

# Comprehensive Annual Financial Report

May 1, 2018 – April 30, 2019



**VILLAGE OF MONTGOMERY,  
ILLINOIS**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
APRIL 30, 2019**

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)

Thomas Betsinger  
(Term Expires April 2021)

Denny Lee  
(Term Expires April 2021)

Dan Gier  
(Term Expires April 2023)

Theresa Sperling  
(Term Expires April 2021)

Doug Marecek  
(Term Expires April 2023)

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

### **Management Staff**

Jeff Zoephel

Village Administrator

Phil Smith

Chief of Police

Mark Wolf

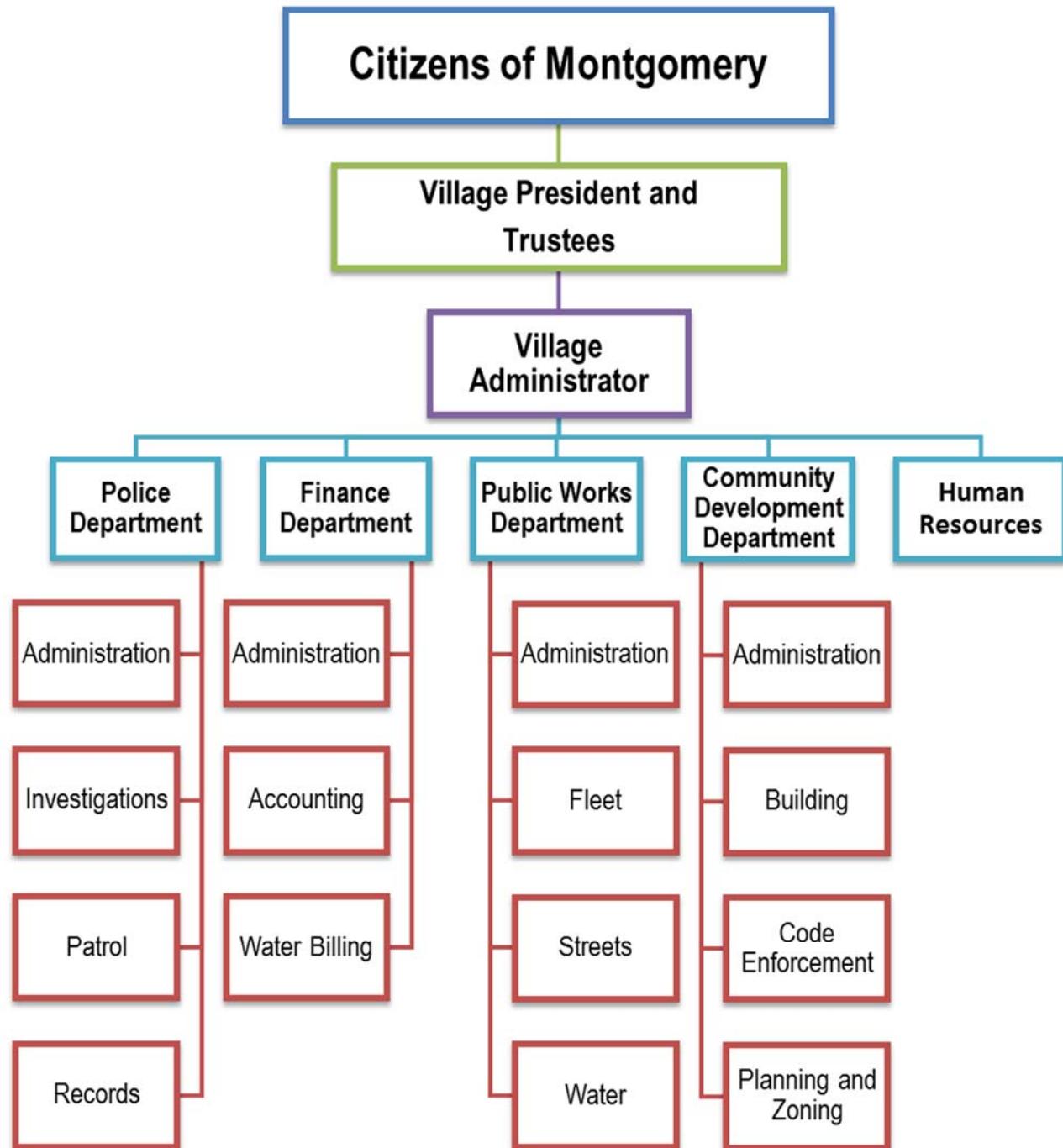
Director of Public Works

Justin VanVooren

Director of Finance

Richard Young

Director of Community Development





October 22, 2019

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:**  
**Thomas K. Betsinger**

**Dan Gier**  
**Steve Jungermann**  
**Denny Lee**  
**Doug Marecek**  
**Theresa Sperling**

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, 2019, 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, 2019, 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, 2019, 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**

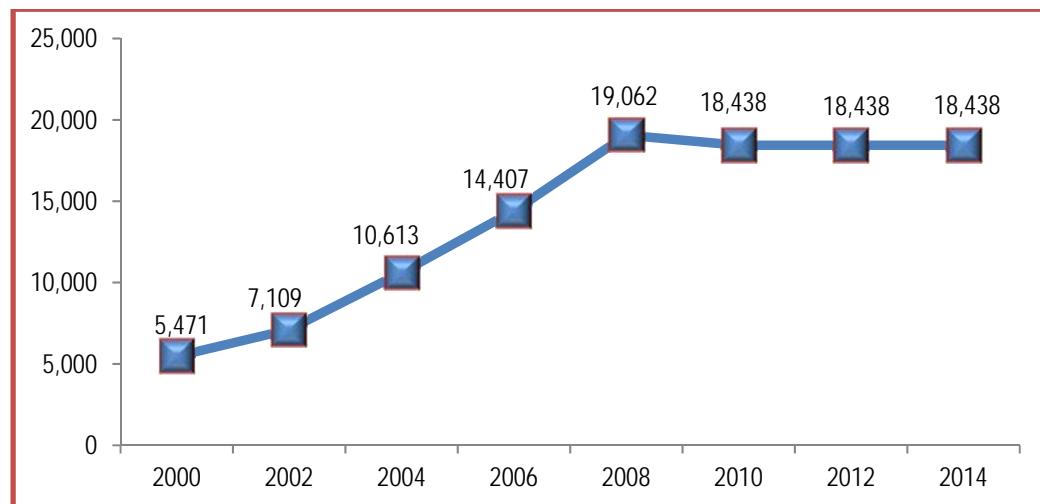
The Village of Montgomery is a growing community nestled along the banks of the Fox River in northern Illinois, located in both southern Kane and northern Kendall counties. Situated approximately 40 miles southwest of Chicago, the Village is bordered by Aurora to the north and east, Oswego and Boulder 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 includes, pictured from left to right – front row – Village Clerk Penny Fitzpatrick, Village President Matt Brolley, Village Trustee Theresa Sperling; back row – Village Trustee Dan Gier, Village Trustee Tom Betsinger, Village Trustee Doug Marecek, Village Trustee Steve Jungermann, and Village Trustee Denny Lee.

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 11 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 extends over seven months and culminates in April with the Village Board's adoption of the Village budget in advance of the beginning of the new fiscal year on May 1. The approved budget provides the authority to expend funds in the new fiscal year. Although much of the time and effort in preparing the budget takes place during the months of October through March, the development, implementation, monitoring and review of the Village's budget is part of a comprehensive process that occurs throughout the entire year.

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 should be 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 personnel (PR), budget change (BCR), and community investment (CIR) 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, budget change requests, and community investment (formerly 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 all budget requests in total. 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. A balanced budget is a budget in which revenues meet or exceed expenditures, and cash reserves or fund balance is not considered a revenue source. The Village may drawdown cash reserves or fund balance with a plan to return the reserves to a desired level.

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, there are many factors that may affect the local economy including rates of employment and health of local businesses, as well as residential, commercial, and industrial development. In addition, the local economy and the Village's financial position may be affected by state, national, and international decisions and events.

The Village started to see a slow, but steady climb in residential development starting in 2018. New single-family home permits decreased from 31 in 2014 down to 2 in 2017. There are now 3 single-family homebuilders actively selling homes in the Village which include Hartz Homes in Marquis Point, Lennar Homes in Huntington Chase, and Ryan Homes in Balmorea. New single-family home permits rebounded to 13 in 2018 and has more than doubled to 28 through only six months of 2019. The Village has also seen renewed interest in new multi-family homes with 1 building in 2016, 4 in 2017, and 3 in 2018 built by Rally Homes in Fieldstone Place. Lastly, the Village Board approved a 13 building, 468-unit upscale apartment complex on the east side of the Village. Permits for the first 2 buildings (valued at \$1.96 million each) were issued in June 2019. Residential development is the strongest the Village has seen in 5 years and the Village foresees the overall housing trend to continue upward.

Commercial and industrial development rallied beginning in 2015 and is slow, but steady through the first half of 2019. 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 Earthmover Credit Union, The Learning Experience Day Care, Verizon, and Dollar Tree. In addition, we have seen other new businesses occupying vacant buildings like Genesis Beauty Supply in Settler's Landing. As the economy continues the steady recovery, the Village has seen interest from businesses who are exploring expansion and growth strategies. Lastly, there are several businesses who the Village expects to start construction in the fall of 2019 including Ricky Rockets Fuel Center, McCallister's Deli, Doggie Daycare, and a multi-tenant building next to Chiquita Marketplace.

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. In addition, the Village began collecting a one percent non-home rule sales tax on July 1, 2015 on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. 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 consistent even through the Great Recession. The Village portion of state sales tax has grown from \$2.6 million to \$4.5 million in the last 10 years (7% per year average), while non-home rules sales has grown from \$2.5 million to \$3.1 million in just the last 5 years (12% per year average).

Industrial development has slowed after the completion of 3 new buildings in 2017. United Sugars Corporation built a \$21 million bulk sugar storage and transfer facility; Nexo Solutions built a \$12 million warehouse and distribution facility; and Old Dominion Freight Line built a \$13 million freight depot. Unites Sugars and Nexo are both located within the Aucutt Road TIF District (TIF #2) while Old Dominion is located outside TIF #2. The United Sugars and Nexo buildings alone contributed roughly \$600,000 of tax increments in fiscal year 2019 (at 50% of estimated value), will contribute roughly \$800,000 of tax increment in fiscal year 2020 (at 85% of estimated value), and will produce \$1.2 million of tax increment when fully assessed in fiscal year 2021. All of the increment noted above can be used to make needed improvements in the area. The Village Engineer has worked on a storm sewer overflow study during fiscal year 2019 and fiscal year 2020, which will determine what improvements can be made to recapture buildable land within the District. The Village anticipates other businesses to join United Sugars and Nexo as improvements are made 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 2020 budget includes an additional 4.0 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 a Community Relations Manager (Administration), 1 patrol officer (Public Safety), and 1 maintenance worker each for Street Maintenance and Water Operations (Public Works). 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, 2021. Although ranges increase 1.5% to 2% per year, performance increases may range from 0% to 3%. The Village has a contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2020. Cost of living increases ranging from 2% to 2.25% and pay for performance increases ranging from 4% to 6%.

The Illinois General Assembly finished its spring legislative session in June 2019 with observers and participants calling it one of the most significant sessions in living memory. By the time they were done, the General Assembly had approved an increase in the minimum wage, the state fiscal year 2020 budget, a capital plan, legalization of marijuana, an expansion of gambling, sales tax for online purchases, and began the process of amending income taxes in the Illinois Constitution.

- Minimum wage – The minimum hourly wage will first increase from \$8.25 to \$9.25 on January 1, 2020, to \$10 on July 1, 2020, and followed by \$1 increases on January 1 of each year until it becomes \$15 per hour in 2025.
- Budget – The Illinois House and Senate both passed two pieces of legislation that together provide state spending authority starting on July 1, 2019. The state fiscal year 2020 budget was signed into law by Governor J.B. Pritzker on June 5, 2019 and appropriates roughly \$39.9 billion.
- Capital plan – The \$45 billion capital plan includes funding for vertical capital assets (new buildings and repairs to others) and horizontal capital assets (road, bridges, and transportation infrastructure). Vertical assets are being funded by higher taxes on video gaming, cigarettes, and vaping (among others), while horizontal assets are being funded mainly through an increase in the state's Motor Fuel Tax (MFT). This law is effective July 1, 2019 and municipalities are expected to see an increase of roughly 50% from the current funding level.
- Marijuana – Effective January 1, 2020, the Cannabis Regulation and Tax Act (CRTA) legalizes the possession and recreational use of cannabis for Illinois residents over 21 years of age. Municipalities, by ordinance, may impose a Municipal Cannabis Retailers' Occupation Tax on adult-use cannabis products of up to 3% of the purchase price in 0.25% increments.

- Gambling – The expansion of gambling by the State of Illinois includes the legalization of sports betting, as well as increases in video gaming prize amounts, player's maximum bets (from \$2 to \$4), and the number of gaming terminals.
- Online sales tax – The adoption of the "Leveling the Playing Field for Illinois Retailers Act" requires certain remote retailers to collect and remit state and locally imposed sales tax where the product is delivered starting on July 1, 2020.
- Income taxes – A constitutional amendment was approved by the General Assembly to repeal the state's flat income tax and place a question on the 2020 General Election ballot asking voters if they want to replace it with a graduated income tax (higher taxes on higher earners).

The United States (US) economy continues to see steady growth between 1.5 – 2% per year. The unemployment rate dropped to 3.6% in May 2019, its lowest level since December 1969. Many economists say the US is at 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 7.1% in May 2019, its lowest level since December 2000. The Federal Reserve raised the target range for the federal funds rate nine times since December 2015, to the current level of 2.25 – 2.5%. However, the Federal Reserve is facing pressure to lower rates because of global developments.

Internationally, there continue to be concerns over global warming, political unrest, tensions in the Middle East, military confrontations, a new nuclear arms race, and a global economic slowdown related to the escalation of trade wars across the globe.

### 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 includes 5 years to facilitate long-term financial planning. Finance staff works together with each Department during all three stages of the budget process, as shown on pages 31 through 33, 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. The long-term outlook allows the Village to see the impact of staffing on future budgets, need to examine fee structures on a regular basis (community development made adjustments during fiscal year 2019 and police will review fines during fiscal year 2020), and adjust the number of capital 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 Community Investment Plan (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, and stormwater system. This program is used to identify and prioritize future capital needs and possible funding sources, impacting the budget by including all five 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 Community Investment 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. Senior Management worked with a consultant during fiscal year 2019 to update its mission and vision statements. Senior Management and both our legal and engineering consultants went on a retreat to help create a new 5-year strategic plan that includes specific steps to achieve its strategic priorities. The mission statement, vision statements, and strategic plan will be presented to the Village Board for approval during fiscal year 2020.

The Board approved the current Strategic Plan to establish the direction of the Village. Senior Management identified specific goals and initiatives to accomplish key outcome indicators (KOI), 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. Strategic Priorities are the issues the Village feels are most important for the community. Key Outcome Indicators (KOI) are objectives used to maintain focus on desired results for each Priority. Goals are long-term, broad in nature, and provide concepts to help accomplish each KOI. Initiatives are short-term, specific in nature and will help the Village achieve desired Goals.

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 loss of industry along with residential and commercial development 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. In addition, the fiscal year 2020 budget includes the addition of a Community Relations Manager to help promote the Village and all it has to offer.

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, investment pools, and other investments allowed by state statute. The Village maintains a 5-year laddered portfolio to capture additional yield from longer maturities. The Village Board adopted a revised investment policy in March 2019. The Federal Reserve has decreased the target range for the federal funds rate two time in 2019 to a target range of 1.75 to 2.00% due to developments in other countries across the globe. Previously, the Federal Reserve raised rates nine increases from December 2015 to December 2018 to try to control inflationary pressures. Although the average interest rate on the Village's investments continues to increase, it will be important to continue to watch where rates go in order to protect or laddered portfolio.

## 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, 2018. This was the sixteenth 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 seventeenth 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 2019 budget document. This was the seventh 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, 2018**

*Christopher P. Monell*

Executive Director/CEO

## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedules

## **INDEPENDENT AUDITORS' REPORT**



## INDEPENDENT AUDITORS' REPORT

October 22, 2019

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, 2019, 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Montgomery, Illinois, as of April 30, 2019, 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 a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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, 2019**

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, 2019. 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 3 through 12 of this report, and the Village's financial statements, which begin on page 29 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, 2019 was \$65,277. Of this amount, \$953 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village decreased beginning net position by \$4,938 from the prior year due to the implementation of GABS 75. Governmental activities decreased \$4,197 and business-type activities decreased \$741.
- The Village's total net position decreased by \$1,168 and reflects approximately \$115 and \$1,053 decreases attributable to the governmental and business-type operations of the Village, respectively. The decrease in governmental operations is due to increases in state sales tax, state income tax, and non-home rule sales tax; offset by an increase in debt service and net pension liability. The decrease in business-type operations is mainly due to the continued concentration on the replacement and rehabilitation of water and sewer infrastructure assets.
- As of April 30, 2019, the Village's governmental funds reported combined ending fund balances of \$11,424, an increase of \$811 from the prior year. Approximately 38.9% of this total amount, \$4,440, 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 \$20,532, a decrease of \$1,053 from the prior year. Approximately 10.6% of this total amount, \$2,176, 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 29 through 32 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-three 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 nineteen 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 schedule has been provided for each fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 33 through 38 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 39 through 42 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 43 through 44 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 45 through 92 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 93 through 101 of this report.

Individual fund statements and schedules are presented immediately following the required supplementary information discussed above which can be found on pages 102 through 156 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 \$65,276 as of April 30, 2019.

Table 1  
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets</b>						
Current and other assets	\$ 17,322	\$ 15,948	\$ 5,385	\$ 6,950	\$ 22,707	\$ 22,898
Capital assets	50,714	52,839	29,967	30,177	80,681	83,016
Total assets	68,036	68,787	35,352	37,127	103,388	105,914
<b>Deferred outflows</b>						
Unamortized loss	94	117	-	-	94	117
Deferred items - pension/OPEB	4,351	2,966	339	119	4,690	3,085
Total deferred outflows	4,445	3,083	339	119	4,784	3,202
<b>Liabilities</b>						
Long-term liabilities	20,061	15,554	14,264	13,969	34,325	29,523
Other liabilities	1,936	1,781	832	562	2,768	2,343
Total liabilities	21,997	17,335	15,096	14,531	37,093	31,866
<b>Deferred inflows</b>						
Deferred taxes	3,641	3,347	-	-	3,641	3,347
Deferred items - pension/OPEB	2,099	2,131	63	389	2,162	2,520
Total deferred inflows	5,740	5,478	63	389	5,803	5,867
<b>Net position</b>						
Net investment in capital assets	43,943	44,693	18,356	19,146	62,299	63,839
Restricted	2,024	1,284	-	-	2,024	1,284
Unrestricted	(1,223)	3,080	2,176	3,180	953	6,260
Total net position	\$ 44,744	\$ 49,057	\$ 20,532	\$ 22,326	\$ 65,276	\$ 71,383

The largest portion of the Village's net position (95.4%) 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 (3.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (1.5%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of April 30, 2019, the Village was able to report positive balances in all three categories of net position, for the government as a whole. For governmental activities, two of three categories are positive, whereas business-type activities report positive balance in all three categories. 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.

As previously mentioned, the Village decreased beginning net position by \$4,938 from the prior year due to the implementation of GABS 75. Governmental activities decreased \$4,197 and business-type activities decreased \$741.

The Village's total net position decreased by \$1,168 from the prior year. The decrease of \$1,168 reflects approximately \$115 and \$1,053 decreases attributable to the governmental and business-type operations of the Village, respectively. The decrease in governmental operations is due to increases in state sales tax, state income tax, and non-home rule sales tax; offset by an increase in debt service and net pension liability. The decrease in business-type operations is mainly due to the continued concentration on the replacement and rehabilitation of water and sewer infrastructure assets.

The Village's unrestricted net position decreased by \$5,307 during the current fiscal year. Most of the restricted net position is legally restricted to certain capital projects. The Village's net investment in capital assets decreased by \$1,540 during the current fiscal year. The Village added \$2,590 of new capital assets, had depreciation of \$4,925 during the year, and reduced long-term debt related to capital assets by \$2,311.

