423	33.33%	0.0621 0.4156
907,720 10,056	553,817 128,645	184,446,322 236,805,475 421,251,797	553,394,305 710,487,474 1,263,881,779	33.33%	0.0580 0.4746
970,041 10,056	424,227 139,612	170,168,109 218,042,760 388,210,869	510,555,383 654,193,699 1,164,749,082	33.33%	0.0606 0.5305
1,054,188 10,056	409,843 189,690	155,206,856 207,673,690 362,880,546	465,667,135 623,083,378 1,088,750,513	33.33%	0.5726 0.5824
1,062,546 10,056	415,211 208,290	152,460,509 206,023,906 358,484,415	457,381,527 618,071,718 1,075,453,245	33.33%	0.5989 0.5937
1,114,199 10,056	440,268 227,910	158,678,413 211,690,327 370,368,740	476,035,239 635,070,981 1,111,106,220	33.33%	0.5883 0.5804
1,263,415 10,056	469,149 239,540	170,437,754 233,591,939 404,029,693	511,313,262 700,775,817 1,212,089,079	33.33%	0.5387 0.5391
1,408,869 10,056	424,682 198,652	177,920,721 245,967,732 423,888,453	533,762,163 737,903,196 1,271,665,359	33.33%	0.5136 0.5125

## VILLAGE OF MONTGOMERY, ILLINOIS

### Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years April 30, 2018 (Unaudited)

	2008	2009	2010
Village of Montgomery			
General Corporate	\$ 0.1927	0.1883	0.1999
IMRF	0.0345	0.0390	0.0461
Liability Insurance	0.0394	0.0458	0.0461
Social Security	0.0493	0.0487	0.0543
Police Pension	0.0473	0.0468	0.0691
Police Protection	-	-	-
Prior Year Adjustment	(0.0040)	-	-
 Total Direct Tax Rates	 0.3592	 0.3686	 0.4155
Overlapping			
Kane County	0.3428	0.3398	0.3730
Kane County Forest Preserve District	0.1932	0.1997	0.2201
Kendall County	-	-	-
Kendall County Forest Preserve District	-	-	-
Aurora Township	0.1450	0.1486	0.1664
Aurora Township Road District	0.0691	0.0703	0.0764
Oswego Township	-	-	-
Oswego Township Road District	-	-	-
Montgomery Fire Protection District	0.6015	0.6207	0.6769
Oswego Fire Protection District	-	-	-
Oswego Library District	0.2002	0.2018	0.2207
Fox Valley Park District	0.4014	0.4122	0.4803
Oswegoland Park District	-	-	-
Unit School District Number 129	4.1724	4.1835	4.2740
Unit School District Number 308	-	-	-
Community College District Number 516	0.4322	0.4043	0.4070
 Total Overlapping Tax Rates	 6.5578	 6.5809	 6.8948
 Total All Rates (Representative)	 7.2758	 6.9495	 7.3103

#### 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 2008 to 2013 and 2017 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 2016 EAV

Data Source: Offices of the Kane County and Kendall County Clerks

2011	2012	2013	2014	2015	2016	2017
0.2283	0.2459	0.2573	0.2667	0.2607	0.1384	0.1376
0.0527	0.0580	0.0606	0.0629	0.0615	0.0571	0.0542
0.0527	0.0682	0.0714	0.0740	0.0724	0.0733	0.0696
0.0621	0.0580	0.0606	0.0629	0.0615	0.0593	0.0563
0.0789	0.1104	0.1227	0.1272	0.1243	0.1451	0.1315
-	-	-	-	-	0.0659	0.0625
-	-	-	-	-	-	0.0019
<b>0.4747</b>	<b>0.5405</b>	<b>0.5726</b>	<b>0.5937</b>	<b>0.5804</b>	<b>0.5391</b>	<b>0.5136</b>
0.3990	0.4336	0.4623	-	-	-	0.4025
0.2609	0.2710	0.3039	-	-	-	0.1658
-	-	-	0.8085	0.7909	0.7477	-
-	-	-	0.1826	0.1787	0.1755	-
0.1882	0.2162	0.2517	-	-	-	0.2163
0.0860	0.0978	0.1104	-	-	-	0.0961
-	-	-	0.0947	0.0904	0.0855	-
-	-	-	0.2124	0.2027	0.1917	-
0.7000	0.7000	0.8000	-	-	-	0.7460
-	-	-	0.8045	0.7871	0.7524	-
0.2453	0.2726	0.2999	0.3058	0.2996	0.2864	0.2816
0.5286	0.5863	0.6280	-	-	-	0.5322
-	-	-	0.5103	0.4973	0.4764	-
5.1603	5.8896	6.6667	-	-	-	5.9882
-	-	-	7.8803	7.3176	6.9712	-
0.4710	0.5312	0.5807	0.5973	0.5885	0.5601	0.5533
<b>8.0393</b>	<b>8.9983</b>	<b>10.1036</b>	<b>11.3964</b>	<b>10.7528</b>	<b>10.2469</b>	<b>8.9820</b>
<b>8.5140</b>	<b>9.5388</b>	<b>10.6762</b>	<b>11.9901</b>	<b>11.3332</b>	<b>10.7860</b>	<b>9.4956</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago**  
**April 30, 2018 (Unaudited)**

