

Comprehensive Annual Financial Report

May 1, 2019 — April 30, 2020



**VILLAGE OF MONTGOMERY,
ILLINOIS**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2020**

Prepared by:
Justin VanVooren, Director of Finance

VILLAGE OF MONTGOMERY, ILLINOIS

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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

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 Zoepfel

Village Administrator

Phil Smith

Chief of Police

Mark Wolf

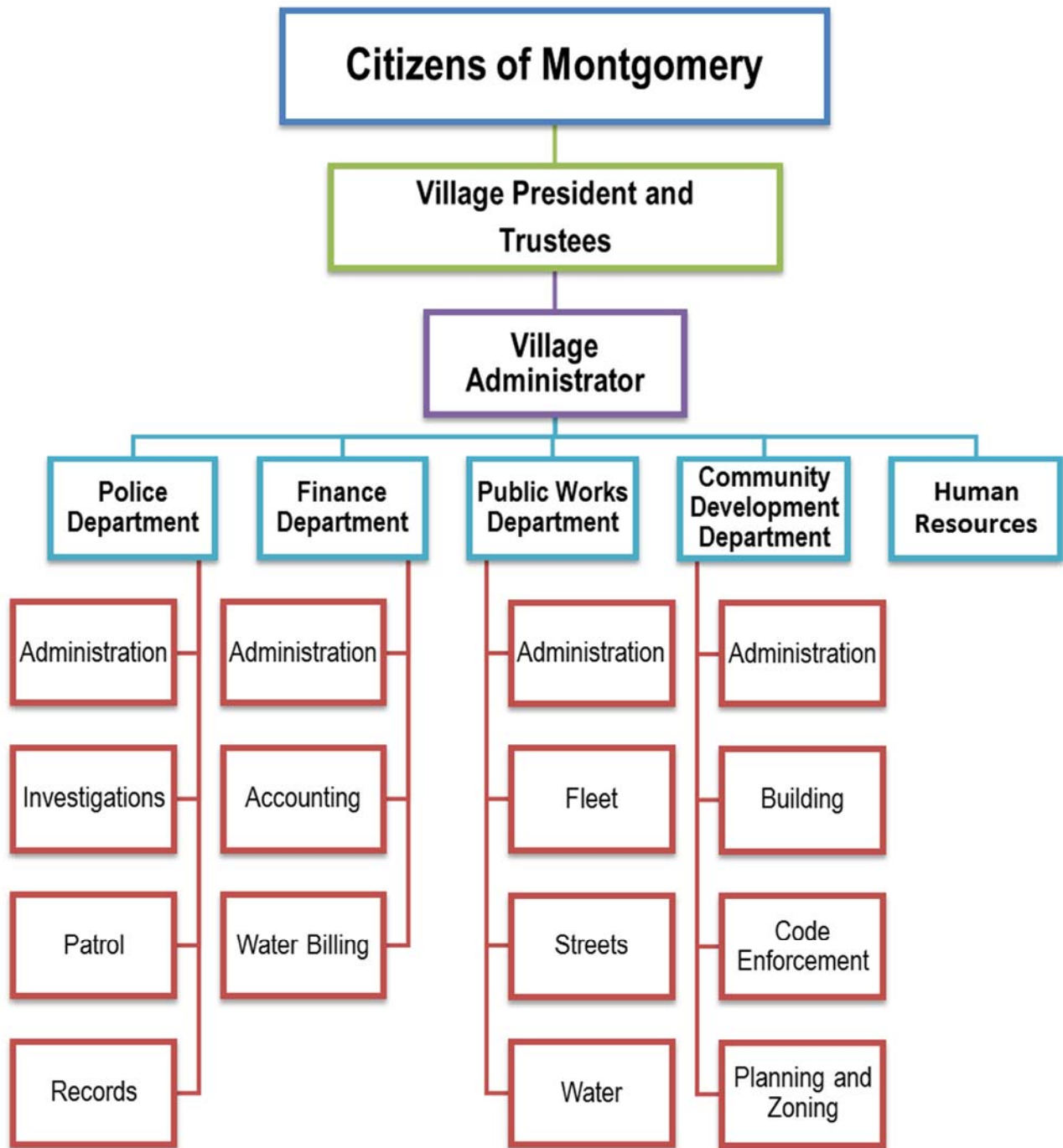
Director of Public Works

Justin VanVooren

Director of Finance

Richard Young

Director of Community Development





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

Staff

Jeff Zoepfel
Village
Administrator

Phillip J. Smith
Chief of Police

Mark Wolf
Dir. of Public Works

Justin VanVooren
Director of Finance

Richard Young
Dir. of Community
Development

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (GAAS) by an independent firm of certified public accountants. Pursuant to that requirement, the Comprehensive Annual Financial Report (CAFR) of the Village of Montgomery, Illinois (Village) for the fiscal year ended April 30, 2020, 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, 2020, 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, 2020, 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

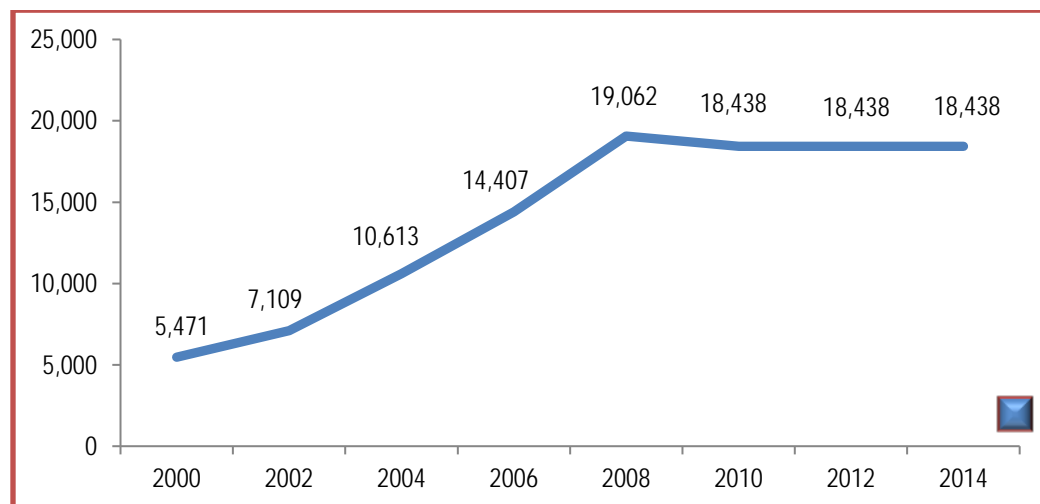
The Village of Montgomery is a growing community nestled along the banks of the Fox River in northern Illinois, located in both southern Kane and northern Kendall counties. Situated approximately 40 miles southwest of Chicago, the Village is bordered by Aurora to the north and east, Oswego and Boulder 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 68 full-time employees and 31 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 (PRF), program (BRF), and capital (CRF) requests. Each operating department is responsible for submitting its own budget requests following the detailed instructions in the Manual. The budget forms, vehicle requests, personnel requests, program requests, and capital requests are submitted to the Finance Department in mid-December.