Table 2  
Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,895	\$ 1,799	\$ 6,114	\$ 5,931	\$ 8,009	\$ 7,730
Operating grants and contributions	526	656	-	-	526	656
General revenues:						
Property taxes	3,448	2,812	-	-	3,448	2,812
Other taxes	1,412	1,358	-	-	1,412	1,358
Intergovernmental	10,133	9,387	-	-	10,133	9,387
Other	543	414	228	147	771	561
<b>Total revenues</b>	<b>17,957</b>	<b>16,426</b>	<b>6,342</b>	<b>6,078</b>	<b>24,299</b>	<b>22,504</b>
<b>Expenses:</b>						
General government	4,201	4,117	-	-	4,201	4,117
Public safety	6,313	6,130	-	-	6,313	6,130
Highways and streets	7,298	7,467	-	-	7,298	7,467
Sanitation	-	-	1,199	1,213	1,199	1,213
Interest	261	296	371	358	632	654
Water and sewer	-	-	5,825	5,867	5,825	5,867
<b>Total expenses</b>	<b>18,073</b>	<b>18,010</b>	<b>7,395</b>	<b>7,438</b>	<b>25,468</b>	<b>25,448</b>
Change in net position	(116)	(1,584)	(1,053)	(1,360)	(1,169)	(2,944)
Net position, May 1 as Restated	44,860	50,641	21,585	23,686	66,445	74,327
<b>Net position, April 30</b>	<b>\$ 44,744</b>	<b>\$ 49,057</b>	<b>\$ 20,532</b>	<b>\$ 22,326</b>	<b>\$ 65,276</b>	<b>\$ 71,383</b>

**Governmental activities.** Governmental activities decreased the Village's net position by \$116. Key elements of this increase are as follows:

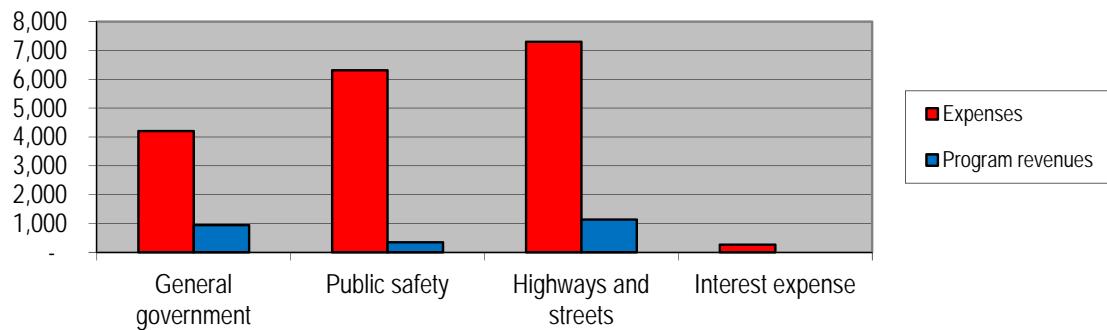
Governmental revenues increased by \$1,531 (9.3%). Components of this increase are as follows:

- Property taxes increased by \$636 (22.6%) mainly due to an increase in the tax increment for Tax Increment Financing District #2.
- Intergovernmental revenue increased by \$746 (7.9%) due to an increase in state sales tax (\$294), state income tax (\$230), and non-home rule sales tax (\$151).
- Other revenue increased by \$129 (31.2%) mainly due to an increase in investment earnings (\$108).

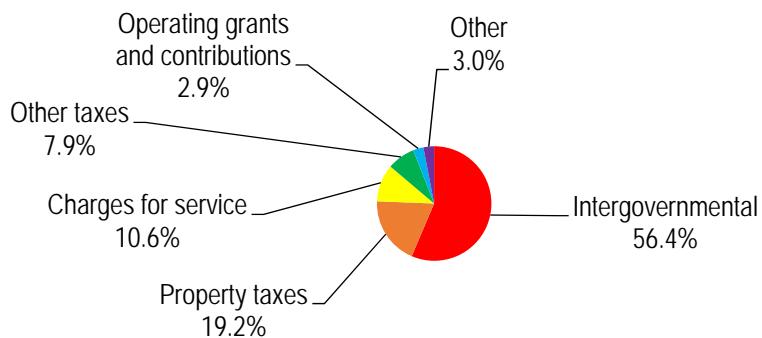
Governmental expenses increased by \$63 (0.3%). Components of this increase are as follows:

- Public safety expenses increased by \$183 (3.0%) mainly due to an increase in the net pension liability.
- Highways and streets expenses decreased by \$169 (2.3%) mainly due to vacancies in the Public Works Department.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



**Business-type activities.** Business-type activities decreased the Village's net position by \$1,053. Key elements of this decrease are as follows:

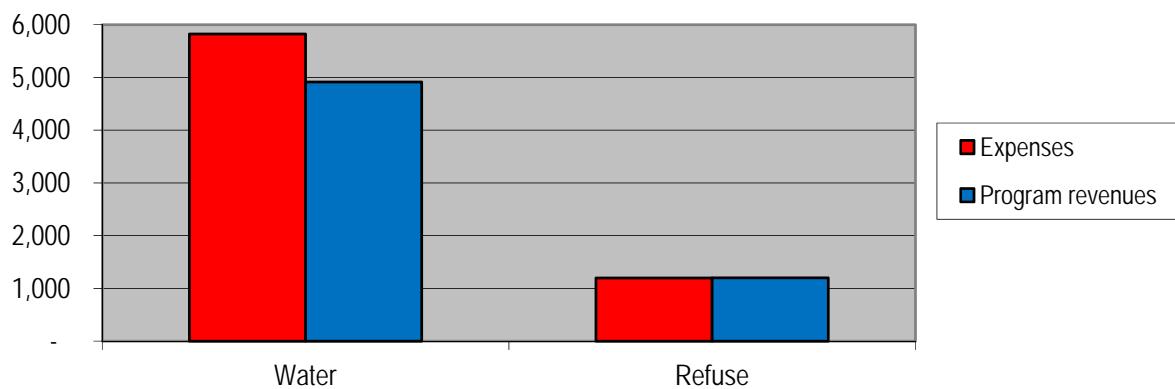
Business-type revenues increased by \$264 (4.2%). Components of this increase are as follows:

- Charges for services increased by \$183 (3.1%) mainly due to an increase in water usage rates (\$181).
- Other revenue increased by \$81 (55.1%) mainly due to an increase in investment earnings (\$46).

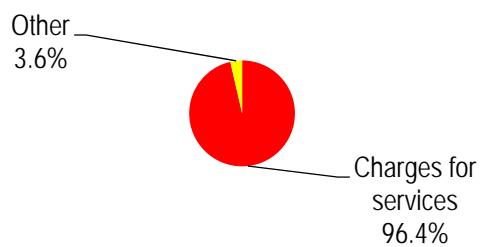
Business-type expenses decreased by \$43 (0.6%). Components of this decrease are as follows:

- Sanitation decreased by \$14 (1.2%) due to a full year of switching to a different third-party waste hauler.
- The issuance of debt in fiscal year 2018 and subsequent concentration on the replacement and rehabilitation of water and sewer infrastructure assets (\$1,987).

**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, 2019, the Village's governmental funds reported combined ending fund balances of \$11,424, an increase of \$811 from the prior year. Approximately 38.9% of this total amount, \$4,440, 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 (\$377), 2) restricted for particular purposes (\$2,074), or 3) assigned for particular purposes (\$4,533).

The General Fund is the chief operating fund of the Village. As of April 30, 2019, unassigned fund balance of the General Fund was \$4,440. 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 43.5% (5.2 months) of the total General Fund expenditures, while total fund balance represents 47.2% (5.7 months) of total General Fund expenditures.

The fund balance of the General Fund increased by \$710 to a total of \$4,817 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) increase in income tax from the economic recovery; 3) increase in use tax from enactment of a use tax on most out-of-state sales by the State of Illinois; 4) increase economic development incentives from the closure of certain stores in surrounding communities; and 5) decrease in overall salaries due to the retirement of the Chief of Police and Streets Supervisor last fiscal year.

The fund balance of the Capital Improvement Fund decreased by \$320 to a total of \$418 of fund balance at the end of the current fiscal year. The decrease in fund balance is mainly due to a \$1,000 balloon payment on the Series 2008A bonds.

The fund balance of the Infrastructure Improvement Fund decreased by \$143 to a total of \$2,062 of fund balance at the end of the current fiscal year. The decrease 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 decreased by \$1 to a total of \$50 of fund balance at the end of the current fiscal year. The receipt of transfers from the Capital Improvement Fund was slightly less than the payment of debt principal and interest, due to the double payment of fiscal charges this year.

**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 \$1,055 to a total of \$20,533 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 an increase in net position of \$2 to a total of \$1 of deficit net position at the end of the current fiscal year.

The Employee Insurance Fund had an increase in net position of \$89 to a total of \$414 of net position at the end of the current fiscal year. The Village keeps a balance in this fund to offset any unexpected increases in health and dental insurance for employees.

### **General Fund Budgetary Highlights**

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

The General Fund revenues were more than the budget by \$469 or 4.5%. The most significant differences between budgeted and actual revenues included: 1) state sales tax was \$49 higher than budget due to the increases in sales at existing stores and opening of new stores; 2) income tax was \$141 higher than budget due to the recovery in the economy; 3) use tax was \$81 higher than budget due to enactment of a use tax on most out-of-state sales by the State of Illinois; 4) investment earnings was \$44 higher than budget due to capturing additional yield from longer maturities (first full year of 5-year laddered portfolio); and 5) insurance reimbursement was \$64 more than budget mainly due to water damage at the Police Department caused by a frozen pipe that burst.

The General Fund expenditures were less than the budget by \$108 or 1.0%. The most significant differences between budgeted and actual expenditures included: 1) Police patrol and investigations salaries and related taxes were \$232 lower than budget due to vacancies during the year; 2) Public Works streets salaries and related benefits were \$89 lower than budget due to vacancies during the year; 3) Police building repair and maintenance was \$25 higher than budget due to repairs required to fix the water damage at the Police Department noted above; 4) Public Works streets minor equipment was \$26 higher than budget due to the need to purchase 2 new mowers for use prior to year-end; and 5) economic development incentives was \$241 higher than budget due to the closure of certain stores in surrounding communities.

### **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, 2019, amounts to \$80,681 (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 8 vehicles and 1 piece of equipment were replaced during the year totaling \$643 and \$50, respectively. The vehicles and equipment replaced included 3 Police squad cars, 2 Public Works pickup trucks, a bucket truck, a mini-excavator, and 2 single axle dump trucks.
- Water main replacement of \$797 in the Riverside subdivision.
- Full rehabilitation of the Jefferson Street and Route 25 lift stations totaling \$1,190
- Depreciation of governmental and business-type activities capital assets totaling \$2,968 and \$1,956, 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	
	2019	2018	2019	2018	2019	2018
Land	\$ 18,101	\$ 17,950	\$ 17	\$ 17	\$ 18,118	\$ 17,967
Construction in progress	-	-	231	471	231	471
Land improvements	138	138	-	-	138	138
Buildings	22,311	22,311	-	-	22,311	22,311
Equipment	784	784	84	84	868	868
Vehicles	4,158	3,486	-	-	4,158	3,486
Infrastructure	33,856	33,856	52,244	50,258	86,100	84,114
Less:						
Accumulated depreciation	(28,634)	(25,686)	(22,609)	(20,653)	(51,243)	(46,339)
Total capital assets	\$ 50,714	\$ 52,839	\$ 29,967	\$ 30,177	\$ 80,681	\$ 83,016

Additional information regarding the capital assets can be found in note 3 on pages 65 through 66 of this report.

**Long-term Debt.** At the end of the current fiscal year, the Village had total debt outstanding of \$19,826 (excluding other postemployment benefit, net pension liabilities, and compensated absences). This amount is partially comprised of five 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 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 decreased by \$2,310 (10.4%) during fiscal year 2019.

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

- The Village made its regularly scheduled payments of principal (\$2,310) 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	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 6,865	\$ 8,262	\$ 7,571	\$ 8,096	\$ 14,436	\$ 16,358
IEPA loans	-	-	5,390	5,778	5,390	5,778
Total long-term debt	\$ 6,865	\$ 8,262	\$ 12,961	\$ 13,874	\$ 19,826	\$ 22,136

Additional information regarding the Village's long-term debt can be found in note 3 on pages 67 through 74 of this report.

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

Municipal revenue streams traditionally have been reasonably constant and predictable. However, there are many factors that may affect the local economy including rates of employment and health of local businesses, as well as residential, commercial, and industrial development. In addition, the local economy and the Village's financial position may be affected by state, national, and international decisions and events.

The Village started to see a slow, but steady climb in residential development starting in 2018. New single-family home permits decreased from 31 in 2014 down to 2 in 2017. There are now 3 single-family homebuilders actively selling homes in the Village which include Hartz Homes in Marquis Point, Lennar Homes in Huntington Chase, and Ryan Homes in Balmorea. New single-family home permits rebounded to 13 in 2018 and has more than doubled to 28 through only six months of 2019. The Village has also seen renewed interest in new multi-family homes with 1 building in 2016, 4 in 2017, and 3 in 2018 built by Rally Homes in Fieldstone Place. Lastly, the Village Board approved a 13 building, 468-unit upscale apartment complex on the east side of the Village. Permits for the first 2 buildings (valued at \$1.96 million each) were issued in June 2019. Residential development is the strongest the Village has seen in 5 years and the Village foresees the overall housing trend to continue upward.

Commercial and industrial development rallied beginning in 2015 and is slow, but steady through the first half of 2019. 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 Earthmover Credit Union, The Learning Experience Day Care, Verizon, and Dollar Tree. In addition, we have seen other new businesses occupying vacant buildings like Genesis Beauty Supply in Settler's Landing. As the economy continues the steady recovery, the Village has seen interest from businesses who are exploring expansion and growth strategies. Lastly, there are several businesses who the Village expects to start construction in the fall of 2019 including Ricky Rockets Fuel Center, McCallister's Deli, Doggie Daycare, and a multi-tenant building next to Chiquita Marketplace.

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. In addition, the Village began collecting a one percent non-home rule sales tax on July 1, 2015 on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. 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 consistent even through the Great Recession. The Village portion of state sales tax has grown from \$2.6 million to \$4.8 million in the last 10 years (7% per year average), while non-home rules sales has grown from \$2.5 million to \$3.3 million in just the last 5 years (12% per year average).

Industrial development has slowed after the completion of 3 new buildings in 2017. United Sugars Corporation built a \$21 million bulk sugar storage and transfer facility; Nexo Solutions built a \$12 million warehouse and distribution facility; and Old Dominion Freight Line built a \$13 million freight depot. United Sugars and Nexo are both located within the Aucutt Road TIF District (TIF #2) while Old Dominion is located outside TIF #2. The United Sugars and Nexo buildings alone contributed roughly \$600,000 of tax increments in fiscal year 2019 (at 50% of estimated value), will contribute roughly \$800,000 of tax increment in fiscal year 2020 (at 85% of estimated value), and will produce \$1.2 million of tax increment when fully assessed in fiscal year 2021. All of the increment noted above can be used to make needed improvements in the area. The Village Engineer has worked on a storm sewer overflow study during fiscal year 2019 and fiscal year 2020, which will determine what improvements can be made to recapture buildable land within the District. The Village anticipates other businesses to join United Sugars and Nexo as improvements are made 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 2020 budget includes an additional 4.0 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 a Community Relations Manager (Administration), 1 patrol officer (Public Safety), and 1 maintenance worker each for Street Maintenance and Water Operations (Public Works). 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, 2021. Although ranges increase 1.5% to 2% per year, performance increases may range from 0% to 3%. The Village has a contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2020. Cost of living increases ranging from 2% to 2.25% and pay for performance increases ranging from 4% to 6%.

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.

The Illinois General Assembly finished its spring legislative session in June 2019 with observers and participants calling it one of the most significant sessions in living memory. By the time they were done, the General Assembly had approved an increase in the minimum wage, the state fiscal year 2020 budget, a capital plan, legalization of marijuana, an expansion of gambling, sales tax for online purchases, and began the process of amending income taxes in the Illinois Constitution.

- Minimum wage – The minimum hourly wage will first increase from \$8.25 to \$9.25 on January 1, 2020, to \$10 on July 1, 2020, and followed by \$1 increases on January 1 of each year until it becomes \$15 per hour in 2025.
- Budget – The Illinois House and Senate both passed two pieces of legislation that together provide state spending authority starting on July 1, 2019. The state fiscal year 2020 budget was signed into law by Governor J.B. Pritzker on June 5, 2019 and appropriates roughly \$39.9 billion.
- Capital plan – The \$45 billion capital plan includes funding for vertical capital assets (new buildings and repairs to others) and horizontal capital assets (road, bridges, and transportation infrastructure). Vertical assets are being funded by higher taxes on video gaming, cigarettes, and vaping (among others), while horizontal assets are being funded mainly through an increase in the state's Motor Fuel Tax (MFT). This law is effective July 1, 2019 and municipalities are expected to see an increase of roughly 50% from the current funding level.
- Marijuana – Effective January 1, 2020, the Cannabis Regulation and Tax Act (CRTA) legalizes the possession and recreational use of cannabis for Illinois residents over 21 years of age. Municipalities, by ordinance, may impose a Municipal Cannabis Retailers' Occupation Tax on adult-use cannabis products of up to 3% of the purchase price in 0.25% increments.
- Gambling – The expansion of gambling by the State of Illinois includes the legalization of sports betting, as well as increases in video gaming prize amounts, player's maximum bets (from \$2 to \$4), and the number of gaming terminals.
- Online sales tax – The adoption of the "Leveling the Playing Field for Illinois Retailers Act" requires certain remote retailers to collect and remit state and locally imposed sales tax where the product is delivered starting on July 1, 2020.
- Income taxes – A constitutional amendment was approved by the General Assembly to repeal the state's flat income tax and place a question on the 2020 General Election ballot asking voters if they want to replace it with a graduated income tax (higher taxes on higher earners).

The United States (US) economy continues to see steady growth between 1.5 – 2% per year. The unemployment rate dropped to 3.6% in May 2019, its lowest level since December 1969. Many economists say the US is at 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 7.1% in May 2019, its lowest level since December 2000. The Federal Reserve has decreased the target range for the federal funds rate two times in 2019 to a target range of 1.75 to 2.00% due to developments in other countries across the globe. Previously, the Federal Reserve raised rates nine times from December 2015 to December 2018 to try to control inflationary pressures.

Internationally, there continue to be concerns over global warming, political unrest, tensions in the Middle East, military confrontations, a new nuclear arms race, and a global economic slowdown related to the escalation of trade wars across the globe.

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 2020 budget includes an increase in the water usage rates of 5.5% as of May 1, 2019. The Village started work on water rate study in fiscal year 2019 and completed the study in fiscal year 2020. 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 budget on personal services (wages and benefits). For fiscal year 2020, personal services expenditures are expected to total \$8,179,325 or 24.0% of total budgeted expenditures. This is an increase of 2.5% over the fiscal year 2019 budgeted expenditures of \$7,983,426. 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, 2021. Although ranges increase 1.5% to 2% per year, performance increases may range from 0% to 3%. The Village has a contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2020. Cost of living increases ranging from 2% to 2.25% and pay for performance increases ranging from 4% to 6%. The fiscal year 2020 budget includes an additional 4.0 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 a Community Relations Manager (Administration), 1 patrol officer (Public Safety), and 1 maintenance worker each for Street Maintenance and Water Operations (Public Works).