Taxpayer	Assessed Value	Rank	Value	2017 Tax Levy			2008 Tax Levy		
				Taxable Assessed	Percentage of Total Village Taxable Assessed	Taxpayer	Taxable Assessed	Percentage of Total Village Taxable Assessed	
United Facilities	\$ 10,563,170	1	2.49%	United Facilities	\$ 9,375,147	1	1.85%		
Wal-Mart Stores, Inc.	4,353,035	2	1.03%	Wal-Mart Stores, Inc.	\$ 8,309,181	2	1.64%		
Allsteel 900 Knell LLC	3,711,016	3	0.88%	2125 Rochester Property, LLC	5,288,025	3	1.04%		
American Crystal Sugar Comp.	3,499,122	4	0.83%	IP Eat Five	3,686,048	4	0.73%		
IP Eat Five	2,723,351	5	0.64%	Menards, Inc.	3,595,587	5	0.71%		
Stag Montgomery, LLC	2,709,745	6	0.64%	Monmouth Capital Corp.	2,914,332	6	0.57%		
Fox River Foods, Inc.	2,704,039	7	0.64%	Centerpoint Properties	2,891,968	7	0.57%		
Menards, Inc.	2,476,918	8	0.58%	2001 Baseline Road, LLC	2,844,009	8	0.56%		
Montgomery Investors LLC	2,250,730	9	0.53%	Freeport Farm & Fleet Inc.	2,172,563	9	0.43%		
Monmouth Capital Corp.	1,966,952	10	0.46%	North Star Trust Company	2,166,532	10	0.43%		
	<u><u>\$ 36,958,078</u></u>		<u><u>8.72%</u></u>						
2017 EAV	<u><u>\$ 423,888,453</u></u>			2008 EAV					

\$ 43,243,392

8.52%

\$ 507,509,920

Data Source: Kane and Kendall Counties Assessors (The 2017 EAV is the most current)

## VILLAGE OF MONTGOMERY, ILLINOIS

### Property Tax Levies and Collections - Last Ten Tax Levy Years April 30, 2018 (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
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%	12,511	2,140,955	100.45%
2015	2,136,891	2,131,871	99.77%	3,779	2,135,650	99.94%
2016	2,164,974	2,162,561	99.89%	(2,183)	2,160,378	99.79%
2017	2,174,319	*	*	*	*	*

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, 2018 (Unaudited)

	2008	2009	2010
General Merchandise	\$ 729,003	727,772	758,004
Food	194,116	175,861	156,322
Drinking and Eating Places	147,971	166,372	188,509
Apparel	72	-	-
Furniture & H.H. & Radio	28,375	14,894	16,054
Lumber, Building Hardware	323,201	282,213	265,305
Automobile and Filling Stations	429,644	259,857	301,975
Drugs and Miscellaneous Retail	250,920	277,069	301,107
Agriculture and All Others	331,207	329,266	380,789
Manufacturers	161,464	112,243	108,189
Censored (1)	<u>24,762</u>	<u>21,247</u>	<u>30,842</u>
Totals	<u>2,620,735</u>	<u>2,366,794</u>	<u>2,507,096</u>
Village Portion of State Sales Tax Rate	1.00%	1.00%	1.00%
Village Non-Home Rule Rate	-	-	-
Total	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>