The Director of Finance prepares revenue estimates in December based upon historical trends, economic forecasts of authoritative sources, and anticipated activities and events in the community which are expected to have a local economic impact. The Director of Finance consolidates all the information gathered from departments to analyze 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, more than quadrupled to 61 in 2019, and is still strong at 25 through only 4 months of 2020. The Village has also seen renewed interest in new multi-family homes with 1 building in 2016, 4 in 2017, 3 in 2018, and 0 in 2019 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. Full permits were issued during fiscal year 2020 for 8 buildings (2 buildings in June 2019, 2 buildings in September 2019, and 4 buildings in March 2020) valued at nearly \$15.5 million. 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 20. 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. McCallister's Deli and the Doggie Daycare started construction in 2019 and expect occupancy in the middle of 2020. Lastly, there are several businesses who the Village expects to start construction in 2020 including Ricky Rockets Fuel Center 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 \$2.7 million to \$5.1 million in the last 10 years (6.5% per year average), while non-home rules sales has grown from \$2.7 million to \$3.4 million in just the last 5 years (5% 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; Nexeo Solutions built a \$12 million warehouse and distribution facility; and Old Dominion Freight Line built a \$13 million freight depot. United Sugars and Nexeo are both located within the Aucutt Road TIF District (TIF #2) while Old Dominion is located outside TIF #2. The United Sugars and Nexeo buildings alone contributed roughly \$550,000 of tax increments in fiscal year 2019 and fiscal year 2020 (at 50% of estimated value) and will produce nearly \$1.0 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 started working on a storm sewer overflow study during fiscal year 2019 and throughout fiscal year 2020, which will determine what regional improvements can be made to recapture buildable land within the District. In addition, the Village Engineer started an infrastructure improvement study during fiscal year 2020 to be completed in fiscal year 2021 that will further delineate the order in which improvements should take place. The Village is currently in discussion with 1 new business about a new building and 2 existing businesses about expansion of their current facilities within 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 2021 budget includes an additional 3.0 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 part-time Community Development intern (Community Development), 1 patrol officer (Public Safety), 1 maintenance worker for the Building and Grounds division, and moving the part-time mechanic to full-time (Public Works). Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village negotiated and approved a new 5-year contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2025. Cost of living increases ranging from 2.5% to 3.0% and pay for performance increases ranging from 4.5% to 6.0%.

The State of Illinois (the "State") has experienced adverse fiscal conditions over the last 5 years resulting in significant shortfalls between the State's general fund revenues and spending demands. The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017. The State's long-term general obligation bonds carry the lowest investment grade rating (lowest among all states). Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the Village. The State's general fiscal condition and the underfunding of the State's pension systems have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the Village. In addition, the State's fiscal year 2018, fiscal year 2019 Budget and fiscal year 2020 budgets contain a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities. The Village cannot determine at this time the financial impact of these provisions on its overall financial condition, but such provisions may result in lower income tax revenues and sales tax revenues distributed to the Village.

The COVID-19 pandemic, along with various governmental measures taken to protect public health considering the pandemic, has had an adverse impact on global financial markets and economies, including financial markets and economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies. In response to such expectations, President Trump has declared a "national emergency" and Illinois as a disaster area, which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. On March 9, 2020, Governor Pritzker

declared all counties in the State as disaster areas because of the spread of COVID-19 (the "Gubernatorial Disaster Proclamation").

The State is not yet able to assess the severity of the economic impact of the COVID-19 pandemic. The adverse impact on the State's finances may, in turn, adversely affect the Village's finances due to delays or reductions in the amount received by the Village from the State. Likewise, the Village's finances may be adversely affected in manners separate and apart from the impact on the State. The Village, however, cannot predict the effect the spread of COVID-19 or the various governmental or private actions in reaction thereto will have on its finances or operations, including receipt of sales, income, gaming and utility taxes and real estate tax collections.

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 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, 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.

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.

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.

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, values, and strategic plan were presented and approved by the Village Board in fiscal year 2020.

Our Strategic Plan has four primary themes that reflect our Mission Statement, Vision Statement, and Values: Quality of Life, Civic Engagement, Economic Development, and Professional Governance. Each theme is followed by a listing of goals and objectives. Understanding how goals and objectives are defined within the context of this plan is important. Goals are big steps towards accomplishing our mission. They are not easily reached, and they are aligned with our values. Goals are broad, value-based statements expressing our preferences for the term of this plan. They specifically address key issues, opportunities, and desires that affect the community. Objectives are smaller steps that are needed to meet these goals. They should be specific, measurable, attainable, timely, and directly related to the goal. For each strategic area, actions are also provided. These actions are specific steps refined by Village staff and elected officials for achieving objectives.