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

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

## **BASIC FINANCIAL STATEMENTS**

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

- Government-Wide Financial Statements
- Fund Financial Statements

    Governmental Funds

        Proprietary Funds

        Fiduciary Funds

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

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Net Position**

**April 30, 2019**

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**See Following Page**

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Net Position**

**April 30, 2019**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 10,905,197	4,144,023	15,049,220
Receivables - Net	4,023,295	1,220,229	5,243,524
Due from Other Governments	2,341,555	-	2,341,555
Internal Balances	(20,691)	20,691	-
Prepays	31,503	-	31,503
<b>Total Current Assets</b>	<b>17,280,859</b>	<b>5,384,943</b>	<b>22,665,802</b>
Noncurrent Assets			
Capital Assets			
Nondepreciable	18,100,860	247,534	18,348,394
Depreciable	61,247,313	52,328,715	113,576,028
Depreciation	(28,634,208)	(22,609,337)	(51,243,545)
<b>Total Capital Assets</b>	<b>50,713,965</b>	<b>29,966,912</b>	<b>80,680,877</b>
Other Assets			
Notes Receivable	40,791	-	40,791
<b>Total Noncurrent Assets</b>	<b>50,754,756</b>	<b>29,966,912</b>	<b>80,721,668</b>
<b>Total Assets</b>	<b>68,035,615</b>	<b>35,351,855</b>	<b>103,387,470</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized Loss on Refunding	93,979	-	93,979
Deferred Items - IMRF	916,871	325,216	1,242,087
Deferred Items - Police Pension	3,351,716	-	3,351,716
Deferred Items - RBP	83,058	14,091	97,149
<b>Total Deferred Outflows of Resources</b>	<b>4,445,624</b>	<b>339,307</b>	<b>4,784,931</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>72,481,239</b>	<b>35,691,162</b>	<b>108,172,401</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	\$ 1,205,951	529,553	1,735,504
Accrued Payroll	219,726	37,579	257,305
Deposits Payable	416,667	-	416,667
Accrued Interest Payable	93,604	130,776	224,380
Other Payables	-	133,680	133,680
Current Portion of Long-Term Debt	1,454,835	694,431	2,149,266
Total Current Liabilities	3,390,783	1,526,019	4,916,802
Noncurrent Liabilities			
Compensated Absences Payable	490,041	34,992	525,033
Net Pension Liability - IMRF	1,426,864	506,112	1,932,976
Net Pension Liability - Police Pension	6,753,140	-	6,753,140
Total OPEB Liability - RBP	4,472,016	758,683	5,230,699
General Obligation Bonds Payable - Net	5,464,385	7,274,750	12,739,135
IEPA Loans Payable	-	4,995,551	4,995,551
Total Noncurrent Liabilities	18,606,446	13,570,088	32,176,534
Total Liabilities	21,997,229	15,096,107	37,093,336
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	176,641	62,654	239,295
Deferred Items - Police Pension	1,921,816	-	1,921,816
Property Taxes	3,641,418	-	3,641,418
Total Deferred Inflows of Resources	5,739,875	62,654	5,802,529
Total Liabilities and Deferred Inflows of Resources	27,737,104	15,158,761	42,895,865
<b>NET POSITION</b>			
Net Investment in Capital Assets	43,943,173	18,355,971	62,299,144
Restricted - Public Safety	7,075	-	7,075
Restricted - Highways and Streets	529,299	-	529,299
Restricted - Subdivision Maintenance	747,605	-	747,605
Restricted - Subdivision Improvements	739,688	-	739,688
Unrestricted (Deficit)	(1,222,705)	2,176,430	953,725
Total Net Position	44,744,135	20,532,401	65,276,536

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, 2019**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 4,200,723	942,207	-	-
Public Safety	6,313,301	334,673	10,493	-
Highways and Streets	7,298,111	618,241	515,685	-
Interest on Long-Term Debt	261,329	-	-	-
<b>Total Governmental Activities</b>	<b>18,073,464</b>	<b>1,895,121</b>	<b>526,178</b>	<b>-</b>

**Business-Type Activities**

Water	5,825,238	4,913,784	-	-
Refuse	1,198,372	1,200,205	-	-
<b>Total Business-Type Activities</b>	<b>7,023,610</b>	<b>6,113,989</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>25,097,074</b>	<b>8,009,110</b>	<b>526,178</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
(3,258,516)	-	(3,258,516)
(5,968,135)	-	(5,968,135)
(6,164,185)	-	(6,164,185)
(261,329)	(370,998)	(632,327)
<u>(15,652,165)</u>	<u>(370,998)</u>	<u>(16,023,163)</u>
-	(911,454)	(911,454)
-	1,833	1,833
<u>-</u>	<u>(909,621)</u>	<u>(909,621)</u>
<u>(15,652,165)</u>	<u>(1,280,619)</u>	<u>(16,932,784)</u>
3,447,801	-	3,447,801
1,280,686	-	1,280,686
131,568	-	131,568
4,499,988	-	4,499,988
3,087,038	-	3,087,038
1,907,508	-	1,907,508
61,977	-	61,977
566,143	-	566,143
11,307	-	11,307
220,896	104,802	325,698
321,695	122,744	444,439
<u>15,536,607</u>	<u>227,546</u>	<u>15,764,153</u>
(115,558)	(1,053,073)	(1,168,631)
<u>44,859,693</u>	<u>21,585,474</u>	<u>66,445,167</u>
<u>44,744,135</u>	<u>20,532,401</u>	<u>65,276,536</u>

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

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Balance Sheet - Governmental Funds**

**April 30, 2019**

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General

**ASSETS**

Cash and Investments	\$ 3,544,267
Receivables - Net of Allowances	
Property Taxes	2,233,407
Other Taxes	37,016
Accounts	181,842
Accrued Interest	13,954
Notes	-
Due from Other Governments	1,594,543
Advances to Other Funds	345,767
Prepads	<u>31,503</u>
 Total Assets	<u>7,982,299</u>

**LIABILITIES**

Accounts Payable	691,156
Accrued Payroll	219,726
Deposits Payable	-
Due to Other Funds	20,691
Advances from Other Funds	-
Total Liabilities	<u>931,573</u>

**DEFERRED INFLOWS OF RESOURCES**

Property Taxes	<u>2,233,407</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,164,980</u>

**FUND BALANCES**

Nonspendable	377,270
Restricted	-
Assigned	-
Unassigned	<u>4,440,049</u>
Total Fund Balances	<u>4,817,319</u>

Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>7,982,299</u>
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The notes to the financial statements are an integral part of this statement.

Debt Service	Capital Projects			Totals
	Capital Improvement	Infrastructure Improvement	Nonmajor	
49,867	633,640	2,078,599	4,186,280	10,492,653
-	-	-	1,408,011	3,641,418
-	134,992	-	-	172,008
-	-	-	-	181,842
-	3,101	7,752	1,670	26,477
-	-	-	40,791	40,791
-	-	706,200	40,812	2,341,555
-	-	-	-	345,767
-	-	-	-	31,503
<u>49,867</u>	<u>771,733</u>	<u>2,792,551</u>	<u>5,677,564</u>	<u>17,274,014</u>
-	8,374	313,886	192,535	1,205,951
-	-	-	-	219,726
-	-	416,667	-	416,667
-	-	-	-	20,691
-	345,767	-	-	345,767
-	354,141	730,553	192,535	2,208,802
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,408,011</u>	<u>3,641,418</u>
-	354,141	730,553	1,600,546	5,850,220
-	-	-	-	377,270
49,867	-	-	2,023,667	2,073,534
-	417,592	2,061,998	2,053,351	4,532,941
-	-	-	-	4,440,049
49,867	417,592	2,061,998	4,077,018	11,423,794
<u>49,867</u>	<u>771,733</u>	<u>2,792,551</u>	<u>5,677,564</u>	<u>17,274,014</u>

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, 2019

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<b>Total Governmental Fund Balances</b>	\$ 11,423,794
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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.	50,713,965
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Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
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Deferred Items - IMRF	740,230
Deferred Items - Police Pension	1,429,900
Deferred Items - RBP	83,058

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.	414,094
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
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Compensated Absences Payable	(544,490)
Net Pension Liability - IMRF	(1,426,864)
Net Pension Liability - Police Pension	(6,753,140)
Total OPEB Liability - RBP	(4,472,016)
General Obligation Bonds Payable - Net	(6,864,771)
Unamortized Loss on Refunding	93,979
Accrued Interest Payable	<u>(93,604)</u>

<b>Net Position of Governmental Activities</b>	<u>44,744,135</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, 2019**

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**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, 2019**

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	<u>General</u>
Revenues	
Property Taxes	\$ 2,274,325
Other Taxes	182,107
Licenses, Permits and Fees	460,164
Intergovernmental, Grants and Contributions	7,057,416
Fines and Forfeitures	261,411
Charges for Services	368,312
Interest	93,875
Miscellaneous	223,231
Total Revenues	<u>10,920,841</u>
Expenditures	
Current	
General Government	3,189,115
Public Safety	5,263,122
Highways and Streets	1,758,633
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>10,210,870</u>
Excess (Deficiency) of Revenues	
Over Expenditures	<u>709,971</u>
Other Financing Sources (Uses)	
Transfers In	-
Transfers Out	-
Net Change in Fund Balances	709,971
Fund Balances - Beginning	<u>4,107,348</u>
Fund Balances - Ending	<u>4,817,319</u>

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

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Debt Service	Capital Projects				Totals
	Capital Improvement	Infrastructure Improvement	Nonmajor		
-	-	-	1,173,476	3,447,801	
-	1,230,147	-	-	1,412,254	
-	-	-	-	460,164	
-	-	3,087,038	515,685	10,660,139	
-	-	-	21,481	282,892	
-	119,545	41,413	618,741	1,148,011	
2,367	18,966	38,850	58,611	212,669	
-	-	-	21,294	244,525	
<b>2,367</b>	<b>1,368,658</b>	<b>3,167,301</b>	<b>2,409,288</b>	<b>17,868,455</b>	
<hr/>					
-	6,187	122,045	285,354	3,602,701	
-	-	-	114	5,263,236	
-	-	3,188,364	657,075	5,604,072	
-	26,213	-	900,803	927,016	
1,375,000	-	-	-	1,375,000	
285,490	-	-	-	285,490	
<b>1,660,490</b>	<b>32,400</b>	<b>3,310,409</b>	<b>1,843,346</b>	<b>17,057,515</b>	
<b>(1,658,123)</b>	<b>1,336,258</b>	<b>(143,108)</b>	<b>565,942</b>	<b>810,940</b>	
<hr/>					
1,656,790	-	-	-	1,656,790	
-	(1,656,790)	-	-	(1,656,790)	
<b>1,656,790</b>	<b>(1,656,790)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
(1,333)	(320,532)	(143,108)	565,942	810,940	
<b>51,200</b>	<b>738,124</b>	<b>2,205,106</b>	<b>3,511,076</b>	<b>10,612,854</b>	
<b>49,867</b>	<b>417,592</b>	<b>2,061,998</b>	<b>4,077,018</b>	<b>11,423,794</b>	

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, 2019

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**Net Change in Fund Balances - Total Governmental Funds** \$ 810,940

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	843,709
Depreciation Expense	(2,968,240)
Disposals - Cost	(20,593)
Disposals - Accumulated Depreciation	20,593

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

Change in Deferred Items - IMRF	1,420,507
Change in Deferred Items - Police Pension	(85,933)
Change in Deferred Items - RBP	83,058

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. 89,451

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	(11,528)
(Increase) to Net Pension Liability - IMRF	(1,315,346)
(Increase) to Net Pension Liability - Police Pension	(275,399)
(Increase) to Total OPEB Liability - RBP	(105,938)
Retirement of Debt	1,375,000
Amortization of Bond Premium	22,531
Amortization of Loss on Refunding	(22,720)

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. 24,350

**Changes in Net Position of Governmental Activities**

(115,558)

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, 2019**

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**See Following Page**

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Statement of Net Position - Proprietary Funds**  
**April 30, 2019**

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

**ASSETS**

**Current Assets**

Cash and Investments	\$ 4,144,023	-	4,144,023	412,544
<b>Receivables - Net of Allowances</b>				
Accounts	1,010,822	199,984	1,210,806	-
Accrued Interest	9,423	-	9,423	1,550
	143,226	16,206	159,432	-
Total Current Assets	<u>5,307,494</u>	<u>216,190</u>	<u>5,523,684</u>	<u>414,094</u>

**Noncurrent Assets**

Nondepreciable Capital Assets	247,534	-	247,534	-
Depreciable Capital Assets	52,328,715	-	52,328,715	-
Accumulated Depreciation	(22,609,337)	-	(22,609,337)	-
Total Noncurrent Assets	<u>29,966,912</u>	<u>-</u>	<u>29,966,912</u>	<u>-</u>
Total Assets	<u>35,274,406</u>	<u>216,190</u>	<u>35,490,596</u>	<u>414,094</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Items - IMRF	325,216	-	325,216	-
Deferred Items - OPEB	14,091	-	14,091	-
Total Deferred Outflows of Resources	<u>339,307</u>	<u>-</u>	<u>339,307</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>				
	<u>35,613,713</u>	<u>216,190</u>	<u>35,829,903</u>	<u>414,094</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	\$ 428,976	100,577	529,553	-
Accrued Payroll	37,579	-	37,579	-
Accrued Interest Payable	130,776	-	130,776	-
Other Payables	133,680	-	133,680	-
Due to Other Funds	21,743	116,998	138,741	-
Current Portion of Long-Term Debt	694,431	-	694,431	-
<b>Total Current Liabilities</b>	<b>1,447,185</b>	<b>217,575</b>	<b>1,664,760</b>	<b>-</b>

### Noncurrent Liabilities

Compensated Absences Payable	34,992	-	34,992	-
Net Pension Liability - IMRF	506,112	-	506,112	-
Total OPEB Liability - RBP	758,683	-	758,683	-
General Obligation Bonds Payable - Net	7,274,750	-	7,274,750	-
IEPA Loans Payable	4,995,551	-	4,995,551	-
<b>Total Noncurrent Liabilities</b>	<b>13,570,088</b>	<b>-</b>	<b>13,570,088</b>	<b>-</b>
<b>Total Liabilities</b>	<b>15,017,273</b>	<b>217,575</b>	<b>15,234,848</b>	<b>-</b>

## DEFERRED INFLOWS OF RESOURCES

Deferred Items - IMRF	62,654	-	62,654	-
<b>Total Liabilities and Derferred Inflows of Resources</b>	<b>15,079,927</b>	<b>217,575</b>	<b>15,297,502</b>	<b>-</b>

## NET POSITION

Net Investment in Capital Assets	18,355,971	-	18,355,971	-
Unrestricted (Deficit)	2,177,815	(1,385)	2,176,430	414,094
<b>Total Net Position</b>	<b>20,533,786</b>	<b>(1,385)</b>	<b>20,532,401</b>	<b>414,094</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, 2019**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Refuse	Totals	Internal Service
				Employee Insurance
Operating Revenues				
Charges for Services	\$ 4,913,784	1,200,205	6,113,989	-
Interfund Services	-	-	-	1,372,058
Total Operating Revenues	<u>4,913,784</u>	<u>1,200,205</u>	<u>6,113,989</u>	<u>1,372,058</u>
Operating Expenses				
Operations	3,894,124	1,198,372	5,092,496	1,290,834
Depreciation and Amortization	1,931,114	-	1,931,114	-
Total Operating Expenses	<u>5,825,238</u>	<u>1,198,372</u>	<u>7,023,610</u>	<u>1,290,834</u>
Operating Income (Loss)	<u>(911,454)</u>	<u>1,833</u>	<u>(909,621)</u>	<u>81,224</u>
Nonoperating Revenues (Expenses)				
Investment Earnings	104,802	-	104,802	8,227
Other Income	122,744	-	122,744	-
Interest Expense	(370,998)	-	(370,998)	-
	<u>(143,452)</u>	<u>-</u>	<u>(143,452)</u>	<u>8,227</u>
Change in Net Position	<u>(1,054,906)</u>	<u>1,833</u>	<u>(1,053,073)</u>	<u>89,451</u>
Net Position - Beginning as Restated	<u>21,588,692</u>	<u>(3,218)</u>	<u>21,585,474</u>	<u>324,643</u>
Net Position - Ending	<u>20,533,786</u>	<u>(1,385)</u>	<u>20,532,401</u>	<u>414,094</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, 2019**

	Water	Refuse	Totals	Governmental Activities
				Internal Service
				Employee Insurance
<b>Business-Type Activities - Enterprise Funds</b>				
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 4,876,550	1,286,337	6,162,887	(14)
Receipts from Interfund Services	-	-	-	1,372,819
Payments to Employees	(625,627)	-	(625,627)	-
Payments to Suppliers	(2,966,060)	(1,286,337)	(4,252,397)	(1,290,834)
	<u>1,284,863</u>	-	<u>1,284,863</u>	<u>81,971</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchase of Capital Assets	(1,746,519)	-	(1,746,519)	-
Principal Paid on Debt	(888,061)	-	(888,061)	-
Interest Paid on Debt	(370,998)	-	(370,998)	-
	<u>(3,005,578)</u>	-	<u>(3,005,578)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>				
Investment Income	104,802	-	104,802	7,466
Net Change in Cash and Cash Equivalents	(1,615,913)	-	(1,615,913)	89,437
Cash and Cash Equivalents - Beginning	<u>5,759,936</u>	-	<u>5,759,936</u>	<u>323,107</u>
Cash and Cash Equivalents - Ending	<u>4,144,023</u>	-	<u>4,144,023</u>	<u>412,544</u>
<b>Reconciliation of Operating Income to Net Cash</b>				
Provided (Used) by Operating Activities.				
Operating Income (Loss)	(911,454)	1,833	(909,621)	81,985
Adjustments to Reconcile Operating Income to				
Net Income to Net Cash Provided by (Used in)				
Depreciation and Amortization Expense	1,931,114	-	1,931,114	-
Other Income	122,744	-	122,744	-
(Increase) Decrease in Current Assets	(159,978)	86,132	(73,846)	(14)
Increase (Decrease) in Current Liabilities	302,437	(87,965)	214,472	-
Net Cash Provided by Operating Activities	<u>1,284,863</u>	-	<u>1,284,863</u>	<u>81,971</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, 2019**

	Pension	Trust	Police	Pension	Agency
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 454,115				1,944,045
Investments					
U.S. Treasury Obligations	424,354				-
U.S. Agency Obligations	2,440,835				-
Municipal Bonds	152,992				-
Corporate Bonds	2,358,845				-
Mutual Funds	4,218,276				-
Common Stock	550,621				-
Receivables - Net of Allowance					
Accounts	-				2,935
Accrued Interest	59,705				-
Total Assets	<u>10,659,743</u>				<u>1,946,980</u>
<b>LIABILITIES</b>					
Deposits Payable	-				308,142
Due to Others	-				47,322
Due to Bondholders	-				<u>1,591,516</u>
Total Liabilities	<u>-</u>				<u>1,946,980</u>
<b>NET POSITION</b>					
Net Position Restricted for Pensions					<u>10,659,743</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, 2019**

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	Pension Trust
	Police Pension
<b>Additions</b>	
Contributions - Employer	\$ 557,590
Contributions - Plan Members	<u>327,795</u>
Total Contributions	<u>885,385</u>
 Investment Income	
Investment Earnings	430,645
Net Change in Fair Value	<u>210,817</u>
	641,462
Less Investment Expenses	<u>(23,644)</u>
Net Investment Income	<u>617,818</u>
 Total Additions	<u>1,503,203</u>
 Deductions	
Administration	8,143
Benefits and Refunds	<u>672,519</u>
 Total Deductions	<u>680,662</u>
 Change in Fiduciary Net Position	822,541
 Net Position Restricted for Pensions	
Beginning	<u>9,837,202</u>
 Ending	<u>10,659,743</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, 2019**

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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, 2019**

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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, 2019**

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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 17 nonmajor special revenue funds.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2019**

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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 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, 2019**

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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 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 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 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, 2019**

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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.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2019**

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

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

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

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.

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.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2019**

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

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

##### **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.

##### **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 acquisition 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, 2019**

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

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

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

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

##### **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/reduction 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, 2019**

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

#### **ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION 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, 2019**

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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
Debt Service	\$ 1,200
Capital Improvement	3,047
Motor Fuel Tax	116,725
Montgomery Crossing Special Service Area	2,503
Blackberry Crossing Special Service Area	525
Fairfield Way Special Service Area	5,616
Foxmoor Special Service Area	2,092
Saratoga Springs Special Service Area	761
Blackberry Crossing West Special Service Area	4,832
Lakewood Creek Project	1,183
Water - Water Account	42,723
Refuse	1,166
Police Pension	22,372

#### **DEFICIT NET POSITION**

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

Fund	Deficit
Refuse	\$ 1,385

### **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, 2019**

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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.

The Illinois Trust was established for the purpose of allowing various public agencies including, but not limited to, counties, townships, cities, towns, villages, school districts, housing authorities and public water supply districts, to jointly invest funds in accordance with the Laws of the State of Illinois. Participation in the Illinois Trust is voluntary. The Illinois Trust is not registered with the SEC as an Investment Company. Investments in the Illinois Trust are valued at the share price, the price for which the investment could be sold.

## VILLAGE OF MONTGOMERY, ILLINOIS

### Notes to the Financial Statements April 30, 2019

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

#### DEPOSITS AND INVESTMENTS – Continued

The Illinois Public Reserves Investment Management Trust (IPRIME) is an investment opportunity and cash management service for Illinois Municipal Treasurers acting on behalf of counties, townships, cities, towns, villages, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities, and all other political corporations or subdivisions of the State of Illinois. Participation in IPRIME is voluntary. IPRIME is not registered with the SEC as an Investment Company. Investments in IPRIME are valued at the share price, the price for which the investment could be sold.

#### 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 \$8,003,448 and the bank balances totaled \$9,240,281.

*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	\$ 477,447	-	477,447	-	-
Municipal Bonds	856,488	-	856,488	-	-
IPRIME	4,313,416	4,313,416	-	-	-
IIIT Illinois Trust	1,398,421	1,398,421	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,045,772	5,711,837	1,333,935	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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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 – Continued.* The Village has the following recurring fair value measurements as of April 30, 2019:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable	Significant Unobservable Inputs	Inputs (Level 3)
Total	(Level 1)	(Level 2)		(Level 3)
<b>Investments by Fair Value Level</b>				
Debt Securities				
U.S. Agency Obligations	\$ 477,447	-	477,447	-
Municipal Bonds	856,488	-	856,488	-
Total Investments by Fair Value Level	1,333,935	-	1,333,935	-
<b>Investments Measured at the Net Asst Value (NAV)</b>				
IPRIME	4,313,416			
IIIT Illinois Trust	1,398,421			
Total Investment Measured at Fair Value	7,045,772			

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.

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

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2019**

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

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

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

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. In accordance with the Village's investment policy, with the exception of U.S. Treasury and U.S. Agency 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+ by Standard and Poor's, the U.S. Agency obligations are rated AA+ by Standard & Poor's, IPRIME is rated AAAm by Standard and Poor's and the Illinois Trust is rated AAAm by Standard and 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, 2019, 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. The Village's investments in IPRIME and Illinois Trust are not subject to custodial credit risk.