#### 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

2011	2012	2013	2014	2015 (2)	2016	2017
624,501	751,216	731,581	884,321	1,489,844	1,190,970	1,237,033
172,562	186,712	179,076	161,385	245,183	1,048,995	1,208,296
166,753	177,489	174,763	171,217	327,968	450,668	501,084
4,210	14,541	14,019	15,067	24,467	32,781	37,558
17,684	2,374	22,547	9,446	33,435	28,547	29,595
293,067	337,541	381,898	424,927	652,700	878,745	883,918
427,877	371,747	439,511	416,930	526,431	677,443	742,106
287,564	299,006	329,801	354,712	449,040	578,138	728,736
375,008	376,804	385,633	360,361	927,918	1,066,314	1,050,707
131,142	138,385	170,761	208,833	330,015	509,575	550,425
150,838	24,506	8,346	18,700	12,132	14,538	23,887
<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>	<b>6,476,714</b>	<b>6,993,345</b>
1.00%	1.00%	1.00%	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>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>

## VILLAGE OF MONTGOMERY, ILLINOIS

### Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years April 30, 2018 (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%	0.75%	0.00%	7.00%
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%
2017	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%
2018	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, 2018 (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					
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	4.54%	1,191.33		
2017	9,101,691	-	5,069,944	6,159,856	20,331,491	3.96%	1,102.70		
2018	8,262,302	-	8,095,875	5,778,319	22,136,496	4.15%	1,200.59		

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, 2018 (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
2009	\$ 18,425,000	\$ -	\$ 18,425,000	\$ 226,916,681	8.12%	\$ 1,079.89
2010	17,570,000	-	17,570,000	212,767,415	8.26%	1,029.77
2011	16,500,000	33,063	16,466,937	184,446,322	8.93%	893.10
2012	15,360,000	33,063	15,326,937	170,168,109	9.01%	831.27
2013	14,299,209	56,089	14,243,120	155,206,856	9.18%	772.49
2014	17,768,194	59,033	17,709,161	152,460,509	11.62%	960.47
2015	16,651,327	56,089	16,595,238	158,678,413	10.46%	900.06
2016	15,431,229	-	15,431,229	170,437,754	9.05%	836.93
2017	14,171,635	-	14,171,635	177,920,721	7.97%	768.61
2018	16,358,177	-	16,358,177	423,888,453	3.86%	887.20

Data Source: Village Records

#### Notes:

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, 2018 (Unaudited)**

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village	Village's Share of Debt
Village of Montgomery	\$ 16,358,177	100.000 %	\$ 16,358,177
Less: Self-Supported Debt	(16,358,177)	100.000 %	(16,358,177)
Net Direct Bonded Debt	-		-
<b>School Districts:</b>			
School District #115	65,129,215	7.771 %	5,061,191
School District #129	142,803,000	4.374 %	6,246,203
School District #131	120,244,721	4.188 %	5,035,849
School District #302	83,459,430	4.379 %	3,654,688
School District #308	309,466,053	10.926 %	33,812,261
Community College District #516	82,893,975	4.368 %	3,620,809
Total School Districts	803,996,394		57,431,002
<b>Other Agencies:</b>			
Kane County	88,525,000	1.155 %	1,022,464
Kendall County	27,855,000	8.085 %	2,252,077
Kane County Forest Preserve District	154,575,000	1.155 %	1,785,341
Kendall County Forest Preserve District	38,635,000	8.085 %	3,123,640
Fox Valley Park District	34,385,000	8.108 %	2,787,936
Oswegoland Park District	7,215,000	4.171 %	300,938
Oswego Library District	6,320,000	19.954 %	1,261,093
Sugar Grove Library District	3,905,000	12.702 %	496,013
Total Other Agencies	361,415,000		13,029,501
<b>Total Overlapping Debt</b>	<b>1,165,411,394</b>		<b>70,460,503</b>
<b>Total Direct and Overlapping Debt</b>	<b>1,165,411,394</b>		<b>70,460,503</b>

Data Source: Kane and Kendall Clerks

Note: Overlapping and bonded debt percentages based on 2017 EAV, the most current available.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Schedule of Legal Debt Margin - Last Ten Fiscal Years**  
**April 30, 2018 (Unaudited)**

	2009	2010	2011	2012
Assessed Value of Property	\$ 512,109,435	470,246,778	421,251,797	388,210,869
Debt Limit				
8.625% of Assessed Value	44,169,439	44,192,914	36,332,967	33,483,187
Total Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	44,169,439	44,192,914	36,332,967	33,483,187
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.000%	0.000%	0.000%	0.000%