Periodic review and adjustment will be necessary over the planning period. We will track our progress through regular reporting on our objectives and actions and they will be incorporated over time into our other planning tools including the annual budget and community investment plan.

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 ladder 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 due to the global Covid-19 pandemic and its effect on the economy.

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, 2019. This was the seventeenth 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 an eighteenth 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 2020 budget document. This was the eighth 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, 2019

Christopher P. Morrell

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

August 29, 2020

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, 2020, 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, 2020, 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, other supplementary information, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information 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 other supplementary information 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

MANAMGENT'S DISCUSSION AND ANALYSIS

Village of Montgomery
Management's Discussion and Analysis

April 30, 2020

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, 2020. 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 11 of this report, and the Village's financial statements, which begin on page 28 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, 2020 was \$62,829. Of this amount, \$512 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position decreased by \$2,447 and reflects approximately \$2,429 and \$18 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 and building permits; offset by an increase in net pension and net OPEB liabilities. The decrease in business-type operations is mainly due to the increase in water rates; offset by continued concentration on the replacement and rehabilitation of water and sewer infrastructure assets.
- As of April 30, 2020, the Village's governmental funds reported combined ending fund balances of \$11,935, an increase of \$511 from the prior year. Approximately 37.8% of this total amount, \$4,512, 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 \$20,514, a decrease of \$18 from the prior year. Approximately 18.5% of this total amount, \$3,795, 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 28 through 31 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 32 through 37 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 amount 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 38 through 41 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 42 through 43 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 44 through 89 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 90 through 98 of this report.

Individual fund statements and schedules are presented immediately following the required supplementary information discussed above which can be found on pages 99 through 154 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 \$62,829 as of April 30, 2020.

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 18,327	\$ 17,322	\$ 6,292	\$ 5,385	\$ 24,619	\$ 22,707
Capital assets	48,340	50,714	28,197	29,967	76,537	80,681
Total assets	66,667	68,036	34,489	35,352	101,156	103,388
Deferred outflows						
Unamortized loss	71	94	-	-	71	94
Deferred items - pension	4,183	4,351	69	339	4,252	4,690
Total deferred outflows	4,254	4,445	69	339	4,323	4,784
Liabilities						
Long-term liabilities	20,471	20,061	13,379	14,264	33,850	34,325
Other liabilities	2,117	1,936	508	832	2,625	2,768
Total liabilities	22,588	21,997	13,887	15,096	36,475	37,093
Deferred inflows						
Deferred taxes	3,786	3,641	-	-	3,786	3,641
Deferred items - pension	2,232	2,099	157	63	2,389	2,162
Total deferred inflows	6,018	5,740	157	63	6,175	5,803
Net position						
Net investment in capital assets	42,946	43,943	16,720	18,356	59,666	62,299
Restricted	2,651	2,024	-	-	2,651	2,024
Unrestricted (Deficit)	(3,282)	(1,223)	3,794	2,176	512	953
Total net position	\$ 42,315	\$ 44,744	\$ 20,514	\$ 20,532	\$ 62,829	\$ 65,276

The largest portion of the Village's net position (95.0%) reflects its net investment in capital assets (e.g. land, infrastructure, buildings, improvements, vehicles, and equipment) less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position (4.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (0.8%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of April 30, 2020, 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, 2019, the Village was able to report positive balances in all three categories of net position, for the government as a whole, two of three categories for its separate governmental activities, and all three categories for its business-type activities.

The Village's total net position decreased by \$2,447 from the prior year. The decrease of \$2,447 reflects approximately \$2429 and \$18 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 and building permits; offset by an increase in and net pension and net OPEB liabilities. The decrease in business-type operations is mainly due to the increase in water rates; offset by continued concentration on the replacement and rehabilitation of water and sewer infrastructure assets.