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

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$454,115 and the bank balances totaled \$454,115.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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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	\$ 424,354	-	23,445	-	-
U.S. Agency Obligations	2,440,835	151,511	1,014,306	1,268,461	6,557
Municipal Bonds	152,992	152,992	-	-	-
Corporate Bonds	2,358,845	151,256	1,652,970	554,619	-
<b>Totals</b>	<b>5,377,026</b>	<b>455,759</b>	<b>2,690,721</b>	<b>1,823,080</b>	<b>6,557</b>

The Fund has the following recurring fair value measurements as of April 30, 2019:

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. Treasury Obligations	\$ 424,354	424,354	-	-	-
U.S. Agency Obligations	2,440,835	-	2,440,835	-	-
Municipal Bonds	152,992	-	152,992	-	-
Corporate Bonds	2,358,845	-	2,358,845	-	-
Equity Securities					
Mutual Funds	4,218,276	4,218,276	-	-	-
Common Stock	550,621	550,621	-	-	-
<b>Total Investments by Fair Value Level</b>	<b>10,145,923</b>	<b>5,193,251</b>	<b>4,952,672</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, 2019**

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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, corporate bonds and 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, 2019, 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, 2019, 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, 2019, 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 \$550,621 invested in common stock and \$4,218,276 invested in mutual funds at year-end.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2019**

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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
Fixed Income	65.00%	(1.61%) - 5.28%
Domestic Equities	10.00% - 55.00%	5.12% - 6.61%
International Equities	15.00%	6.34%
Real Estate	10.00%	5.88%
Cash and Cash Equivalents	0.00%	3.13%

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in July 2019 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, 2019 are listed in the table above.

#### **Rate of Return**

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.15%. 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, 2019**

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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 is 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. One forgivable loan was approved during fiscal year 2019 for a total of \$10,000. The outstanding balance of these loans as of April 30, 2019 was \$26,210.
- 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, 2019 is \$40,791.

#### **PROPERTY TAXES**

Property taxes for 2017 attach as an enforceable lien on January 1, 2017, 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.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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

### 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>345,767</u>

#### Interfund Balances

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

Receivable Fund	Payable Fund	Amount
Water	General	\$ 20,691
Water	Refuse	116,998
Water Improvement Account - Water	Water Account - Water	5,537
Refuse	Water	<u>16,206</u>
		<u>159,432</u>

#### Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Debt Service	Capital Improvement	\$ <u>1,656,790</u>

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

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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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
<b>Nondepreciable Capital Assets</b>				
Land	\$ 9,893,836	150,624	-	10,044,460
Land Right of Way	8,056,400	-	-	8,056,400
	<u>17,950,236</u>	<u>150,624</u>	<u>-</u>	<u>18,100,860</u>
<b>Depreciable Capital Assets</b>				
Land Improvements	138,448	-	-	138,448
Buildings	22,310,653	-	-	22,310,653
Equipment	783,888	-	-	783,888
Vehicles	3,485,723	693,085	20,593	4,158,215
Infrastructure	33,856,109	-	-	33,856,109
	<u>60,574,821</u>	<u>693,085</u>	<u>20,593</u>	<u>61,247,313</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	138,448	-	-	138,448
Buildings	11,515,784	1,115,532	-	12,631,316
Equipment	427,213	80,600	-	507,813
Vehicles	1,589,509	417,863	20,593	1,986,779
Infrastructure	12,015,607	1,354,245	-	13,369,852
	<u>25,686,561</u>	<u>2,968,240</u>	<u>20,593</u>	<u>28,634,208</u>
Total Depreciable Capital Assets	<u>34,888,260</u>	<u>(2,275,155)</u>	<u>-</u>	<u>32,613,105</u>
Total Capital Assets	<u>52,838,496</u>	<u>(2,124,531)</u>	<u>-</u>	<u>50,713,965</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 668,775
Public Safety	688,733
Highways and Streets	<u>1,610,732</u>
	<u>2,968,240</u>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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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	471,411	-	240,410	231,001
	<u>487,944</u>	<u>-</u>	<u>240,410</u>	<u>247,534</u>
<b>Depreciable Capital Assets</b>				
Equipment	84,062	-	-	84,062
Infrastructure	50,257,724	1,986,929	-	52,244,653
	<u>50,341,786</u>	<u>1,986,929</u>	<u>-</u>	<u>52,328,715</u>
<b>Less Accumulated Depreciation</b>				
Equipment	84,062	-	-	84,062
Infrastructure	20,568,870	1,956,405	-	22,525,275
	<u>20,652,932</u>	<u>1,956,405</u>	<u>-</u>	<u>22,609,337</u>
<b>Total Depreciable Capital Assets</b>	<u>29,688,854</u>	<u>30,524</u>	<u>-</u>	<u>29,719,378</u>
<b>Total Capital Assets</b>	<u>30,176,798</u>	<u>30,524</u>	<u>240,410</u>	<u>29,966,912</u>

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

Water \$ 1,956,405

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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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	\$ 365,000	-	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	-	1,000,000	1,000,000
\$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	2,865,000	-	375,000	2,490,000

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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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	\$ 4,090,000	-	135,000	3,955,000
\$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
		16,025,000	-	1,875,000	14,150,000

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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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	\$ 347,851	-	65,923	281,928
IEPA Loan Payable of 2011, due in semi-annual installments of \$125,440, including interest of 1.25% through April 19, 2032.	Sewer	3,212,981	-	211,376	3,001,605
IEPA Loan Payable of 2014, due in semi-annual installments of \$77,226, including interest of 1.995% through December 7, 2034.	Sewer	2,217,487	-	110,762	2,106,725
		5,778,319	-	388,061	5,390,258

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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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	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 532,962	411,250	399,722	544,490	54,449
Net Pension Liability					
IMRF	111,518	1,315,346	-	1,426,864	-
Police Pension	6,477,741	275,399	-	6,753,140	-
Total OPEB Liability - RBP	4,366,078	105,938	-	4,472,016	-
General Obligation Bonds Payable	8,200,000	-	1,375,000	6,825,000	1,385,000
Unamortized Bond Premium	62,302	-	22,531	39,771	15,386
	<b>19,750,601</b>	<b>2,107,933</b>	<b>1,797,253</b>	<b>20,061,281</b>	<b>1,454,835</b>
<b>Business-Type Activities</b>					
Compensated Absences	51,013	26,127	38,260	38,880	3,888
Net Pension Liability					
IMRF	44,185	461,927	-	506,112	-
Total OPEB Liability - RBP	740,711	17,972	-	758,683	-
General Obligation Bonds Payable	7,825,000	-	500,000	7,325,000	275,000
Unamortized Bond Premium	270,875	-	25,289	245,586	20,836
IEPA Loans Payable	5,778,319	-	388,061	5,390,258	394,707
	<b>14,710,103</b>	<b>506,026</b>	<b>951,610</b>	<b>14,264,519</b>	<b>694,431</b>

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liabilities, and the total OPEB liability. 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 total OPEB 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, 2019

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

#### LONG-TERM DEBT – Continued

##### Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities		Business-Type Activities			
	General Obligation Bonds Payable		General Obligation Bonds Payable		IEPA Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
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	415,409	64,712
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	152,167	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>6,825,000</b>	<b>747,813</b>	<b>7,325,000</b>	<b>3,108,174</b>	<b>5,390,258</b>	<b>641,555</b>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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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 - 2018	<u>\$ 456,384,090</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>39,363,128</u>
Amount of Debt Applicable to Limit	
General Obligation ARS Bonds of 2008A	\$ 1,000,000
General Obligation ARS Refunding Bonds of 2011	2,490,000
General Obligation ARS Bonds of 2013	3,955,000
Taxable General Obligation ARS Refunding Bonds of 2014	3,335,000
General Obligation ARS Bonds of 2017	<u>3,370,000</u>
	14,150,000
Less: Alternate Revenue Source Bonds	<u>(14,150,000)</u>
Total Applicable Debt	<u>-</u>
Legal Debt Margin	<u>39,363,128</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, 2019, \$25,299 of the Special Service Area No. 17 bonds are outstanding.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2019**

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

##### **LONG-TERM DEBT – Continued**

###### **Special Assessment Bonds**

During fiscal year ended April 30, 2019, the Village refunded \$9,901,000 of special assessment bonds. 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. As of April 30, 2019, \$7,755,000 of the special assessment bonds are outstanding.

###### **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 zero and the bonds matured December 1, 2018. During the current fiscal year, the pledge of water revenues for the bonds of \$379,417 was approximately 7.72% 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 \$1,050,000 with the bonds maturing December 1, 2019. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$1,100,000 was approximately 20.49% 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 \$2,745,613 with the bonds maturing December 1, 2024. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$451,750 was approximately 8.41% 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 \$5,791,200, with the bonds maturing December 1, 2038. During the current fiscal year, the pledge of water revenues of \$289,900 was approximately 5.90% 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 \$3,776,200 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 1.98% of total sales, telecommunication and use tax.

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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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 2018, issued for various water system improvements, are payable from a pledge of the Village's water operations revenue, with a remaining total pledge of \$4,641,975, with the bonds maturing December 1, 2037. During the current fiscal year, the pledge of water revenues of \$151,923 was approximately 3.09% of total water operating revenues.

#### NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2019:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 50,713,965
Plus: Unamortized Loss on Refunding	93,979
Less Capital Related Debt:	
General Obligation ARS Refunding Bonds of 2008A	(1,000,000)
General Obligation ARS Refunding Bonds of 2011	(2,490,000)
General Obligation ARS Refunding Bonds of 2014	(3,335,000)
Unamortized Bond Premium	<u>(39,771)</u>
Net Investment in Capital Assets	<u>43,943,173</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	29,966,912
Plus: Unspent Bond Proceeds	1,349,903
Less Capital Related Debt:	
General Obligation ARS Refunding Bonds of 2013	(3,955,000)
General Obligation ARS Bonds of 2017	(3,370,000)
IEPA Loan Payable of 2002	(281,928)
IEPA Loan Payable of 2011	(3,001,605)
IEPA Loan Payable of 2014	(2,106,725)
Unamortized Bond Premium	<u>(245,586)</u>
Net Investment in Capital Assets	<u>18,355,971</u>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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

#### NET POSITION RESTATEMENT

Beginning net position was restated due to the implementation of GASB Statement No. 75. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Governmental Activities	\$ 49,056,743	44,859,693	(4,197,050)
Business-Type Activities	22,326,185	21,585,474	(740,711)
Water	22,329,403	21,588,692	(740,711)

#### 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			Nonmajor	Totals
			Capital Improvements	Infrastructure Improvement			
<b>Fund Balances</b>							
Nonspendable							
Advances	\$ 345,767	-	-	-	-	-	345,767
Prepays	31,503	-	-	-	-	-	31,503
	<u>377,270</u>	-	-	-	-	-	<u>377,270</u>
Restricted							
Police	-	-	-	-	-	7,075	7,075
Highways and Streets	-	-	-	-	-	529,299	529,299
Subdivision Maintenance	-	-	-	-	-	747,605	747,605
Subdivision Improvements	-	-	-	-	-	739,688	739,688
Debt Service	-	49,867	-	-	-	-	49,867
	<u>-</u>	<u>49,867</u>	-	-	-	<u>2,023,667</u>	<u>2,073,534</u>
Assigned							
Economic Development	-	-	-	-	-	1,496,090	1,496,090
Capital	-	-	417,592	2,061,998	557,261	3,036,851	
	<u>-</u>	<u>-</u>	<u>417,592</u>	<u>2,061,998</u>	<u>2,053,351</u>	<u>4,532,941</u>	
Unassigned							
	<u>4,440,049</u>	-	-	-	-	-	<u>4,440,049</u>
Total Fund Balances	<u>4,817,319</u>	<u>49,867</u>	<u>417,592</u>	<u>2,061,998</u>	<u>4,077,018</u>	<u>11,423,794</u>	

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.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements** **April 30, 2019**

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

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

*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.

*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.

#### **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, 2019, 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.

## **VILLAGE OF MONTGOMERY, ILLINOIS**

**Notes to the Financial Statements**  
**April 30, 2019**

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

#### **RISK MANAGEMENT – Continued**

##### **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, 2019 was \$925,253, and the total cumulative expenditures incurred to date in rebates of current development agreements was \$8,449,458.

#### **CONTINGENT LIABILITIES**

##### **Litigation**

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

##### **Grants**

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

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

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

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

The aggregate amount of pension expense recognized for the pension plans is:

IMRF	\$ 70,473
Police Pension	<u>918,923</u>
<hr/> <u>989,396</u>	

#### 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, 2019

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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, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	39
Inactive Plan Members Entitled to but not yet Receiving Benefits	49
Active Plan Members	<u>33</u>
Total	<u><u>121</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, 2019, the Village's contribution was 10.81% of covered payroll.

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2018. 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, 2019

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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, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age
	Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
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, 2019

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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	28.00%	3.75%
Domestic Equities	37.00%	7.15%
International Equities	18.00%	7.25%
Real Estate	9.00%	6.25%
Blended	7.00%	3.20% - 8.50%
Cash and Cash Equivalents	1.00%	2.50%

###### Discount Rate

The discount rate used to measure the total pension liability was 7.25% and the prior year valuation used 7.50%. 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 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 3,705,971	1,932,976	491,567

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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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, 2017	\$ 12,985,180	12,829,477	155,703
Changes for the Year:			
Service Cost	229,595	-	229,595
Interest on the Total Pension Liability	960,197	-	960,197
Difference Between Expected and Actual			
Experience of the Total Pension Liability	132,196	-	132,196
Changes of Assumptions	387,680	-	387,680
Contributions - Employer	-	260,328	(260,328)
Contributions - Employees	-	104,971	(104,971)
Net Investment Income	-	(659,593)	659,593
Benefit Payments, including Refunds			
of Employee Contributions	(594,711)	(594,711)	-
Other (Net Transfer)	-	226,689	(226,689)
Net Changes	1,114,957	(662,316)	1,777,273
Balances at December 31, 2018	14,100,137	12,167,161	1,932,976

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

For the year ended April 30, 2019, the Village recognized pension expense of \$70,473. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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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 – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 92,488	(67,159)	25,329
Change in Assumptions	271,232	(172,136)	99,096
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	805,158	-	805,158
	1,168,878	(239,295)	929,583
Pension Contributions Made Subsequent to the Measurement Date	73,209	-	73,209
Total Deferred Amounts Related to IMRF	<u>1,242,087</u>	<u>(239,295)</u>	<u>1,002,792</u>

\$73,209 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2020. 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
2020	\$ 249,509
2021	201,587
2022	154,145
2023	324,342
2024	-
Thereafter	-
Total	<u>929,583</u>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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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, 2019, 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>31</u>
 Total	 <u>41</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, 2019**

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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, 2019, the Village's contribution was 23.46% 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, 2019**

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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, 2019, 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. These rates are experience-weighted with the raw rates as developed in the RP-2014 study, with blue collar adjustment and improved generationally using MP-2016 improvement rates.

##### **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, 2019

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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	\$ 9,652,607	6,753,140	4,435,040

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2018	\$ 16,314,943	9,837,202	6,477,741
Changes for the Year:			
Service Cost	489,408	-	489,408
Interest on the Total Pension Liability	1,118,508	-	1,118,508
Difference Between Expected and Actual			
Experience of the Total Pension Liability	(986,862)	-	(986,862)
Changes of Assumptions	1,149,405	-	1,149,405
Contributions - Employer	-	557,590	(557,590)
Contributions - Employees	-	327,795	(327,795)
Net Investment Income	-	617,818	(617,818)
Benefit Payments, including Refunds			
of Employee Contributions	(672,519)	(672,519)	-
Administrative Expense	-	(8,143)	8,143
Net Changes	1,097,940	822,541	275,399
Balances at April 30, 2019	<u>17,412,883</u>	<u>10,659,743</u>	<u>6,753,140</u>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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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, 2019, the Village recognized pension expense of \$918,923. At April 30, 2019, 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	\$ 358,119	(1,921,816)	(1,563,697)
Change in Assumptions	2,703,294	-	2,703,294
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	290,303	-	290,303
Total Deferred Amounts Related to Police Pension	<u>3,351,716</u>	<u>(1,921,816)</u>	<u>1,429,900</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
2020	\$ 326,427
2021	205,223
2022	205,924
2023	169,873
2024	154,286
Thereafter	<u>368,167</u>
Total	<u>1,429,900</u>

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS

##### General Information about the OPEB Plan

*Plan Description.* The Village's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided.* RBP provides healthcare, dental and vision insurance benefits for retirees and their dependents. Retirees are responsible for the full cost of coverage, except qualified PEDA or PSEBA employees, in which the Village is 100% responsible. Coverage ends once the retiree becomes eligible for Medicare for healthcare and when the retiree stops paying for dental and vision.

*Plan Membership.* As of April 30, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	14
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>64</u>
 Total	 <u>78</u>

#### Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2019, and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the April 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	3.79%
Healthcare Cost Trend Rates	7.10% decreasing to an ultimate rate of 5.0% for 2029 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Total OPEB Liability – Continued

*Actuarial assumptions and other inputs – Continued.* The discount rate was based on the Bond Buyer 20-Bond GO Index.

Mortality rates were based on the RP-2014 study with blue collar adjustment. These rates are improved generationally using MP-2016 Improvement Rates.

##### Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at April 30, 2018	<u>\$ 5,106,789</u>
Changes for the Year:	
Service Cost	102,680
Interest on the Total Pension Liability	197,188
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	103,474
Benefit Payments	<u>(279,432)</u>
Net Changes	<u>123,910</u>
Balance at April 30, 2019	<u>5,230,699</u>

## **VILLAGE OF MONTGOMERY, ILLINOIS**

### **Notes to the Financial Statements April 30, 2019**

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

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

###### **Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.79%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

		Current		
	1% Decrease	Discount Rate	1% Increase	
	(2.79%)	(3.79%)	(4.79%)	
Total OPEB Liability	\$ 5,875,592	5,230,699	4,695,147	

###### **Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability, calculated using various Healthcare Trend Rates, as well as what the total OPEB liability would be if it were calculated using Healthcare Trend Rates that is one percentage point lower or one percentage point higher:

	Healthcare Cost Trend Rates (Varies)	(Varies)	(Varies)
Total OPEB Liability	\$ 4,592,023	5,230,699	6,000,365

# VILLAGE OF MONTGOMERY, ILLINOIS

## Notes to the Financial Statements April 30, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended April 30, 2019, the Village recognized OPEB expense of \$306,193 At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	-	-
Change in Assumptions	97,149	-	97,149
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	<u>97,149</u>	-	<u>97,149</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred Outflows of Resources
2020	\$ 6,325
2021	6,325
2022	6,325
2023	6,325
2024	6,325
Thereafter	<u>65,524</u>
Total	<u><u>97,149</u></u>

## **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 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
- Schedule of Changes in the Employer's Total OPEB Liability
  - Retiree Benefits Plan
- 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

### Illinois Municipal Retirement Fund

#### Required Supplementary Information

#### Schedule of Employer Contributions

April 30, 2019

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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%
2019	234,160	245,804	11,644	2,274,274	10.81%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 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, 2019

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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	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%
2019	594,049	557,590	(36,459)	2,376,298		23.46%

#### Notes to the Required Supplementary Information:

Actuarial Cost Method	Projected Unit Credit (Level Dollars)
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 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	RP-2014 adjusted for plan status, collar, and Illinois Public Pension data

#### 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, 2019

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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.