Data Source: Audited Financial Statements

2013	2014	2015	2016	2017	2018
<u>362,880,546</u>	<u>358,484,415</u>	<u>370,368,740</u>	<u>368,483,500</u>	<u>401,706,662</u>	<u>423,888,453</u>
31,298,447	30,919,281	31,944,304	31,781,702	34,647,200	36,560,379
-	-	-	-	-	-
<u>31,298,447</u>	<u>30,919,281</u>	<u>31,944,304</u>	<u>31,781,702</u>	<u>34,647,200</u>	<u>36,560,379</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, 2018 (Unaudited)**

Fiscal Year	General Obligation Aleternate Revenue Source Bonds and IEPA Loans						
	Water Charges and Other	Less: Operating Expenses (1)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest		
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
2017	4,871,852	3,690,643	1,181,209	834,582	301,039		1.0401
2018	4,732,639	3,982,215	750,424	861,537	357,429		0.6156

Data Source: Village Records

(1) Total expenses exclusive of depreciation and bond interest.

## VILLAGE OF MONTGOMERY, ILLINOIS

### Demographic and Economic Statistics - Last Ten Calendar Years April 30, 2018 (Unaudited)

Calendar Year	Population	Personal Income (in Thousands)	Per Capita Personal Income (1)	Unemployment Rate (2)
2009	17,062	\$ 414,862,530	\$ 24,315	10.30%
2010	17,062	414,862,530	24,315	10.55%
2011	18,438	448,319,970	24,315	9.55%
2012	18,438	448,319,970	25,371	8.65%
2013	18,438	477,212,316	25,882	8.55%
2014	18,438	477,783,894	25,913	6.65%
2015	18,438	483,296,856	26,212	5.50%
2016	18,438	481,342,428	26,106	5.30%
2017	18,438	512,816,094	27,813	4.60%
2018 (3)	18,438	533,171,646	28,917	3.50%

Data Source:

- (1) US Census Bureau, 2012-2016 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 2018

## VILLAGE OF MONTGOMERY, ILLINOIS

### Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago April 30, 2018 (Unaudited)

Employer	2018			2009		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Caterpillar, Inc.	2,000	1	10.85%			
Perfomanace Food Service	379	2	2.06%			
VVF Illinois Services	357	3	1.94%			
Eby-Brown Co., LLC	329	4	1.78%	400	1	2.34%
Wal-Mart	250	5	1.36%			
Aurora Bearing Co.	246	6	1.33%	250	5	1.47%
Hormann, LLC	200	7	1.09%			
Sam's Club	170	8	0.92%			
Aurora Metals Divisions, LLC	137	9	0.74%			
International Paper	125	10	0.68%			
Lyon Workspace Prodcuts, LLC				400	1	2.34%
The Dial Corporation				400	1	2.34%
Fox River Foods, Inc.				340	4	1.99%
Hermann Gadco, LLC.				200	6	1.17%
Weyerhaeuser Co.				150	7	0.88%
Aurora Metals Divisions, LLC				135	8	0.79%
The Lakone Co.				95	9	0.56%
	<u>4,193</u>		<u>22.75%</u>	<u>2,370</u>		<u>13.88%</u>

Data Source:

Montgomery Economic Development Corporation

2018 Illinois Manufacturers Directory, 2018 Illinois Services Directory, Selective telephone survey

2009 Illinois Manufacturers Directory, 2009 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, 2018 (Unaudited)**

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**See Following Page**

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years  
April 30, 2018 (Unaudited)**

Function/Program	2009	2010	2011	2012
<b>General Government</b>				
Administration	3.00	3.00	4.00	3.00
Finance	5.75	4.50	4.50	4.50
Community Development	5.00	5.00	5.00	3.50
<b>Public Safety</b>				
Police				
Sworn Officers	23.00	23.00	23.00	23.00
Civilians/Other	11.00	11.00	11.00	11.00
<b>Public Works</b>				
Administration	2.00	2.00	2.00	2.00
Street Maintenance	7.00	7.00	7.00	8.00
Water Operations	2.00	2.00	2.00	2.00
Building Maintenance	1.00	1.00	1.00	-
Fleet Maintenance	1.50	1.50	1.50	1.00
<b>Totals</b>	<b>61.25</b>	<b>60.00</b>	<b>61.00</b>	<b>58.00</b>