The Village's unrestricted net position decreased by \$441 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 \$2,633 during the current fiscal year. The Village added \$672 of new capital assets, had depreciation of \$4,790 during the year, and reduced long-term debt related to capital assets by \$2,091.

Table 2
Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 2,163	\$ 1,895	\$ 6,354	\$ 6,114	\$ 8,517	\$ 8,009
Operating grants and contributions	771	526	-	-	1,099	526
Capital grants and contributions	-	-	328	-	-	-
General revenues:						
Property taxes	3,744	3,448	-	-	3,744	3,448
Other taxes	1,333	1,412	-	-	1,333	1,412
Intergovernmental	10,405	10,133	-	-	10,405	10,133
Other	786	543	1,026	228	1,812	771
Total revenues	19,202	17,957	7,708	6,342	26,910	24,299
Expenses:						
General government	6,388	4,201	-	-	6,388	4,201
Public safety	6,783	6,313	-	-	6,783	6,313
Highways and streets	8,252	7,298	-	-	8,252	7,298
Sanitation	-	-	1,238	1,199	1,238	1,199
Interest	208	261	343	371	551	632
Water and sewer	-	-	6,145	5,825	6,145	5,825
Total expenses	21,631	18,073	7,726	7,395	29,357	25,468
Change in net position	(2,429)	(116)	(18)	(1,053)	(2,447)	(1,169)
Net position, May 1	44,744	44,860	20,532	21,585	65,276	66,445
Net position, April 30	\$ 42,315	\$ 44,744	\$ 20,514	\$ 20,532	\$ 62,829	\$ 65,276

Governmental activities. Governmental activities decreased the Village's net position by \$2,429. Key elements of this increase are as follows:

Governmental revenues increased by \$1,245 (6.9%). Components of this increase are as follows:

- Charges for services increased by \$268 (14.2%) mainly due to an increase in building permits.
- Operating grants and contributions increased by \$245 (46.6%) mainly due to an increase in state motor fuel tax paid through the Transportation Renewal Fund.
- Property taxes increased by \$296 (8.6%) mainly due to an increase in the tax increment for Tax Increment Financing District #2.
- Intergovernmental revenue increased by \$272 (2.7%) due to an increase in state sales tax (\$210).
- Other revenue increased by \$243 (44.6%) mainly due to contributions from Kendall County and the Village of Oswego for their share of a streetlight installation.

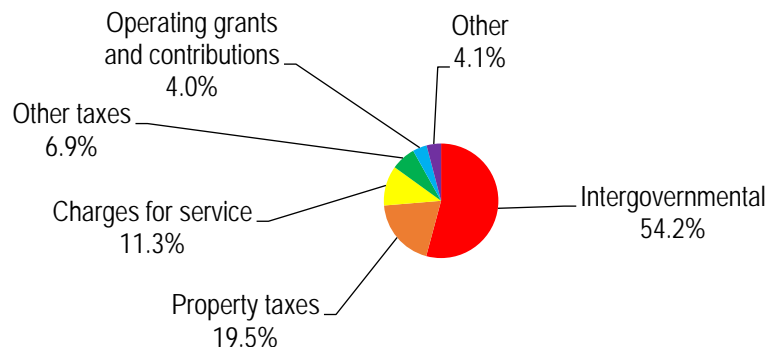
Governmental expenses increased by \$3,558 (19.7%). Components of this increase are as follows:

- General government expense increased by \$2,187 (52.1%) mainly due to an increase in the deferred inflows related to the IMRF pension.
- Public safety expenses increased by \$470 (7.4%) mainly due to an increase in the net pension liability.
- Highways and streets expenses increased by \$954 (13.1%) mainly due to an increase in the number and value of road projects completed during the year.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type activities. Business-type activities decreased the Village's net position by \$18. Key elements of this decrease are as follows:

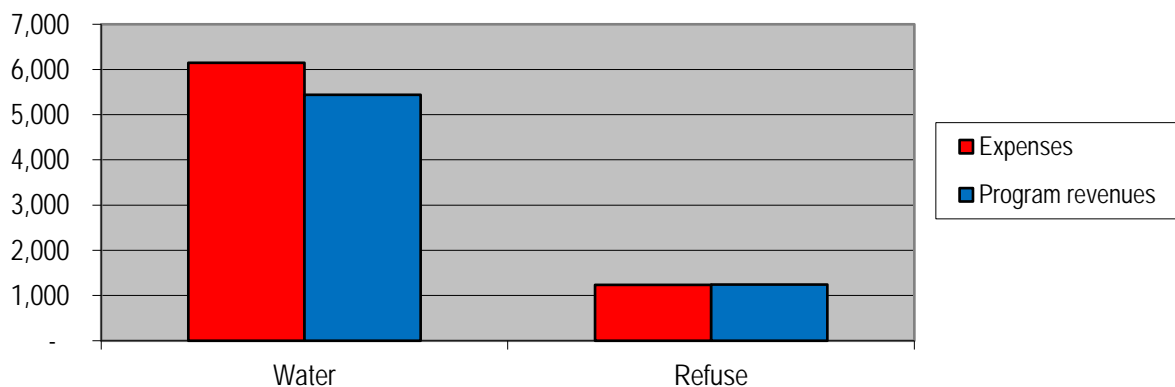
Business-type revenues increased by \$1,366 (21.5%). Components of this increase are as follows:

- Capital grants and contributions increased by \$328 (100%) mainly due to a contribution from the Illinois EPA.
- Other revenue increased by \$798 (349.6%) mainly due to water connection fees.

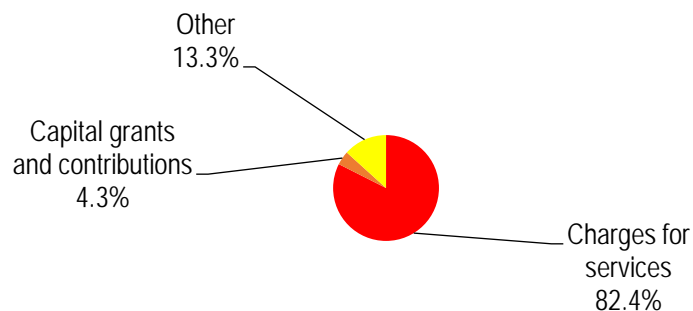
Business-type expenses decreased by \$331 (4.5%). Components of this decrease are as follows:

- Sanitation increased by \$39 (3.3%) mainly due to an increase in the refuse rate by the Village's third-party waste hauler.
- Water increased by \$320 (5.5%) mainly due to replacement of lead service lines.

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, 2020, the Village's governmental funds reported combined ending fund balances of \$11,935, an increase of \$511 from the prior year. Approximately 37.8% of this total amount, \$4,512, 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 (\$483), 2) restricted for particular purposes (\$2,700), or 3) assigned for particular purposes (\$4,240).

The General Fund is the chief operating fund of the Village. As of April 30, 2020, unassigned fund balance of the General Fund was \$4,512. 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 40.3% (4.8 months) of the total General Fund expenditures, while total fund balance represents 44.6% (5.4 months) of total General Fund expenditures.

The fund balance of the General Fund increased by \$178 to a total of \$4,995 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 building permits from the building of new homes and apartments; 3) promotion of and increase in the number of police officers; and 4) planned replacement of streetlights with LED bulbs.

The fund balance of the Capital Improvement Fund decreased by \$265 to a total of \$152 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 \$233 to a total of \$1,829 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 an increase in the number and value of road projects during the year.

The fund balance of the Debt Service Fund stayed the same at 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 approximately the same as payment of debt principal and interest.

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 \$22 to a total of \$20,511 of net position at the end of the current fiscal year. Approximately 18.5% 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 \$4 to a total of \$3 of net position at the end of the current fiscal year.