12/31/2016	12/31/2017	12/31/2018
242,720	232,978	229,595
917,636	949,180	960,197
-	-	-
(233,085)	(91,234)	132,196
(33,076)	(390,097)	387,680
(493,110)	(509,785)	(594,711)
<hr/>	<hr/>	<hr/>
401,085	191,042	1,114,957
12,393,053	12,794,138	12,985,180
<hr/>	<hr/>	<hr/>
12,794,138	12,985,180	14,100,137
<hr/>	<hr/>	<hr/>
299,313	271,330	260,328
99,846	103,737	104,971
718,169	1,936,009	(659,593)
(493,110)	(509,785)	(594,711)
104,625	(158,186)	226,689
<hr/>	<hr/>	<hr/>
728,843	1,643,105	(662,316)
10,457,529	11,186,372	12,829,477
<hr/>	<hr/>	<hr/>
11,186,372	12,829,477	12,167,161
<hr/>	<hr/>	<hr/>
1,607,766	155,703	1,932,976
<hr/>	<hr/>	<hr/>
87.43%	98.80%	86.29%
<hr/>	<hr/>	<hr/>
2,218,784	2,305,270	2,332,691
<hr/>	<hr/>	<hr/>
72.46%	6.75%	82.86%

# VILLAGE OF MONTGOMERY, ILLINOIS

## Police Pension Fund

### Required Supplementary Information

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

April 30, 2019

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4/30/2015

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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	4/30/2019
400,101	426,069	460,254	489,408
837,341	1,000,049	1,026,665	1,118,508
(589,343)	(874,635)	429,887	(986,862)
2,189,746	370,109	-	1,149,405
(481,164)	(545,717)	(537,009)	(672,519)
<u>2,356,681</u>	<u>375,875</u>	<u>1,379,797</u>	<u>1,097,940</u>
<u>12,202,590</u>	<u>14,559,271</u>	<u>14,935,146</u>	<u>16,314,943</u>
<u><b>14,559,271</b></u>	<u><b>14,935,146</b></u>	<u><b>16,314,943</b></u>	<u><b>17,412,883</b></u>
452,282	520,987	580,602	557,590
216,533	205,654	223,418	327,795
(25,628)	593,998	466,740	617,818
(481,164)	(545,717)	(537,009)	(672,519)
(18,226)	(10,627)	(11,237)	(8,143)
<u>143,797</u>	<u>764,295</u>	<u>722,514</u>	<u>822,541</u>
<u>8,206,596</u>	<u>8,350,393</u>	<u>9,114,688</u>	<u>9,837,202</u>
<u><b>8,350,393</b></u>	<u><b>9,114,688</b></u>	<u><b>9,837,202</b></u>	<u><b>10,659,743</b></u>
<u><b>6,208,878</b></u>	<u><b>5,820,458</b></u>	<u><b>6,477,741</b></u>	<u><b>6,753,140</b></u>
57.35%	61.03%	60.30%	61.22%
1,951,463	2,070,191	2,226,229	2,376,298
318.17%	281.16%	290.97%	284.19%

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information**

**Schedule of Investment Returns**

**April 30, 2019**

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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%
2019	6.15%

**Note:**

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

# VILLAGE OF MONTGOMERY, ILLINOIS

## Retiree Benefits Plan

### Required Supplementary Information

#### Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2019

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	2019
Total OPEB Liability	
Service Cost	\$ 102,680
Interest	197,188
Change of Assumptions or Other Inputs	103,474
Benefit Payments	(279,432)
Net Change in Total OPEB Liability	123,910
Total OPEB Liability - Beginning	<u>5,106,789</u>
Total OPEB Liability - Ending	<u>5,230,699</u>
Covered Payroll	\$ 4,556,870
Total OPEB Liability as a Percentage of Covered Payroll	114.79%

Notes:

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

*Changes of Benefit Terms.* There was no change in the retirees' share of health insurance premiums.

*Changes of Assumptions.* Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	PPO	HMO
2020	7.10%	6.60%
2021	6.87%	6.42%
2022	6.63%	6.24%
2023	6.40%	6.07%
2024	6.17%	5.89%
2025	5.93%	5.71%
2026	5.70%	5.53%
2027	5.47%	5.36%
2028	5.23%	5.18%
Ultimate	5.00%	5.00%

In 2019, there was no change in the healthcare trend rates from the prior year.

**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, 2019**

	Original and Final Budget	Actual
<b>Revenues</b>		
Property Taxes	\$ 2,273,024	2,274,325
Other Taxes	160,538	182,107
Licenses, Permits and Fees	469,821	460,164
Intergovernmental, Grants and Contributions	6,790,225	7,057,416
Charges for Services	331,521	368,312
Fines and Forfeitures	249,500	261,411
Investment Earnings	49,500	93,875
Miscellaneous	127,790	223,231
<b>Total Revenues</b>	<b>10,451,919</b>	<b>10,920,841</b>
<b>Expenditures</b>		
Current		
General Government	2,934,604	3,189,115
Public Safety	5,490,742	5,263,122
Highways and Streets	1,893,817	1,758,633
<b>Total Expenditures</b>	<b>10,319,163</b>	<b>10,210,870</b>
<b>Net Change in Fund Balance</b>	<b>132,756</b>	<b>709,971</b>
<b>Fund Balance - Beginning</b>		<b>4,107,348</b>
<b>Fund Balance - Ending</b>		<b>4,817,319</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.

#### **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.

#### **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.

#### **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.

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

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

#### **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.

#### **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.

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

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

#### **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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### **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.

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

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### **CAPITAL PROJECTS FUNDS – Continued**

#### **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 and Equipment Replacement Fund**

The Vehicle and Equipment Replacement 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**

##### **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.

##### **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.

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**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

	Original and Final Budget	Actual
Property Taxes		
Corporate	\$ 583,217	586,729
Police Pension	557,399	557,590
Social Security	238,569	238,742
IMRF	229,658	229,730
Insurance	294,876	294,972
Police Protection	265,062	265,158
Road and Bridge	104,243	101,404
	<hr/>	<hr/>
Total Property Taxes	2,273,024	2,274,325
Other Taxes		
Utility Tax	58,538	50,539
Video Gaming Tax	102,000	131,568
Total Other Taxes	<hr/>	<hr/>
	160,538	182,107
Licenses, Permits and Fees		
Licenses		
Liquor	29,650	28,027
Amusement Machine	150	150
Tobacco	350	450
Contractors	28,125	22,375
Other	1,050	1,834
Permits		
Building	130,000	142,294
Oversized Vehicle	12,000	11,200
Solicitor	3,000	3,030
Other	500	575
Fees		
Cable Franchise	<hr/>	<hr/>
	264,996	250,229
	<hr/>	<hr/>
Total Licenses, Permits, and Fees	469,821	460,164
Intergovernmental		
Sales Tax	4,450,606	4,499,988
State Income Tax	1,766,360	1,907,508

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2019**

	Original and Final Budget	Actual
<b>Intergovernmental - Continued</b>		
Corporate Replacement Tax	\$ 52,900	54,756
Road and Bridge Replacement Tax	6,613	7,221
Local Use Tax	484,919	566,143
TIF Surplus	10,836	11,307
State Grant - Body Armor (Police)	1,351	2,120
State Grant - ILCC Tobacco (Police)	1,760	3,135
State Grant - Traffic Safety (Police)	14,880	5,238
 Total Intergovernmental	 6,790,225	 7,057,416
 <b>Charges for Services</b>		
Plumbing Inspections	22,000	15,765
Engineering Inspections	11,000	11,632
Reinspections	250	675
Elevator Inspections	1,600	2,580
Planning - Plan Commission Applications	6,000	9,800
Recycling Income	2,000	1,114
Lawn Services	8,207	7,498
Professional Services Reimbursements - Dispatch Service	-	13,620
Professional Services Reimbursements - Engineering Service	170,100	147,641
Professional Services Reimbursements - Legal Service	31,500	12,903
Professional Services Reimbursements - Planning Service	10,500	20,976
Professional Services Reimbursements - Printing and Publishing	500	215
Police Reimbursements - Training	15,944	48,660
Police Reimbursements - Special Duty	2,700	19,669
Police Reimbursements - Other	3,000	3,949
Police Reimbursements - Firing Range	500	984
Other Reimbursements - Streets	11,680	12,662
Other Reimbursements - Credit Card Fees	25,200	31,503
Other Reimbursements - Miscellaneous	6,000	3,607
Rents and Royalties - Municipal Building Rental	2,840	2,859
 Total Charges for Services	 331,521	 368,312

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2019**

	Original and Final Budget	Actual
<b>Fines and Forfeitures</b>		
Tow Impoundment Fee	\$ 100,000	86,000
Court Fines - Village	23,000	31,000
Court Fines - Kane County	100,000	109,248
Court Fines - Kendall County	10,000	12,210
Patrol Car Maintenance Fines - Kane County	10,000	12,622
Patrol Car Maintenance Fines - Kendall County	1,500	1,483
Code Enforcement Fines	5,000	8,848
 Total Fines and Forfeitures	 249,500	 261,411
 <b>Investment Earnings</b>		
Interest	49,500	93,875
 <b>Miscellaneous</b>		
Other Reimbursements - Insurance	30,000	94,470
Donations - Montgomery Fest	63,000	65,956
Donations - Beautification	5,000	7,755
Donations - River Run	15,340	12,085
Donations - Garage Sales	2,000	980
Donations - Settler's Cottage	500	328
Donations - HPC Brick Paver Program	500	600
Donations - Senior Luncheon	2,000	2,112
Donations - Parkway Tree Program	5,000	300
Donations - Car Show	2,500	2,167
Donations - Safety Event	1,500	4,200
Salable Items - History Books	350	175
Salable Items - Miscellaneous	100	400
Change in Terminal Reserve (IPBC)	-	31,503
Miscellaneous	-	200
 Total Miscellaneous	 127,790	 223,231
 <b>Total Revenues</b>	 10,451,919	 10,920,841

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

	Original and Final Budget	Actual
General Government		
Elected Officials		
Personal Services	\$ 69,678	68,192
Contractual Services	114,509	99,727
Commodities	1,335	1,997
	<hr/> 185,522	<hr/> 169,916
Administration		
Personal Services	302,896	300,161
Contractual Services	79,881	94,184
Commodities	6,345	7,456
	<hr/> 389,122	<hr/> 401,801
Finance		
Accounting		
Personal Services	437,433	441,667
Contractual Services	411,966	421,339
Commodities	6,670	4,638
	<hr/> 856,069	<hr/> 867,644
Utility Billing		
Personal Services	128,066	115,639
Contractual Services	52,817	45,753
Commodities	26,750	27,501
	<hr/> 207,633	<hr/> 188,893
	1,063,702	1,056,537
Less: Internal Charges	<hr/> (550,061)	<hr/> (532,606)
Total Finance	<hr/> 513,641	<hr/> 523,931
Legal		
Contractual Services	179,500	170,173

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2019**

	Original and Final Budget	Actual
General Government - Continued		
Engineering		
Contractual Services	\$ 225,000	<u>214,863</u>
Community Development		
Economic Development		
Contractual Services	97,660	101,347
Other	684,409	925,253
	<u>782,069</u>	<u>1,026,600</u>
Planning and Zoning		
Personal Services	275,993	275,570
Contractual Services	32,619	41,519
Commodities	2,850	1,017
	<u>311,462</u>	<u>318,106</u>
Code Enforcement and Inspections		
Personal Services	283,337	289,976
Contractual Services	61,596	69,638
Commodities	3,355	4,111
	<u>348,288</u>	<u>363,725</u>
Total Community Development	<u>1,441,819</u>	<u>1,708,431</u>
Total General Government	<u>2,934,604</u>	<u>3,189,115</u>
Public Safety		
Police		
Administration		
Personal Services	426,074	426,619
Contractual Services	199,625	229,591
Commodities	9,880	12,274
	<u>635,579</u>	<u>668,484</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2019**

	Original and Final Budget	Actual
<b>Public Safety - Continued</b>		
<b>Police - Continued</b>		
Support Services		
Personal Services	\$ 249,868	232,635
Contractual Services	277,627	272,956
Commodities	-	3,168
	<hr/> 527,495	<hr/> 508,759
Patrol		
Personal Services	3,642,856	3,409,046
Contractual Services	229,397	228,716
Commodities	39,950	50,453
	<hr/> 3,912,203	<hr/> 3,688,215
Investigations		
Personal Services	383,525	366,947
Contractual Services	11,893	8,851
Commodities	9,470	13,277
	<hr/> 404,888	<hr/> 389,075
Police Commission		
Personal Services	452	-
Contractual Services	7,675	6,803
Commodities	250	-
	<hr/> 8,377	<hr/> 6,803
<b>ESDA</b>		
Contractual Services	2,000	1,786
Commodities	200	-
	<hr/> 2,200	<hr/> 1,786
<b>Total Public Safety</b>	<hr/> 5,490,742	<hr/> 5,263,122

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**  
**For the Fiscal Year Ended April 30, 2019**

	Original and Final Budget	Actual
<b>Highways and Streets</b>		
Administration		
Personal Services	\$ 95,161	85,586
Contractual Services	34,501	47,577
Commodities	15,035	16,453
	<hr/> 144,697	<hr/> 149,616
Streets		
Personal Services	442,097	350,516
Contractual Services	558,372	520,312
Commodities	63,350	87,379
	<hr/> 1,063,819	<hr/> 958,207
Vehicle Maintenance		
Personal Services	127,750	121,122
Contractual Services	104,197	115,707
Commodities	154,600	158,734
	<hr/> 386,547	<hr/> 395,563
Buildings and Grounds		
Personal Services	206,981	203,351
Contractual Services	433,773	391,310
Commodities	14,900	19,984
	<hr/> 655,654	<hr/> 614,645
Stormwater Management		
Contractual Services	<hr/> 43,956	<hr/> 38,086
	2,294,673	2,156,117
Less: Internal Charges	<hr/> (400,856)	<hr/> (397,484)
Total Highways and Streets	<hr/> 1,893,817	<hr/> 1,758,633
Total Expenditures	<hr/> 10,319,163	<hr/> 10,210,870

**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, 2019**

	Original and Final Budget	Actual
Revenues		
Interest	\$ -	2,367
Expenditures		
Debt Service		
Principal Retirement	1,375,000	1,375,000
Interest and Fiscal Charges	284,290	285,490
Total Expenditures	<u>1,659,290</u>	<u>1,660,490</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,659,290)	(1,658,123)
Other Financing Sources		
Transfers In	<u>1,659,290</u>	<u>1,656,790</u>
Net Change in Fund Balance	<u>—</u>	<u>(1,333)</u>
Fund Balance - Beginning		<u>51,200</u>
Fund Balance - Ending		<u>49,867</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, 2019**

	Original and Final Budget	Actual
<b>Revenues</b>		
Other Taxes		
Utility Taxes	\$ 1,258,953	1,230,147
Charges for Services	87,669	119,545
Interest	9,000	18,966
<b>Total Revenues</b>	<b>1,355,622</b>	<b>1,368,658</b>
<b>Expenditures</b>		
Current		
General Government		
Contractual Services	7,787	6,187
Highways and Streets		
Contractual Services	2,052	-
Capital Outlay	19,514	26,213
<b>Total Expenditures</b>	<b>29,353</b>	<b>32,400</b>
<b>Excess (Deficiency) of Revenues</b>		
Over Expenditures	1,326,269	1,336,258
<b>Other Financing (Uses)</b>		
Transfers Out	(1,659,290)	(1,656,790)
<b>Net Change in Fund Balances</b>	<b>(333,021)</b>	<b>(320,532)</b>
<b>Fund Balances - Beginning</b>		<b>738,124</b>
<b>Fund Balances - Ending</b>		<b>417,592</b>

**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, 2019**

	Original and Final Budget	Actual
<b>Revenues</b>		
Intergovernmental, Grants and Contributions		
Non-Home Rule Sales Tax	\$ 3,125,236	3,087,038
State Grants	500,000	-
Charges for Services	198,980	41,413
Interest	15,000	38,850
Total Revenues	<u>3,839,216</u>	<u>3,167,301</u>
<b>Expenditures</b>		
Current		
General Government		
Contractual Services	137,102	122,045
Highways and Streets		
Contractual Services	<u>5,567,540</u>	<u>3,188,364</u>
Total Expenditures	<u>5,704,642</u>	<u>3,310,409</u>
Net Change in Fund Balance	<u>(1,865,426)</u>	<u>(143,108)</u>
Fund Balance - Beginning		<u>2,205,106</u>
Fund Balance - Ending		<u>2,061,998</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

**April 30, 2019**

	Special Revenue	Capital Projects	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 3,551,465	634,815	4,186,280
Receivables - Net of Allowances			
Property Taxes	1,408,011	-	1,408,011
Accrued Interest	120	1,550	1,670
Notes	40,791	-	40,791
Due from Other Governments	40,812	-	40,812
 Total Assets	 5,041,199	 636,365	 5,677,564
<b>LIABILITIES</b>			
Accounts Payable	188,585	3,950	192,535
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	1,408,011	-	1,408,011
Total Liabilities and Deferred Inflows of Resources	1,596,596	3,950	1,600,546
<b>FUND BALANCES</b>			
Restricted	1,948,513	75,154	2,023,667
Assigned	1,496,090	557,261	2,053,351
Total Fund Balances	3,444,603	632,415	4,077,018
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 5,041,199	 636,365	 5,677,564

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2019**

	Special Revenue	Capital Projects	Totals
<b>Revenues</b>			
Property Taxes	\$ 1,173,476	-	1,173,476
Intergovernmental, Grants and Contributions	515,685	-	515,685
Fines and Forfeitures	-	21,481	21,481
Charges for Services	500	618,241	618,741
Interest	47,982	10,629	58,611
Miscellaneous	(50)	21,344	21,294
<b>Total Revenues</b>	<b>1,737,593</b>	<b>671,695</b>	<b>2,409,288</b>
<b>Expenditures</b>			
Current			
General Government	224,171	61,183	285,354
Public Safety	114	-	114
Highways and Streets	657,075	-	657,075
Capital Outlay	205,931	694,872	900,803
<b>Total Expenditures</b>	<b>1,087,291</b>	<b>756,055</b>	<b>1,843,346</b>
Net Change in Fund Balances	650,302	(84,360)	565,942
Fund Balances - Beginning	2,794,301	716,775	3,511,076
<b>Fund Balances - Ending</b>	<b>3,444,603</b>	<b>632,415</b>	<b>4,077,018</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet**

**April 30, 2019**

	<u>Montgomery</u>	<u>Crossings</u>	<u>Special</u>	<u>Service</u>
	<u>Development</u>	<u>Fuel Tax</u>	<u>Gift</u>	<u>Area</u>
<b>ASSETS</b>				
Cash and Investments	\$ 1,455,507	649,639	7,075	116,594
Receivables - Net of Allowances				
Property Taxes	-	-	-	53,002
Notes	40,791	-	-	-
Accrued Interest	-	-	-	30
Due from Other Governments	-	40,812	-	-
<b>Total Assets</b>	<b>1,496,298</b>	<b>690,451</b>	<b>7,075</b>	<b>169,626</b>
<b>LIABILITIES</b>				
Accounts Payable	208	161,152	-	4,567
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	-	-	-	53,002
Total Liabilities and Deferred				
Inflows of Resources	208	161,152	-	57,569
<b>FUND BALANCES</b>				
Restricted	-	529,299	7,075	112,057
Assigned	1,496,090	-	-	-
<b>Total Fund Balances</b>	<b>1,496,090</b>	<b>529,299</b>	<b>7,075</b>	<b>112,057</b>
<b>Total Liabilities and Fund Balances</b>	<b>1,496,298</b>	<b>690,451</b>	<b>7,075</b>	<b>169,626</b>

Blackberry Crossing Special Service Area	Ogden Hill Special Service Area	Marquis Pointe Special Service Area	Balmorea Special Service Area	Arbor Ridge Special Service Area	Fairfield Way Special Service Area	Foxmoor Special Service Area
51,962	50,814	34,862	26,310	30,881	132,315	89,132
18,001	23,031	13,296	35,000	23,000	24,500	52,000
-	-	-	-	-	-	-
-	-	-	-	-	33	16
-	-	-	-	-	-	-
<b>69,963</b>	<b>73,845</b>	<b>48,158</b>	<b>61,310</b>	<b>53,881</b>	<b>156,848</b>	<b>141,148</b>
2,275	-	-	1,984	794	4,652	4,009
18,001	23,031	13,296	35,000	23,000	24,500	52,000
20,276	23,031	13,296	36,984	23,794	29,152	56,009
49,687	50,814	34,862	24,326	30,087	127,696	85,139
-	-	-	-	-	-	-
49,687	50,814	34,862	24,326	30,087	127,696	85,139
<b>69,963</b>	<b>73,845</b>	<b>48,158</b>	<b>61,310</b>	<b>53,881</b>	<b>156,848</b>	<b>141,148</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Balance Sheet - Continued**

**April 30, 2019**

	Tax Increment Financing District #1	Tax Increment Financing District #2	Saratoga Springs Special Service Area	Orchard Prairie North Special Service Area
<b>ASSETS</b>				
Cash and Investments	\$ 55,124	609,522	35,932	36,704
Receivables - Net of Allowances				
Property Taxes	34,083	1,048,595	17,501	31,000
Notes	-	-	-	-
Accrued Interest	-	-	-	-
Due from Other Governments	-	-	-	-
<b>Total Assets</b>	<b>89,207</b>	<b>1,658,117</b>	<b>53,433</b>	<b>67,704</b>
<b>LIABILITIES</b>				
Accounts Payable	-	112	1,534	3,070
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	34,083	1,048,595	17,501	31,000
Total Liabilities and Deferred Inflows of Resources	34,083	1,048,707	19,035	34,070
<b>FUND BALANCES</b>				
Restricted	55,124	609,410	34,398	33,634
Assigned	-	-	-	-
Total Fund Balances	55,124	609,410	34,398	33,634
<b>Total Liabilities and Fund Balances</b>	<b>89,207</b>	<b>1,658,117</b>	<b>53,433</b>	<b>67,704</b>