Data Source: Village Records

2013	2014	2015	2016	2017	2018
3.88	2.38	1.88	1.88	1.88	2.88
5.50	5.50	6.00	6.00	6.00	5.00
3.50	4.70	5.00	5.00	5.00	5.00
23.00	25.00	25.00	25.00	28.00	30.00
3.00	3.00	3.00	3.00	3.75	3.75
2.00	2.00	2.00	2.00	2.00	2.00
7.00	8.50	9.00	9.00	10.50	11.00
3.00	3.00	3.00	3.00	3.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.50	1.50
<b>52.88</b>	<b>56.08</b>	<b>56.88</b>	<b>56.88</b>	<b>62.63</b>	<b>66.13</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Calendar Years**  
**April 30, 2018 (Unaudited)**

Function/Program	2008	2009	2010
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	703	845	930
Parking Violations	597	670	826
Traffic Violations	4,715	4,314	3,940
Truck Overweight Violations	-	-	-
Public Works			
Reconstruction (Miles)	1.5	1.3	0.4
Resurfacing (Miles)	-	-	2.0
Sidewalk Replacement (Sq. Ft.)	-	-	-
Parkway Tree Planting	-	-	-
Parkway Tree Removal	-	-	-
Water			
Number of Accounts	-	-	-
Average Bi-Monthly Bill	-	-	-
Payment Types			
Epayment (Village website, IVR, Mobile)	-	-	-
Lockbox	-	-	-
Bill Pay (Bank Website)	-	-	-
Credit Card	-	-	-
Direct Debit	-	-	-
Other	-	-	-
Peak Daily Consumption	4,539,000	4,120,000	4,159,000
Average Daily Consumption	2,642,000	2,583,000	2,694,800
Water Main Breaks	55	67	55
Water Main Breaks Spoils Removal (Sq. Yd.)	-	-	-
Fire Hydrant Maintenance and Painting	-	-	-
New Connections	251	49	85

Data Source: Village Records

2011	2012	2013	2014	2015	2016	2017
-	-	-	2,455	4,206	4,916	5,186
-	-	-	58	65	113	227
-	-	-	2.3%	1.5%	2.2%	4.2%
-	-	-	23	23	57	69
-	-	-	0.9%	0.5%	1.1%	1.3%
-	-	-	1,506	1,477	1,600	1,710
-	-	-	402	334	326	271
-	-	-	78.9%	81.6%	83.1%	86.3%
-	-	-	AA	AA	AA	AA
912	2,221	994	1,505	993	821	778
786	1,316	1,273	1,184	984	866	1,579
4,023	4,141	2,474	2,758	2,884	2,135	3,807
-	-	-	-	77	32	N/A
-	-	-	-	-	-	-
1.5	0.6	1.1	0.9	6.7	5.4	5.2
-	-	3,100	4,475	1,480	13,716	40,106
-	-	142	174	282	300	341
-	-	152	749	475	286	213
-	-	-	9,114	9,111	9,145	9,196
-	-	-	\$ 68.85	\$ 70.30	\$ 75.49	\$ 72.39
-	-	-	-	26.0%	31.1%	26.4%
-	-	-	-	27.6%	25.2%	29.8%
-	-	-	-	11.8%	14.2%	16.9%
-	-	-	-	5.5%	5.5%	2.5%
-	-	-	-	4.4%	4.5%	6.2%
-	-	-	-	24.7%	19.5%	18.2%
4,200,590	3,907,000	3,563,800	3,732,300	3,384,000	3,923,000	3,417,000
2,721,750	2,441,000	2,156,394	2,443,000	2,243,917	2,328,000	2,306,000
57	53	56	44	19	33	51
-	-	-	1,428	1,580	2,250	N/A
-	-	300	300	325	180	120
63	62	30	50	22	19	2

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Calendar Years**  
**April 30, 2018 (Unaudited)**

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Public Safety</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	3	3	4	4	4	4	4	4	4	4
Patrol Units	15	15	15	15	19	19	19	19	19	19
<b>Public Works</b>										
Residential Streets (Miles)	53	58	74	76	76	76	76	76	76.5	76.5
<b>Water</b>										
Water Mains (Miles)	-	-	110	114	114	117	117	117	118	118
Fire Hydrants	-	-	1,050	1,372	1,372	1,680	1,680	1,680	1,700	1,700
Storage Capacity (Millions of Gallons)	-	-	4.8	4.8	4.8	5.8	5.8	5.8	5.8	5.8

Data Source: Village Records