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Blackberry Crossing West Special Service Area	Fieldstone Special Service Area	Totals
145,587	23,505	3,551,465
32,002	3,000	1,408,011
-	-	40,791
41	-	120
-	-	40,812
<hr/>	<hr/>	<hr/>
177,630	26,505	5,041,199
<hr/>	<hr/>	<hr/>
2,707	1,521	188,585
<hr/>	<hr/>	<hr/>
32,002	3,000	1,408,011
<hr/>	<hr/>	<hr/>
34,709	4,521	1,596,596
<hr/>	<hr/>	<hr/>
142,921	21,984	1,948,513
-	-	1,496,090
<hr/>	<hr/>	<hr/>
142,921	21,984	3,444,603
<hr/>	<hr/>	<hr/>
177,630	26,505	5,041,199
<hr/>	<hr/>	<hr/>

**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, 2019**

	Montgomery Development	Motor Fuel Tax	Police Gift	Montgomery Crossings Special Service Area
<b>Revenues</b>				
Property Taxes	\$ -	-	-	51,496
Intergovernmental, Grants and Contributions	-	515,685	-	-
Charges for Services	500	-	-	-
Interest	34,024	9,248	-	321
Miscellaneous	-	-	(50)	-
<b>Total Revenues</b>	<b>34,524</b>	<b>524,933</b>	<b>(50)</b>	<b>51,817</b>
<b>Expenditures</b>				
Current				
General Government	11,168	-	-	-
Public Safety	-	-	114	-
Highways and Streets	-	257,475	-	69,543
Capital Outlay	150,624	-	-	-
<b>Total Expenditures</b>	<b>161,792</b>	<b>257,475</b>	<b>114</b>	<b>69,543</b>
Net Change in Fund Balances	(127,268)	267,458	(164)	(17,726)
Fund Balances - Beginning	1,623,358	261,841	7,239	129,783
<b>Fund Balances - Ending</b>	<b>1,496,090</b>	<b>529,299</b>	<b>7,075</b>	<b>112,057</b>

Blackberry Crossing Special Service Area	Ogden Hill Special Service Area	Marquis Pointe Special Service Area	Balmorea Special Service Area	Arbor Ridge Special Service Area	Fairfield Way Special Service Area	Foxmoor Special Service Area
15,980	25,033	14,031	35,004	22,007	22,622	47,465
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	347	177
-	-	-	-	-	-	-
<b>15,980</b>	<b>25,033</b>	<b>14,031</b>	<b>35,004</b>	<b>22,007</b>	<b>22,969</b>	<b>47,642</b>
<hr/>						
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>20,980</b>	<b>18,736</b>	<b>11,003</b>	<b>28,956</b>	<b>16,882</b>	<b>54,945</b>	<b>70,540</b>
-	-	-	-	-	-	-
<b>20,980</b>	<b>18,736</b>	<b>11,003</b>	<b>28,956</b>	<b>16,882</b>	<b>54,945</b>	<b>70,540</b>
<hr/>						
(5,000)	6,297	3,028	6,048	5,125	(31,976)	(22,898)
<b>54,687</b>	<b>44,517</b>	<b>31,834</b>	<b>18,278</b>	<b>24,962</b>	<b>159,672</b>	<b>108,037</b>
<b>49,687</b>	<b>50,814</b>	<b>34,862</b>	<b>24,326</b>	<b>30,087</b>	<b>127,696</b>	<b>85,139</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, 2019**

	Tax Increment Financing District #1	Tax Increment Financing District #2	Saratoga Springs Special Service Area	Orchard Prairie North Special Service Area
<b>Revenues</b>				
Property Taxes	\$ 34,258	816,529	16,002	31,003
Intergovernmental, Grants and Contributions	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	3,426	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>34,258</b>	<b>819,955</b>	<b>16,002</b>	<b>31,003</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	1,526	211,477	-	-
Public Safety	-	-	-	-
Highways and Streets	-	-	17,532	31,924
<b>    Capital Outlay</b>	<b>45,167</b>	<b>10,140</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>46,693</b>	<b>221,617</b>	<b>17,532</b>	<b>31,924</b>
<b>Net Change in Fund Balances</b>	<b>(12,435)</b>	<b>598,338</b>	<b>(1,530)</b>	<b>(921)</b>
<b>Fund Balances - Beginning</b>	<b>67,559</b>	<b>11,072</b>	<b>35,928</b>	<b>34,555</b>
<b>Fund Balances - Ending</b>	<b>55,124</b>	<b>609,410</b>	<b>34,398</b>	<b>33,634</b>

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Blackberry Crossing West Special Service Area	Fieldstone Special Service Area	Totals
37,069	4,977	1,173,476
-	-	515,685
-	-	500
439	-	47,982
-	-	(50)
<u>37,508</u>	<u>4,977</u>	<u>1,737,593</u>
-	-	224,171
-	-	114
53,939	4,620	657,075
-	-	205,931
<u>53,939</u>	<u>4,620</u>	<u>1,087,291</u>
(16,431)	357	650,302
<u>159,352</u>	<u>21,627</u>	<u>2,794,301</u>
<u>142,921</u>	<u>21,984</u>	<u>3,444,603</u>

**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, 2019**

	Original and Final Budget	Actual
<b>Revenues</b>		
Charges for Services	\$ 1,000	500
Interest	13,839	34,024
<b>Total Revenues</b>	<b>14,839</b>	<b>34,524</b>
 <b>Expenditures</b>		
Current		
General Government		
Contractual Services	1,000	11,168
Capital Outlay	180,000	150,624
Total Expenditures	<b>181,000</b>	<b>161,792</b>
 Net Change in Fund Balance	<b>(166,161)</b>	<b>(127,268)</b>
 Fund Balance - Beginning		<b>1,623,358</b>
 Fund Balance - Ending		<b>1,496,090</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, 2019**

	Original and Final Budget	Actual
<b>Revenues</b>		
Intergovernmental, Grants and Contributions		
Motor Fuel Taxes	\$ 522,779	515,685
Interest	500	9,248
Total Revenues	<u>523,279</u>	<u>524,933</u>
 <b>Expenditures</b>		
Current		
Highways and Streets		
Contractual Services	-	161,153
Commodities	140,750	96,322
Total Expenditures	<u>140,750</u>	<u>257,475</u>
 Net Change in Fund Balance	<u>382,529</u>	<u>267,458</u>
 Fund Balance - Beginning		<u>261,841</u>
 Fund Balance - Ending		<u>529,299</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, 2019**

	Original and Final Budget	Actual
Revenues		
Miscellaneous	\$ 250	(50)
Expenditures		
Current		
Public Safety		
Commodities	1,400	114
Net Change in Fund Balance	<u>(1,150)</u>	(164)
Fund Balance - Beginning		<u>7,239</u>
Fund Balance - Ending		<u>7,075</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, 2019**

	Original and Final Budget	Actual
<b>Revenues</b>		
Property Taxes	\$ 51,500	51,496
Interest	-	321
<b>Total Revenues</b>	<hr/> 51,500	<hr/> 51,817
<b>Expenditures</b>		
Current		
Highways and Streets	67,040	69,543
Contractual Services	<hr/>	<hr/>
Net Change in Fund Balance	<u>(15,540)</u>	(17,726)
Fund Balance - Beginning	<hr/> <u>129,783</u>	
Fund Balance - Ending	<hr/> <u>112,057</u>	

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Blackberry Crossing 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, 2019**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 16,000	15,980
Expenditures		
Current		
Highways and Streets		
Contractual Services	20,455	20,980
Net Change in Fund Balance	<u>(4,455)</u>	(5,000)
Fund Balance - Beginning		<u>54,687</u>
Fund Balance - Ending		<u>49,687</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, 2019**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 25,000	25,033
Expenditures		
Current		
Highways and Streets		
Contractual Services	18,736	<u>18,736</u>
Net Change in Fund Balance	<u>6,264</u>	6,297
Fund Balance - Beginning		<u>44,517</u>
Fund Balance - Ending		<u>50,814</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, 2019**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 14,000	14,031
Expenditures		
Current		
Highways and Streets		
Contractual Services	11,003	11,003
Net Change in Fund Balance	<u>2,997</u>	3,028
Fund Balance - Beginning		<u>31,834</u>
Fund Balance - Ending		<u>34,862</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, 2019**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 35,000	35,004
Expenditures		
Current		
Highways and Streets		
Contractual Services	28,956	28,956
Net Change in Fund Balance	<u>6,044</u>	6,048
Fund Balance - Beginning		<u>18,278</u>
Fund Balance - Ending		<u>24,326</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, 2019**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 22,000	22,007
Expenditures		
Current		
Highways and Streets		
Contractual Services	21,476	16,882
Net Change in Fund Balance	<u>524</u>	5,125
Fund Balance - Beginning		<u>24,962</u>
Fund Balance - Ending		<u>30,087</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, 2019**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 22,500	22,622
Interest	-	347
Total Revenues	<u>22,500</u>	<u>22,969</u>
Expenditures		
Current		
Highways and Streets		
Contractual Services	<u>49,329</u>	<u>54,945</u>
Net Change in Fund Balance	<u>(26,829)</u>	<u>(31,976)</u>
Fund Balance - Beginning		<u>159,672</u>
Fund Balance - Ending		<u>127,696</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, 2019**

	Original and Final Budget	Actual
<b>Revenues</b>		
Property Taxes	\$ 47,500	47,465
Interest	-	177
<b>Total Revenues</b>	<b>47,500</b>	<b>47,642</b>
<b>Expenditures</b>		
Current		
Highways and Streets	68,448	70,540
Contractual Services		
<b>Net Change in Fund Balance</b>	<b><u>(20,948)</u></b>	<b>(22,898)</b>
<b>Fund Balance - Beginning</b>		<b><u>108,037</u></b>
<b>Fund Balance - Ending</b>		<b><u>85,139</u></b>

**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, 2019**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 35,000	<u>34,258</u>
Expenditures		
Current		
General Government		
Contractual Services	1,170	1,526
Capital Outlay	55,000	45,167
Total Expenditures	<u>56,170</u>	<u>46,693</u>
Net Change in Fund Balance	<u>(21,170)</u>	<u>(12,435)</u>
Fund Balance - Beginning		<u>67,559</u>
Fund Balance - Ending		<u>55,124</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, 2019**

	Original and Final Budget	Actual
<b>Revenues</b>		
Property Taxes	\$ 817,231	816,529
Interest	-	3,426
<b>Total Revenues</b>	<b>817,231</b>	<b>819,955</b>
<b>Expenditures</b>		
Current		
General Government		
Contractual Services	218,595	211,477
Capital Outlay	325,000	10,140
<b>Total Expenditures</b>	<b>543,595</b>	<b>221,617</b>
<b>Net Change in Fund Balance</b>	<b><u>273,636</u></b>	<b>598,338</b>
<b>Fund Balance - Beginning</b>		<b><u>11,072</u></b>
<b>Fund Balance - Ending</b>		<b><u>609,410</u></b>

**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, 2019**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 16,000	16,002
Expenditures		
Current		
Highways and Streets		
Contractual Services	16,771	17,532
Net Change in Fund Balance	<u>(771)</u>	(1,530)
Fund Balance - Beginning		<u>35,928</u>
Fund Balance - Ending		<u>34,398</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, 2019**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 31,000	31,003
Expenditures		
Current		
Highways and Streets		
Contractual Services	31,960	31,924
Net Change in Fund Balance	<u>(960)</u>	(921)
Fund Balance - Beginning		<u>34,555</u>
Fund Balance - Ending		<u>33,634</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, 2019**

	Original and Final Budget	Actual
<b>Revenues</b>		
Property Taxes	\$ 37,000	37,069
Interest	-	439
Total Revenues	<u>37,000</u>	<u>37,508</u>
 <b>Expenditures</b>		
Current		
Highways and Streets	49,107	53,939
Contractual Services		
Net Change in Fund Balance	<u>(12,107)</u>	<u>(16,431)</u>
Fund Balance - Beginning		<u>159,352</u>
Fund Balance - Ending		<u>142,921</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, 2019**

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	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 5,000	4,977
Expenditures		
Current		
Highways and Streets		
Contractual Services	4,620	4,620
Net Change in Fund Balance	<u>380</u>	357
Fund Balance - Beginning		<u>21,627</u>
Fund Balance - Ending		<u>21,984</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Nonmajor Governmental - Capital Projects Funds**

**Combining Balance Sheet**

**April 30, 2019**

	Vehicle and Equipment Replacement	Lakewood Creek Project	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 559,661	75,154	634,815
Receivables - Net of Allowances			
Accrued Interest	1,550	-	1,550
<b>Total Assets</b>	<b>561,211</b>	<b>75,154</b>	<b>636,365</b>
<b>LIABILITIES</b>			
Accounts Payable	3,950	-	3,950
<b>FUND BALANCES</b>			
Restricted	-	75,154	75,154
Assigned	557,261	-	557,261
<b>Total Fund Balances</b>	<b>557,261</b>	<b>75,154</b>	<b>632,415</b>
<b>Total Liabilities and Fund Balances</b>	<b>561,211</b>	<b>75,154</b>	<b>636,365</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, 2019**

	Vehicle and Equipment Replacement	Lakewood Creek Project	Totals
<b>Revenues</b>			
Fines and Forfeitures	\$ 21,481	-	21,481
Charges for Services	618,241	-	618,241
Interest	8,936	1,693	10,629
Miscellaneous	-	21,344	21,344
<b>Total Revenues</b>	<b>648,658</b>	<b>23,037</b>	<b>671,695</b>
<b>Expenditures</b>			
<b>Current</b>			
General Government	-	61,183	61,183
Capital Outlay	694,872	-	694,872
<b>Total Expenditures</b>	<b>694,872</b>	<b>61,183</b>	<b>756,055</b>
<b>Net Change in Fund Balances</b>	<b>(46,214)</b>	<b>(38,146)</b>	<b>(84,360)</b>
<b>Fund Balances - Beginning</b>	<b>603,475</b>	<b>113,300</b>	<b>716,775</b>
<b>Fund Balances - Ending</b>	<b>557,261</b>	<b>75,154</b>	<b>632,415</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Vehicle and Equipment Replacement - Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

	Original and Final Budget	Actual
<b>Revenues</b>		
Fines and Forfeitures	\$ 18,750	21,481
Charges for Services	618,241	618,241
Interest	<u>10,000</u>	<u>8,936</u>
<b>Total Revenues</b>	<b>646,991</b>	<b>648,658</b>
<b>Expenditures</b>		
Capital Outlay	<u>744,710</u>	<u>694,872</u>
<b>Net Change in Fund Balance</b>	<b><u>(97,719)</u></b>	<b><u>(46,214)</u></b>
<b>Fund Balance - Beginning</b>		<u>603,475</u>
<b>Fund Balance - Ending</b>		<u>557,261</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, 2019**

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	Original and Final Budget	Actual
Revenues		
Interest	\$ 100	1,693
Miscellaneous	60,000	21,344
Total Revenues	<u>60,100</u>	<u>23,037</u>
Expenditures		
Current		
General Government		
Contractual Services	<u>60,000</u>	<u>61,183</u>
Net Change in Fund Balance	<u>100</u>	<u>(38,146)</u>
Fund Balance - Beginning		<u>113,300</u>
Fund Balance - Ending		<u>75,154</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Water - Enterprise Fund - by Account**

**Combining Schedule of Net Position**

**April 30, 2019**

	Water Account	Water Improvement Account	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 2,756,977	1,387,046	4,144,023
Receivables - Net of Allowances			
Accounts	1,010,822	-	1,010,822
Accrued Interest	9,423	-	9,423
Due from Other Funds	137,689	5,537	143,226
<b>Total Current Assets</b>	<b>3,914,911</b>	<b>1,392,583</b>	<b>5,307,494</b>
Noncurrent Assets			
Nondepreciable Capital Assets	247,534	-	247,534
Depreciable Capital Assets	52,328,715	-	52,328,715
Accumulated Depreciation	(22,609,337)	-	(22,609,337)
<b>Total Noncurrent Assets</b>	<b>29,966,912</b>	<b>-</b>	<b>29,966,912</b>
<b>Total Assets</b>	<b>33,881,823</b>	<b>1,392,583</b>	<b>35,274,406</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	325,216	-	325,216
Deferred Items - OPEB	14,091	-	14,091
<b>Total Deferred Outflows of Resources</b>	<b>339,307</b>	<b>-</b>	<b>339,307</b>
Total Assets and Deferred Outflows of Resources	34,221,130	1,392,583	35,613,713

	Water Account	Water Improvement Account	Totals
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 113,374	315,602	428,976
Accrued Payroll	37,579	-	37,579
Accrued Interest Payable	130,776	-	130,776
Other Payables	36,000	97,680	133,680
Due to Other Funds	21,743	-	21,743
Current Portion of Long-Term Debt	694,431	-	694,431
<b>Total Current Liabilities</b>	<b>1,033,903</b>	<b>413,282</b>	<b>1,447,185</b>
<b>Noncurrent Liabilities</b>			
Compensated Absences Payable	34,992	-	34,992
Net Pension Liability - IMRF	506,112	-	506,112
Total OPEB Liability - RBP	758,683	-	758,683
General Obligation Bonds Payable - Net	7,274,750	-	7,274,750
IEPA Loans Payable	4,995,551	-	4,995,551
<b>Total Noncurrent Liabilities</b>	<b>13,570,088</b>	<b>-</b>	<b>13,570,088</b>
<b>Total Liabilities</b>	<b>14,603,991</b>	<b>413,282</b>	<b>15,017,273</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	62,654	-	62,654
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>14,666,645</b>	<b>413,282</b>	<b>15,079,927</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	18,355,971	-	18,355,971
Unrestricted	1,198,514	979,301	2,177,815
<b>Total Net Position</b>	<b>19,554,485</b>	<b>979,301</b>	<b>20,533,786</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, 2019**

	Water Account	Water Improvement Account	Totals
Operating Revenues			
Charges for Services	\$ 4,913,784	-	4,913,784
Operating Expenses			
Operations	3,458,458	435,666	3,894,124
Depreciation and Amortization	1,931,114	-	1,931,114
Total Operating Expenses	5,389,572	435,666	5,825,238
Operating Income (Loss)	(475,788)	(435,666)	(911,454)
Nonoperating Revenues (Expenses)			
Investment Income	55,344	49,458	104,802
Other Income	13,275	109,469	122,744
Interest Expense	(370,998)	-	(370,998)
	(302,379)	158,927	(143,452)
Income (Loss) Before Transfers	(778,167)	(276,739)	(1,054,906)
Intrafund Transfers	1,571,206	(1,571,206)	-
Change in Net Position	793,039	(1,847,945)	(1,054,906)
Net Position - Beginning as Restated	18,761,446	2,827,246	21,588,692
Net Position - Ending	19,554,485	979,301	20,533,786

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Water - Enterprise Fund - by Account**

**Combining Schedule of Cash Flows  
For the Fiscal Year Ended April 30, 2019**

	Water Account	Water Improvement Account	Totals
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers and Users	\$ 4,768,801	107,749	4,876,550
Payments to Employees	(625,627)	-	(625,627)
Payments to Suppliers	(2,842,325)	(123,735)	(2,966,060)
	<u>1,300,849</u>	<u>(15,986)</u>	<u>1,284,863</u>
<b>Cash Flows from Non-Capital Financing Activities</b>			
Intrafund Transfers	<u>1,571,206</u>	<u>(1,571,206)</u>	-
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of Capital Assets	(1,746,519)	-	(1,746,519)
Principal Paid on Debt	(888,061)	-	(888,061)
Interest Paid on Debt	(370,998)	-	(370,998)
	<u>(3,005,578)</u>	<u>-</u>	<u>(3,005,578)</u>
<b>Cash Flows from Investing Activities</b>			
Investment Income	<u>55,344</u>	<u>49,458</u>	<u>104,802</u>
Net Change in Cash and Cash Equivalents	<u>(78,179)</u>	<u>(1,537,734)</u>	<u>(1,615,913)</u>
Cash and Cash Equivalents - Beginning	<u>2,835,156</u>	<u>2,924,780</u>	<u>5,759,936</u>
Cash and Cash Equivalents - Ending	<u>2,756,977</u>	<u>1,387,046</u>	<u>4,144,023</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.</b>			
Operating Income (Loss)	(475,788)	(435,666)	(911,454)
<b>Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:</b>			
Depreciation and Amortization Expense	1,931,114	-	1,931,114
Other Income	13,275	109,469	122,744
(Increase) Decrease in Current Assets	(158,258)	(1,720)	(159,978)
Increase (Decrease) in Current Liabilities	(9,494)	311,931	302,437
Net Cash Provided by Operating Activities	<u>1,300,849</u>	<u>(15,986)</u>	<u>1,284,863</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, 2019**

	Original and Final Budget	Actual
<b>Operating Revenues</b>		
Charges for Services		
Water Sales	\$ 3,680,120	3,669,865
Late Charges	144,896	132,768
Water Service Charges	353,887	355,056
Delinquent Fees	67,100	66,000
Sewer Maintenance Charges	151,800	152,349
BH Infrastructure Fee	508,860	509,841
Fox Metro Reading Fee	27,735	27,905
Total Operating Revenues	<u>4,934,398</u>	<u>4,913,784</u>
<b>Operating Expenses</b>		
Operations		
Water Administration	209,543	210,876
Water Plant Operations	3,206,192	3,247,582
Depreciation and Amortization	-	1,931,114
Total Operating Expenses	<u>3,415,735</u>	<u>5,389,572</u>
<b>Operating Income (Loss)</b>	<u>1,518,663</u>	<u>(475,788)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Investment Income	30,000	55,344
Other Income	1,250	13,275
Interest Expense	(414,101)	(370,998)
	<u>(382,851)</u>	<u>(302,379)</u>
<b>Income (Loss) Before Transfers</b>	<u>1,135,812</u>	<u>(778,167)</u>
<b>Transfers Out</b>	<u>(2,128,204)</u>	<u>1,571,206</u>
<b>Change in Net Position</b>	<u><u>(992,392)</u></u>	<u><u>793,039</u></u>
<b>Net Position - Beginning as Restated</b>	<u><u>18,761,446</u></u>	
<b>Net Position - Ending</b>	<u><u>19,554,485</u></u>	

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Water Account - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended April 30, 2019**

	Original and Final Budget	Actual
Water Administration		
Personal Services	\$ 141,237	145,081
Contractual Services	61,556	64,209
Commodities	6,750	1,586
Debt Service		
Principal Payment	888,061	-
Interest Payment and Fiscal Agent Fees	414,101	370,998
	<hr/> 1,511,705	<hr/> 581,874
Less Nonoperating Items		
Debt Service	<hr/> (1,302,162)	<hr/> (370,998)
Total Water Administration	<hr/> 209,543	<hr/> 210,876
Water Plant Operations		
Personal Services	770,022	707,838
Contractual Services	2,119,920	2,215,756
Commodities	316,250	323,988
Total Water Plant Operations	<hr/> 3,206,192	<hr/> 3,247,582
Depreciation and Amortization		
	<hr/> -	<hr/> 1,931,114
Total Operating Expenses	<hr/> 3,415,735	<hr/> 5,389,572

**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, 2019**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ -	-
Operating Expenses		
Operations	<u>2,633,414</u>	<u>435,666</u>
Operating Income (Loss)	<u>(2,633,414)</u>	<u>(435,666)</u>
Nonoperating Revenues		
Investment Income	- 49,458	49,458
Connection Fees and Reimbursements	<u>505,390</u>	<u>109,469</u>
	<u>505,390</u>	<u>158,927</u>
Income (Loss) Before Transfers	(2,128,024)	(276,739)
Intrafund Transfers	<u>2,128,024</u>	<u>(1,571,206)</u>
Change in Net Position	<u>-</u>	<u>(1,847,945)</u>
Net Position - Beginning	<u>2,827,246</u>	
Net Position - Ending	<u>979,301</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, 2019**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Refuse Removal	\$ 1,197,206	1,200,205
Operating Expenses		
Operations		
Solid Waste Disposal	<u>1,197,206</u>	<u>1,198,372</u>
Change in Net Position	<u>-</u>	1,833
Net Position - Beginning	<u>(3,218)</u>	
Net Position - Ending		<u>(1,385)</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, 2019**

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	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 1,347,880	1,372,058
Operating Expenses		
Operations		
Insurance	<u>1,347,880</u>	<u>1,290,834</u>
Operating Income	-	81,224
Nonoperating Revenues		
Investment Earnings	<u>-</u>	<u>8,227</u>
Change in Net Position	<u>-</u>	<u>89,451</u>
Net Position - Beginning		<u>324,643</u>
Net Position - Ending		<u>414,094</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, 2019**

	Original and Final Budget	Actual
<b>Additions</b>		
Contributions - Employer	\$ 557,399	557,590
Contributions - Plan Members	247,564	327,795
Total Contributions	<u>804,963</u>	<u>885,385</u>
 Investment Income		
Investment Earnings	729,960	430,645
Net Change in Fair Value	-	210,817
	<u>729,960</u>	<u>641,462</u>
Less Investment Expenses	(26,070)	(23,644)
Net Investment Income	<u>703,890</u>	<u>617,818</u>
 Total Additions	<u>1,508,853</u>	<u>1,503,203</u>
 Deductions		
Administration	15,388	8,143
Benefits and Refunds	642,902	672,519
	<u>658,290</u>	<u>680,662</u>
 Change in Fiduciary Net Position	<u>850,563</u>	<u>822,541</u>
 Net Position Restricted for Pensions		
Beginning	<u>9,837,202</u>	
Ending	<u>10,659,743</u>	

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Agency Funds**

**Combining Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended April 30, 2019**

	<u>Beginning Balances</u>		<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>
<b>ALL FUNDS</b>					
<b>ASSETS</b>					
Cash and Investments	\$ 2,045,800		1,133,649	1,235,404	1,944,045
Accounts Receivable	-		2,935	-	2,935
	<u>2,045,800</u>		<u>1,136,584</u>	<u>1,235,404</u>	<u>1,946,980</u>
<b>LIABILITIES</b>					
Deposits Payable	361,272		-	53,130	308,142
Due to Others	(4,227)		51,549	-	47,322
Due to Bondholders	1,688,755		1,085,035	1,182,274	1,591,516
Total Liabilities	<u>2,045,800</u>		<u>1,136,584</u>	<u>1,235,404</u>	<u>1,946,980</u>
<b>TEMPORARY CERTIFICATE OF OCCUPANCY (CO)</b>					
<b>ASSETS</b>					
Cash and Investments	-		49,300	-	49,300
	<u>-</u>		<u>49,300</u>	<u>-</u>	<u>49,300</u>
<b>LIABILITIES</b>					
Due to Others	-		49,300	-	49,300
	<u>-</u>		<u>49,300</u>	<u>-</u>	<u>49,300</u>

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	Beginning Balances	Additions	Deductions	Ending Balances
<b>ESCROW</b>				
<b>ASSETS</b>				
Cash and Investments				
	<u>\$ 361,272</u>	-	<u>53,130</u>	<u>308,142</u>
<b>LIABILITIES</b>				
Deposits Payable				
	<u>361,272</u>	-	<u>53,130</u>	<u>308,142</u>
<b>FLEXIBLE BENEFITS</b>				
<b>ASSETS</b>				
Cash and Investments				
	<u>(4,227)</u>	<u>2,249</u>	-	<u>(1,978)</u>
<b>LIABILITIES</b>				
Due to Others				
	<u>(4,227)</u>	<u>2,249</u>	-	<u>(1,978)</u>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Agency Funds**

**Combining Statement of Changes in Assets and Liabilities - Continued**  
**For the Fiscal Year Ended April 30, 2019**

	Beginning Balances	Additions	Deductions	Ending Balances
<b>LAKEWOOD CREEK SPECIAL ASSESSMENT</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 1,684,813	1,081,100	1,178,339	1,587,574

	Beginning Balances	Additions	Deductions	Ending Balances
<b>LIABILITIES</b>				
Due to Bondholders	1,684,813	1,081,100	1,178,339	1,587,574

**CORNELL SPECIAL SERVICE AREA**

	Beginning Balances	Additions	Deductions	Ending Balances
<b>ASSETS</b>				
Cash and Investments	3,942	1,000	3,935	1,007
Accounts Receivable	-	2,935	-	2,935
Total Assets	3,942	3,935	3,935	3,942
<b>LIABILITIES</b>				
Due to Bondholders	3,942	3,935	3,935	3,942

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Consolidated Year-End Financial Report**

**April 30, 2019**

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CSFA #	Program Name	State	Federal	Other	Totals
444-26-1565	Tobacco Enforcement	\$ 3,135	-	-	3,135
494-00-0967	High-Growth Cities	47,644	-	-	47,644
494-00-1488	Motor Fuel Tax	209,830	-	-	209,830
494-10-0343	State and Community Highway Safety/National Priority Safety	-	5,238	-	5,238
	Other Grant Programs and Activities	-	2,120	-	2,120
	All Other Costs Not Allocated	-	-	25,200,105	25,200,105
<hr/>		<hr/>		<hr/>	
Totals		260,609	7,358	25,200,105	25,468,072

## **SUPPLEMENTAL SCHEDULES**

## **VILLAGE OF MONTGOMERY, ILLINOIS**

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

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

**April 30, 2019**

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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
2020	\$ 1,000,000	50,000	1,050,000

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

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

April 30, 2019

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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
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>2,490,000</u>	<hr/> <u>256,613</u>	<hr/> <u>2,746,613</u>

## **VILLAGE OF MONTGOMERY, ILLINOIS**

## Long-Term Debt Requirements

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

April 30, 2019

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
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
	3,955,000	1,836,200	5,791,200

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

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

April 30, 2019

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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
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>441,200</u>	<u>3,776,200</u>

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

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

April 30, 2019

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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
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
	<u>3,370,000</u>	<u>1,271,974</u>	<u>4,641,974</u>

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

#### IEPA Loan Payable of 2002

April 30, 2019

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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
2020	\$ 67,698	7,092	74,790
2021	69,521	5,269	74,790
2022	71,393	3,397	74,790
2023	73,316	1,474	74,790
	<hr/>	<hr/>	<hr/>
	281,928	17,232	299,160

## **VILLAGE OF MONTGOMERY, ILLINOIS**

## Long-Term Debt Requirements

## **IEPA Loan Payable of 2011**

April 30, 2019

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
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
	3,001,605	259,835	3,261,440

## VILLAGE OF MONTGOMERY, ILLINOIS

### Long-Term Debt Requirements

#### IEPA Loan Payable of 2014

April 30, 2019

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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
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	152,167	2,281	154,448
	<u>2,106,725</u>	<u>364,488</u>	<u>2,471,213</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, 2019 (Unaudited)**

	2010	2011	2012
<b>Governmental Activities</b>			
Net Investment in			
Capital Assets	\$ 41,540,031	45,586,500	47,292,952
Restricted	3,055,679	3,226,346	3,313,822
Unrestricted	433,352	2,190,183	2,419,305
	<b>45,029,062</b>	<b>51,003,029</b>	<b>53,026,079</b>
<b>Total Governmental Activities Net Position</b>			
<b>Business-Type Activities</b>			
Net Investment in			
Capital Assets	25,878,294	26,651,346	27,255,898
Unrestricted	1,244,447	1,865,399	1,842,862
	<b>27,122,741</b>	<b>28,516,745</b>	<b>29,098,760</b>
<b>Total Business-Type Activities Net Position</b>			
<b>Total Net Position</b>			
Net Investment in			
Capital Assets	67,418,325	72,237,846	74,548,850
Restricted	3,055,679	3,226,346	3,313,822
Unrestricted	1,677,799	4,055,582	4,262,167
	<b>72,151,803</b>	<b>79,519,774</b>	<b>82,124,839</b>
<b>Total Primary Government Net Position</b>			

Data Source: Audited Financial Statements

\* The Economic Development (Revolving Loan) Fund was dissolved on October 11, 2016 by the Illinois Department of Commerce and Economic Opportunity. All money was released to Village control to be expended in any manner deemed appropriate by the Village.

\*\* The Village implemented GASB Nos. 74 and 75 as of April 30, 2019.

2013	2014	2015	2016	2017*	2018	2019**
51,636,819	50,229,557	48,714,620	46,661,769	45,991,729	44,692,893	43,943,173
3,379,946	3,332,376	3,094,319	3,113,629	1,662,150	1,284,243	2,023,667
2,487,065	3,083,037	3,583,910	249,053	2,739,824	3,079,607	(1,222,705)
<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>	<b>44,744,135</b>
28,096,145	26,974,755	25,650,151	20,879,292	20,383,154	19,146,577	18,355,971
2,183,680	2,224,460	2,596,797	2,957,829	3,302,664	3,179,608	2,176,430
<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>	<b>20,532,401</b>
79,732,964	77,204,312	74,364,771	67,541,061	66,374,883	63,839,470	62,299,144
3,379,946	3,332,376	3,094,319	3,113,629	1,662,150	1,284,243	2,023,667
4,670,745	5,307,497	6,180,707	3,206,882	6,042,488	6,259,215	953,725
<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>	<b>65,276,536</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Changes in Net Position - Last Ten Fiscal Years**  
**April 30, 2019 (Unaudited)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental Activities										
General Government	\$ 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	4,200,723
Public Safety	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	6,313,301
Highways and Streets	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	7,298,111
Sanitation *	997,054	1,030,129	1,062,656	1,159,173	1,265,497	64,954	—	—	—	—
Interest	639,111	537,769	502,037	496,752	466,594	358,069	344,003	318,881	296,284	261,329
<b>Total Governmental Activities Expenses</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>18,073,464</b>
Business-Type Activities										
Waterworks	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	6,196,236
Refuse *	—	—	—	—	—	1,235,387	1,293,243	1,332,282	1,213,171	1,198,372
<b>Total Business-Type Activities Net Position</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>7,394,608</b>
<b>Total Primary Government Expenses</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>25,468,072</b>
Program Revenues										
Governmental Activities										
Charges for Services	791,624	1,343,545	520,260	479,102	749,477	560,053	488,315	603,044	676,638	942,207
General Government	634,341	764,147	837,875	737,683	478,482	314,769	509,588	271,302	235,286	334,673
Public Safety	75,614	168,046	74,715	281,136	607,452	648,251	713,056	621,374	640,824	618,241
Highways and Streets	975,454	1,004,889	1,050,053	1,133,823	1,190,325	7,852	—	—	—	—
Sanitation	476,945	1,413,932	620,940	601,387	605,838	673,299	1,319,509	681,547	655,684	526,178
Operating Grants/Contributions	7,463,786	5,640,911	3,154,115	5,634,735	195,711	6,783	—	403,637	—	—
<b>Total Governmental Activities</b>	<b>10,417,764</b>	<b>10,335,470</b>	<b>6,257,958</b>	<b>8,867,866</b>	<b>3,827,285</b>	<b>2,211,007</b>	<b>3,030,468</b>	<b>2,580,904</b>	<b>2,208,432</b>	<b>2,421,299</b>
Program Revenue										
Business-Type Activities										
Charges for Services	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	6,113,989
Capital Grants/Contributions	2,881,397	1,919,667	2,025,506	2,268,670	39,361	117,713	—	587,125	—	—
<b>Total Business-Type Activities</b>	<b>6,115,501</b>	<b>5,452,092</b>	<b>5,639,665</b>	<b>6,276,836</b>	<b>4,153,867</b>	<b>5,807,256</b>	<b>5,864,368</b>	<b>6,792,933</b>	<b>5,930,548</b>	<b>6,113,989</b>
<b>Total Primary Government</b>	<b>16,533,265</b>	<b>15,787,562</b>	<b>11,897,623</b>	<b>15,144,702</b>	<b>7,981,152</b>	<b>8,018,263</b>	<b>8,894,836</b>	<b>9,373,837</b>	<b>8,138,980</b>	<b>8,535,288</b>
Program Revenue										

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense) Revenue										
Governmental Activities	\$ (1,628,028)	(2,047,701)	(6,347,332)	(4,744,592)	(10,729,899)	(11,081,096)	(12,206,089)	(13,380,607)	(15,801,422)	(15,652,165)
Business-Type Activities	2,302,133	1,343,449	505,344	1,179,078	(1,081,983)	(957,012)	(935,893)	(403,749)	(1,507,072)	(1,280,619)
Total Net Revenue (Expense)	<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>(13,141,982)</b>	<b>(13,784,356)</b>	<b>(17,308,494)</b>	<b>(16,932,784)</b>

General Revenues and Other Changes in Net Position  
Governmental Activities

Taxes										
Property Taxes	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	3,447,801
Utility Taxes	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	1,280,686
Video Gaming Taxes	-	-	-	-	17,477	48,392	60,261	69,783	110,129	131,568
Intergovernmental - Unrestricted										
Sales Taxes	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	7,587,026
Income Taxes	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	1,907,508
Replacement Taxes	55,407	66,756	57,776	56,957	76,855	66,610	56,272	68,467	64,221	61,977
Local Use Taxes	206,509	250,488	1,350,780	303,898	316,541	370,691	436,512	456,796	487,302	566,143
Franchise Fees	158,204	178,225	186,217	229,121	218,343	237,577	258,965	261,152	246,034	250,229
Investment Income	22,633	61,751	66,329	42,991	16,143	25,919	44,614	44,830	112,229	220,896
Miscellaneous	23,636	11,030	12,937	366,025	269,258	129,626	288,798	377,165	317,649	82,773
Total Governmental Activities	<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>13,015,599</b>	<b>13,749,859</b>	<b>14,217,339</b>	<b>15,536,607</b>

Business-Type Activities										
Investment Income	6,130	2,797	891	1,987	1,373	4,745	19,148	24,775	59,077	104,802
Miscellaneous	74,866	47,758	75,780	-	-	-	71,058	227,671	88,362	122,744
Total Business-Type Activities	<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>227,546</b>
Total Primary Government	<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>13,105,805</b>	<b>14,002,305</b>	<b>14,364,778</b>	<b>15,764,153</b>

Changes in Net Position										
Governmental Activities	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)	(115,558)
Business-Type Activities	2,383,129	1,394,004	582,015	1,181,065	(1,080,610)	(952,267)	(845,687)	(151,303)	(1,359,633)	(1,053,073)
Total Primary Government	<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>	<b>(1,168,631)</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, 2019 (Unaudited)**

	2010	2011*	2012
<b>General Fund</b>			
Reserved	\$ 691,533	-	-
Unreserved	1,338,650	-	-
Nonspendable	-	691,533	691,533
Unassigned	-	2,124,288	2,484,493
<b>Total General Fund</b>	<b>2,030,183</b>	<b>2,815,821</b>	<b>3,176,026</b>
<b>All Other Governmental Funds</b>			
Reserved	3,055,679	-	-
Unreserved, Reported in:			
Special Revenues Funds	(6,226)	-	-
Capital Projects Funds	(744,263)	-	-
Restricted	-	3,226,346	3,226,351
Assigned	-	165,254	165,255
Unassigned	-	(59,236)	(59,234)
<b>Total All Other Governmental Funds</b>	<b>4,335,373</b>	<b>6,148,185</b>	<b>6,508,398</b>
<b>Total Governmental Funds</b>	<b>6,365,556</b>	<b>8,964,006</b>	<b>9,684,424</b>

Data Source: Audited Financial Statements

\* The Village implemented GASB No. 54 at April 30, 2011.

\*\* The Economic Development (Revolving Loan) Fund was dissolved on October 11, 2016 by the Illinois Department of Commerce and Economic Opportunity. All money was released to Village control to be expended in any manner deemed appropriate by the Village.

2013	2014	2015	2016	2017**	2018	2019
-	-	-	-	-	-	-
691,533	754,783	686,895	617,742	549,233	481,703	377,270
2,860,573	2,799,352	2,972,861	3,394,156	3,488,826	3,625,645	4,440,049
<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>	<b>4,817,319</b>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,379,946	3,332,376	3,094,319	3,169,718	1,712,350	1,335,443	2,073,534
56,089	388,966	585,659	2,221,199	4,819,428	5,170,063	4,532,941
(565,377)	(360,486)	(129,852)	(30,090)	-	-	-
<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>6,606,475</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>	<b>11,423,794</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years**  
**April 30, 2019 (Unaudited)**

	2010	2011	2012
<b>Revenues</b>			
Property Taxes	\$ 2,538,391	2,131,202	2,258,978
Other Taxes	5,871,837	6,198,356	6,342,355
State Shared Income Taxes	-	-	-
Licenses and Permits	348,071	337,455	337,287
Charges for Services	2,318,607	2,658,910	1,771,386
Intergovernmental	199,193	908,238	147,133
Fines and Forfeits	327,227	333,126	416,324
Investment Income	22,633	61,751	66,329
Developer Contributions	148,541	-	-
Contributions from Property Owners	423	1,208	-
Miscellaneous	219,131	145,315	147,006
<b>Total Revenues</b>	<b>11,994,054</b>	<b>12,775,561</b>	<b>11,486,798</b>
<b>Expenditures</b>			
General Government	2,744,480	2,665,677	2,939,574
Public Safety	3,532,943	3,449,377	3,961,199
Highways and Streets	1,403,559	2,259,801	1,802,261
Sanitation **	997,054	1,030,129	1,062,656
Capital Outlay	485,739	501,212	53,213
Debt Service			
Principal	610,000	740,000	915,000
Interest and Fiscal Charges	658,300	599,438	561,575
<b>Total Expenditures</b>	<b>10,432,075</b>	<b>11,245,634</b>	<b>11,295,478</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,561,979</b>	<b>1,529,927</b>	<b>191,320</b>
<b>Other Financing Sources (Uses)</b>			
Transfer In	1,595,763	1,443,300	1,584,100
Transfer (Out)	(1,595,763)	(1,443,300)	(1,584,100)
Capital Lease Issuance	-	-	-
Bonds Issued	-	7,375,000	4,410,000
Premium on Bonds Issued	-	339,600	2,857
Payment to Escrow	-	(7,599,986)	(4,412,857)
Disposal of Capital Assets	-	196,844	9,853
	-	311,458	9,853
<b>Net Change in Fund Balances</b>	<b>1,561,979</b>	<b>1,841,385</b>	<b>201,173</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>12.45%</b>	<b>12.31%</b>	<b>13.21%</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.

2013*	2014	2015	2016	2017	2018	2019
2,570,184	2,607,364	2,650,814	2,681,695	2,833,737	2,811,662	3,447,801
4,838,011	5,231,904	5,628,806	1,316,334	1,399,794	1,358,593	1,412,254
1,661,642	1,796,712	1,805,718	8,425,193	9,349,990	9,890,382	10,122,654
331,004	401,960	394,959	447,653	525,473	427,199	460,164
1,890,891	2,293,343	944,616	1,158,907	1,016,400	1,044,839	1,148,011
127,585	214,355	24,742	1,319,509	164,738	152,259	537,485
435,958	301,446	308,703	341,152	255,857	216,061	282,892
42,991	16,143	25,919	44,614	44,824	110,396	212,669
-	-	-	-	-	-	-
-	-	-	-	-	-	-
316,079	738,124	249,051	288,798	377,165	301,244	244,525
<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>	<b>17,868,455</b>
2,475,369	2,674,004	2,908,916	3,099,920	3,621,280	3,582,411	3,602,701
4,533,205	4,342,408	4,329,070	4,434,450	4,837,851	5,279,814	5,263,236
2,350,369	3,012,767	2,891,627	3,678,986	4,129,972	5,577,214	5,604,072
1,159,173	1,265,497	64,954	-	-	-	-
117,786	483,766	471,361	1,368,627	1,251,522	1,129,429	927,016
1,080,000	1,297,966	738,396	828,071	755,000	810,000	1,375,000
435,339	474,225	340,767	364,061	334,965	312,015	285,490
<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>17,057,515</b>
63,104	50,718	288,237	2,249,740	1,037,388	(378,248)	810,940
1,612,150	1,681,117	968,253	1,492,113	1,084,076	1,162,439	1,656,790
(1,612,150)	(1,681,117)	(968,253)	(1,492,113)	(1,084,076)	(1,162,439)	(1,656,790)
-	309,433	-	-	-	-	-
-	3,335,000	-	-	-	-	-
-	21,989	-	-	-	-	-
-	(3,289,345)	-	-	-	-	-
10,302	31,176	6,654	68,650	159,724	174,142	-
10,302	408,253	6,654	68,650	159,724	174,142	-
<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>810,940</b>
12.81%	13.65%	9.54%	9.44%	7.86%	7.06%	10.24%

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years**  
**April 30, 2019 (Unaudited)**

Tax Levy Year		Residential Property	Commercial Property	Industrial Property
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
2018	Kane County	124,172,746	19,251,029	47,928,447
	Kendall County	226,660,110	33,337,544	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
\$ 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%	\$ 0.3686 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%	0.4155 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%	0.4747 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%	0.5405 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%	0.5937 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%	0.5804 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%	0.5391 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
1,513,472 34,962	503,549 208,952	193,369,243 263,014,847 456,384,090	580,107,729 789,044,541 1,369,152,270	33.33%	0.4951 0.4851

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years**  
**April 30, 2019 (Unaudited)**

	2009	2010	2011
Village of Montgomery			
General Corporate	\$ 0.1883	0.1999	0.2283
IMRF	0.0390	0.0461	0.0527
Liability Insurance	0.0458	0.0461	0.0527
Social Security	0.0487	0.0543	0.0621
Police Pension	0.0468	0.0691	0.0789
Police Protection	-	-	-
Prior Year Adjustment	-	-	-
 Total Direct Tax Rates	 0.3686	 0.4155	 0.4747
Overlapping			
Kane County	0.3398	0.3730	0.3990
Kane County Forest Preserve District	0.1997	0.2201	0.2609
Kendall County	-	-	-
Kendall County Forest Preserve District	-	-	-
Aurora Township	0.1486	0.1664	0.1882
Aurora Township Road District	0.0703	0.0764	0.0860
Oswego Township	-	-	-
Oswego Township Road District	-	-	-
Montgomery Fire Protection District	0.6207	0.6769	0.7000
Oswego Fire Protection District	-	-	-
Oswego Library District	0.2018	0.2207	0.2453
Fox Valley Park District	0.4122	0.4803	0.5286
Oswegoland Park District	-	-	-
Unit School District Number 129	4.1835	4.2740	5.1603
Unit School District Number 308	-	-	-
Community College District Number 516	0.4043	0.4070	0.4710
 Total Overlapping Tax Rates	 6.5809	 6.8948	 8.0393
 Total All Rates (Representative)	 6.9495	 7.3103	 8.5140

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

2012	2013	2014	2015	2016	2017	2018
0.2459	0.2573	0.2667	0.2607	0.1384	0.1376	0.1246
0.0580	0.0606	0.0629	0.0615	0.0571	0.0542	0.0514
0.0682	0.0714	0.0740	0.0724	0.0733	0.0696	0.0660
0.0580	0.0606	0.0629	0.0615	0.0593	0.0563	0.0534
0.1104	0.1227	0.1272	0.1243	0.1451	0.1315	0.1306
-	-	-	-	0.0659	0.0625	0.0593
-	-	-	-	-	0.0019	0.0098
<b>0.5405</b>	<b>0.5726</b>	<b>0.5937</b>	<b>0.5804</b>	<b>0.5391</b>	<b>0.5136</b>	<b>0.4951</b>
0.4336	0.4623	-	-	-	0.4025	0.3877
0.2710	0.3039	-	-	-	0.1658	0.1607
-	-	0.8085	0.7909	0.7477	-	-
-	-	0.1826	0.1787	0.1755	-	-
0.2162	0.2517	-	-	-	0.2163	0.2210
0.0978	0.1104	-	-	-	0.0961	0.0917
-	-	0.0947	0.0904	0.0855	-	-
-	-	0.2124	0.2027	0.1917	-	-
0.7000	0.8000	-	-	-	0.7460	0.7099
-	-	0.8045	0.7871	0.7524	-	-
0.2726	0.2999	0.3058	0.2996	0.2864	0.2816	0.2724
0.5863	0.6280	-	-	-	0.5322	0.4903
-	-	0.5103	0.4973	0.4764	-	-
5.8896	6.6667	-	-	-	5.9882	5.8301
-	-	7.8803	7.3176	6.9712	-	-
0.5312	0.5807	0.5973	0.5885	0.5601	0.5533	0.5414
<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>8.7052</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>	<b>9.2003</b>

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago**  
**April 30, 2019 (Unaudited)**

Taxpayer	2018 Tax Levy			2009 Tax Levy			Percentage of Total Village Taxable Assessed Value
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	
United Facilities, Inc.	\$ 11,464,190	1	2.51%	United Facilities	\$ 10,948,230	1	2.14%
Wal-Mart Stores Inc	4,353,035	2	0.95%	Wal-Mart Stores, Inc.	6,308,073	2	1.23%
Allsteel 900 Knell LLC	4,027,566	3	0.88%	International Paper	3,786,313	3	0.74%
American Crystal Sugar Co.	3,797,597	4	0.83%	Monmouth Capital Corp.	3,356,809	4	0.66%
Carl Buddig & Co.	3,333,000	5	0.73%	Menards, Inc.	3,204,684	5	0.63%
Hawthorn-Woodridge LP	3,231,264	6	0.71%	2001 Baseline Road, LLC	3,018,055	6	0.59%
Old Dominion Freight Line, Inc	2,980,692	7	0.65%	Gusto Packing	2,831,622	7	0.55%
IP Eat Five	2,955,653	8	0.65%	Allsteel	2,361,962	8	0.46%
Stag Montgomery LLC	2,709,745	9	0.59%	Freeport Farm & Fleet, Inc.	2,305,519	9	0.45%
Fox River Food Inc.	2,705,528	10	0.59%	JC Penny	2,200,517	10	0.43%
	<u>41,558,270</u>		<u>9.11%</u>		<u>40,321,784</u>		<u>7.87%</u>
2018 EAV	<u><u>\$ 456,384,090</u></u>			2009 EAV	<u><u>\$ 512,109,435</u></u>		

Data Source: Kane and Kendall Counties Assessors (The 2018 EAV is the most current)

## VILLAGE OF MONTGOMERY, ILLINOIS

### Property Tax Levies and Collections - Last Ten Tax Levy Years April 30, 2019 (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
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	2,172,629	99.92%	-	2,172,629	99.92%
2018	2,233,407	*	*	*	*	*

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, 2019 (Unaudited)**

	2009	2010	2011
General Merchandise	\$ 727,772	758,004	624,501
Food	175,861	156,322	172,562
Drinking and Eating Places	166,372	188,509	166,753
Apparel	-	-	4,210
Furniture & H.H. & Radio	14,894	16,054	17,684
Lumber, Building Hardware	282,213	265,305	293,067
Automobile and Filling Stations	259,857	301,975	427,877
Drugs and Miscellaneous Retail	277,069	301,107	287,564
Agriculture and All Others	329,266	380,789	375,008
Manufacturers	112,243	108,189	131,142
Censored (1)	21,247	30,842	150,838
Totals	<u>2,366,794</u>	<u>2,507,096</u>	<u>2,651,206</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

2012	2013	2014	2015 (2)	2016	2017	2018
751,216	731,581	884,321	1,489,844	1,190,970	1,237,033	1,254,109
186,712	179,076	161,385	245,183	1,048,995	1,208,296	1,736,738
177,489	174,763	171,217	327,968	450,668	501,084	518,035
14,541	14,019	15,067	24,467	32,781	37,558	41,964
2,374	22,547	9,446	33,435	28,547	29,595	17,397
337,541	381,898	424,927	652,700	878,745	883,918	925,284
371,747	439,511	416,930	526,431	677,443	742,106	777,910
299,006	329,801	354,712	449,040	578,138	728,736	724,141
376,804	385,633	360,361	927,918	1,066,314	1,050,707	1,102,859
138,385	170,761	208,833	330,015	509,575	550,425	416,946
24,506	8,346	18,700	12,132	14,538	23,887	35,699
<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>	<b>7,551,082</b>
1.00%	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>2.00%</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, 2019 (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%
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%
2019	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, 2019 (Unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities				Percentage of Personal Income	Per Capita
	General Obligation	Alternate Revenue	Capital Lease Payable	General Obligation	Alternate Revenue	Source Bonds	Installment Loans		
	Source Bonds						Total Primary Government		
2010	\$ 14,800,000	\$ -	\$ 2,770,000	\$ 816,563	\$ 18,386,563	4.43%	\$ 1,077.63		
2011	13,985,000	-	2,515,000	763,245	17,263,245	3.85%	936.29		
2012	13,115,000	-	2,245,000	4,825,560	20,185,560	4.50%	1,094.78		
2013	12,325,300	-	1,973,909	4,774,966	19,074,175	4.00%	1,034.50		
2014	11,336,945	201,467	6,431,249	4,627,334	22,596,995	4.73%	1,225.57		
2015	10,655,742	103,071	5,995,585	6,759,592	23,513,990	4.87%	1,275.30		
2016	9,891,082	-	5,540,147	6,534,438	21,965,667	4.56%	1,191.33		
2017	9,101,691	-	5,069,944	6,159,856	20,331,491	4.22%	1,102.70		
2018	8,262,302	-	8,095,875	5,778,319	22,136,496	4.15%	1,200.59		
2019	6,864,771	-	7,570,586	5,390,258	19,825,615	3.67%	1,075.26		

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, 2019 (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
2010	\$ 17,570,000	\$ -	\$ 17,570,000	\$ 226,916,681	7.74%	\$ 1,029.77
2011	16,500,000	33,063	16,466,937	212,767,415	7.74%	893.10
2012	15,360,000	33,063	15,326,937	184,446,322	8.31%	831.27
2013	14,299,209	56,089	14,243,120	170,168,109	8.37%	772.49
2014	17,768,194	59,033	17,709,161	155,206,856	11.41%	960.47
2015	16,651,327	56,089	16,595,238	152,460,509	10.88%	900.06
2016	15,431,229	-	15,431,229	158,678,413	9.72%	836.93
2017	14,171,635	-	14,171,635	170,437,754	8.31%	768.61
2018	16,358,177	-	16,358,177	177,920,721	9.19%	887.20
2019	14,435,357	-	14,435,357	193,369,243	7.47%	782.91

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, 2019 (Unaudited)**

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village	Village's Share of Debt
Village of Montgomery	\$ 14,435,357	100.000 %	\$ 14,435,357
Less: Self-Supported Debt	(14,435,357)	100.000 %	(14,435,357)
Net Direct Bonded Debt	-	-	-
<b>School Districts:</b>			
School District #115	60,789,166	7.820 %	4,753,713
School District #129	132,668,000	4.760 %	6,314,997
School District #131	112,181,212	4.070 %	4,565,775
School District #302	75,380,788	4.360 %	3,286,602
School District #308	290,728,062	11.010 %	32,009,160
Community College District #516	52,510,000	4.470 %	2,347,197
Total School Districts	724,257,228		53,277,444
<b>Other Agencies:</b>			
Kane County	28,235,000	1.210 %	341,644
Kendall County	25,670,000	8.120 %	2,084,404
Kane County Forest Preserve District	144,415,000	1.210 %	1,747,422
Kendall County Forest Preserve District	35,860,000	8.120 %	2,911,832
Fox Valley Park District	28,700,000	8.290 %	2,379,230
Oswegoland Park District	7,690,000	4.110 %	316,059
Oswego Library District	5,780,000	20.190 %	1,166,982
Sugar Grove Library District	3,610,000	12.650 %	456,665
Total Other Agencies	279,960,000		11,404,237
<b>Total Overlapping Debt</b>	<b>1,004,217,228</b>		<b>64,681,681</b>
<b>Total Direct and Overlapping Debt</b>	<b>1,004,217,228</b>		<b>64,681,681</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, 2019 (Unaudited)**

	2010	2011	2012	2013
Assessed Value of Property	\$ 470,246,778	421,251,797	388,210,869	362,880,546
Debt Limit				
8.625% of Assessed Value	44,192,914	36,332,967	33,483,187	31,298,447
Total Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	44,192,914	36,332,967	33,483,187	31,298,447
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

2014	2015	2016	2017	2018	2019
<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>	<u>456,384,090</u>
30,919,281	31,944,304	31,781,702	34,647,200	36,560,379	39,363,128
-	-	-	-	-	-
<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>	<u>39,363,128</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, 2019 (Unaudited)**

Fiscal Year	General Obligation and Alternative Revenue Source Bonds and IEPA Loans						Coverage
	Water Charges and Other	Less: Operating Expenses (1)	Net Available Revenue	Debt Service			
				Principal	Interest		
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
2019	4,913,784	3,894,124	1,019,660	888,061	370,998		0.8099

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, 2019 (Unaudited)

Calendar Year	Population	Personal Income (in Thousands)	Per Capita Personal Income (1)	Unemployment Rate (2)
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	18,438	533,171,646	28,917	4.20%
2019 (3)	18,438	540,362,466	29,307	4.05%

Data Source:

- (1) US Census Bureau, 2013-2017 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 2019

## VILLAGE OF MONTGOMERY, ILLINOIS

### Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago April 30, 2019 (Unaudited)

Employer	2019			2010		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
School District #308	3,296	1	17.88%			
Caterpillar, Inc.	1,200	2	6.51%			
Carl Buddig	440	3	2.39%			
Performance Food Service	379	4	2.06%			
Eby-Brown Co., LLC	329	5	1.78%	400	1	2.34%
Lyon LLC	300	6	1.63%	400	2	2.34%
Walmart	250	7	1.36%			
Aurora Bearing Co.	246	8	1.33%			
Hormann, LLC	200	9	1.09%			
Sams Club	170	10	0.92%			
VVF Illinois Services				400	3	2.34%
Fox River Foods, Inc.				340	4	1.99%
Aurora Bearing Co.				250	5	1.47%
Hoermann Gadco, LLC.				200	6	1.17%
International Paper				150	7	0.88%
Aurora Metals Divisions, LLC				135	8	0.79%
The Lakone Co.				95	9	0.56%
	<u>6,810</u>		<u>36.94%</u>	<u>2,370</u>		<u>13.88%</u>

Data Source:

Montgomery Economic Development Corporation

2019 Illinois Manufacturers Directory, 2018 Illinois Services Directory, Selective telephone survey

2010 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, 2019 (Unaudited)**

Function/Program	2010	2011	2012	2013
<b>General Government</b>				
Administration	3.00	4.00	3.00	3.88
Finance	4.50	4.50	4.50	5.50
Community Development	5.00	5.00	3.50	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	3.00
<b>Public Works</b>				
Administration	2.00	2.00	2.00	2.00
Street Maintenance	7.00	7.00	8.00	7.00
Water Operations	2.00	2.00	2.00	3.00
Building Maintenance	1.00	1.00	-	1.00
Fleet Maintenance	1.50	1.50	1.00	1.00
<b>Totals</b>	<b>60.00</b>	<b>61.00</b>	<b>58.00</b>	<b>52.88</b>

Data Source: Village Records

2014	2015	2016	2017	2018	2019
2.38	1.88	1.88	1.88	2.88	2.88
5.50	6.00	6.00	6.00	5.00	5.00
4.70	5.00	5.00	5.00	5.00	5.00
25.00	25.00	25.00	28.00	30.00	31.00
3.00	3.00	3.00	3.75	3.75	4.38
2.00	2.00	2.00	2.00	2.00	2.00
8.50	9.00	9.00	10.50	11.00	7.00
3.00	3.00	3.00	3.00	4.00	8.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.50	1.50	1.50
<b>56.08</b>	<b>56.88</b>	<b>56.88</b>	<b>62.63</b>	<b>66.13</b>	<b>67.76</b>

## VILLAGE OF MONTGOMERY, ILLINOIS

### Operating Indicators by Function/Program - Last Ten Calendar Years April 30, 2019 (Unaudited)

Function/Program	2009	2010	2011
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	845	930	912
Parking Violations	670	826	786
Traffic Violations	4,314	3,940	4,023
Truck Overweight Violations	-	-	-
Public Works			
Reconstruction (Miles)	1.3	0.4	-
Resurfacing (Miles)	-	2.0	1.5
Sidewalk Replacement (Sq. Ft.)	-	-	-
Sidewalk New (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	4,120,000	4,159,000	4,200,590
Average Daily Consumption	2,583,000	2,694,800	2,721,750
Water Main Breaks	67	55	57
Water Main Breaks Spoils Removal (Sq. Yd.)	-	-	-
Fire Hydrant Maintenance and Painting	-	-	-
New Connections	49	85	63

Data Source: Village Records

2012	2013	2014	2015	2016	2017	2018
-	-	2,455	4,206	4,916	5,186	4,926
-	-	58	65	113	227	245
-	-	2.3%	1.5%	2.2%	4.2%	4.7%
-	-	23	23	57	69	18
-	-	0.9%	0.5%	1.1%	1.3%	0.3%
-	-	1,506	1,477	1,600	1,710	1,955
-	-	402	334	326	271	173
-	-	78.9%	81.6%	83.1%	86.3%	91.3%
-	-	AA	AA	AA	AA	AA
2,221	994	1,505	993	821	778	838
1,316	1,273	1,184	984	866	1,579	1,329
4,141	2,474	2,758	2,884	2,135	3,807	3,515
-	-	-	77	32	N/A	N/A
-	-	-	-	-	-	-
0.6	1.1	0.9	6.7	5.4	5.2	5.2
-	3,100	4,475	1,480	13,716	40,106	39,459
-	-	-	-	1,800	-	471
-	142	174	282	300	341	389
-	152	749	475	286	213	115
-	-	9,114	9,111	9,145	9,196	9,241
-	-	\$ 68.85	\$ 70.30	\$ 75.49	\$ 72.39	\$ 75.34
-	-	-	26.0%	31.1%	26.4%	30.1%
-	-	-	27.6%	25.2%	29.8%	26.7%
-	-	-	11.8%	14.2%	16.9%	16.9%
-	-	-	5.5%	5.5%	2.5%	2.2%
-	-	-	4.4%	4.5%	6.2%	5.8%
-	-	-	24.7%	19.5%	18.2%	18.3%
3,907,000	3,563,800	3,732,300	3,384,000	3,923,000	3,417,000	3,899,000
2,441,000	2,156,394	2,443,000	2,243,917	2,328,000	2,306,000	2,130,000
53	56	44	19	33	51	44
-	-	1,428	1,580	2,250	N/A	896
-	300	300	325	180	120	133
62	30	50	22	19	2	16

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Calendar Years**  
**April 30, 2019 (Unaudited)**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Public Safety</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	3	4	4	4	4	4	4	4	4	4
Patrol Units	15	15	15	19	19	19	19	19	19	19
<b>Public Works</b>										
Residential Streets (Miles)	58	74	76	76	76	76	76	76.5	76.5	76.5
<b>Water</b>										
Water Mains (Miles)	-	110	114	114	117	117	117	118	118	133
Fire Hydrants	-	1,050	1,372	1,372	1,680	1,680	1,680	1,700	1,700	1,747
Storage Capacity (Millions of Gallons)	-	4.8	4.8	4.8	5.8	5.8	5.8	5.8	5.8	5.8

Data Source: Village Records