The Employee Insurance Fund had an increase in net position of \$144 to a total of \$558 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 \$219 or 2.0%. The most significant differences between budgeted and actual revenues included: 1) building permits was \$216 higher than budget due to the building of new homes and apartments; 2) professional service reimbursements from developers was \$187 lower than budget due to a lack of new developments; and 3) change in the terminal reserve at the Intergovernmental Personnel Benefit Cooperative (IPBC) was \$105 higher than budget due to better than expected claims history.

The General Fund expenditures were more than the budget by \$111 or 1.0%. The most significant difference between budgeted and actual expenditures was granting credits of up to \$100 for our utility billing customers (for a total of \$148).

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, 2020, amounts to \$76,537 (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 9 vehicles were replaced during the year totaling \$481. The vehicles and equipment replaced included 5 Police squad cars, 3 Public Works pickup trucks, and the Village Hall pool car.
- Full rehabilitation of the Jefferson Street and Route 25 lift stations completion totaling \$191.
- Depreciation of governmental and business-type activities capital assets totaling \$2,829 and \$1,961, 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	
	2020	2019	2020	2019	2020	2019
Land	\$ 18,101	\$ 18,101	\$ 17	\$ 17	\$ 18,118	\$ 18,118
Construction in progress	-	-	231	231	231	231
Land improvements	138	138	-	-	138	138
Buildings	22,311	22,311	-	-	22,311	22,311
Equipment	784	784	84	84	868	868
Vehicles	4,022	4,158	-	-	4,022	4,158
Infrastructure	33,856	33,856	52,436	52,244	86,292	86,100
Less:						
Accumulated depreciation	(30,872)	(28,634)	(24,571)	(22,609)	(55,443)	(51,243)
Total capital assets	\$ 48,340	\$ 50,714	\$ 28,197	\$ 29,967	\$ 76,537	\$ 80,681

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

Long-term Debt. At the end of the current fiscal year, the Village had total debt outstanding of \$17,735 (excluding other postemployment benefit, net pension liabilities, and compensated absences). This amount is partially comprised of four 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 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 \$2,091 (10.5%) during fiscal year 2020.

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

- The Village made its regularly scheduled payments of principal (\$2,055) 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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 5,464	\$ 6,865	\$ 7,275	\$ 7,571	\$ 12,739	\$ 14,436
IEPA loans	-	-	4,996	5,390	4,996	5,390
Total long-term debt	\$ 5,464	\$ 6,865	\$ 12,271	\$ 12,961	\$ 17,735	\$ 19,826

Additional information regarding the Village's long-term debt can be found in note 3 on 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, more than quadrupled to 61 in 2019, and is still strong at 25 through only 4 months of 2020. The Village has also seen renewed interest in new multi-family homes with 1 building in 2016, 4 in 2017, 3 in 2018, and 0 in 2019 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. Full permits were issued during fiscal year 2020 for 8 buildings (2 buildings in June 2019, 2 buildings in September 2019, and 4 buildings in March 2020) valued at nearly \$15.5 million. 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 20. 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. McCallister's Deli and the Doggie Daycare started construction in 2019 and expect occupancy in the middle of 2020. Lastly, there are several businesses who the Village expects to start construction in 2020 including Ricky Rockets Fuel Center 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 \$2.7 million to \$5.1 million in the last 10 years (6.5% per year average), while non-home rules sales has grown from \$2.7 million to \$3.4 million in just the last 5 years (5% 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; Nexeo Solutions built a \$12 million warehouse and distribution facility; and Old Dominion Freight Line built a \$13 million freight depot. United Sugars and Nexeo are both located within the Aucutt Road TIF District (TIF #2) while Old Dominion is located outside TIF #2. The United Sugars and Nexeo buildings alone contributed roughly \$550,000 of tax increments in fiscal year 2019 and fiscal year 2020 (at 50% of estimated value) and will produce nearly \$1.0 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 started working on a storm sewer overflow study during fiscal year 2019 and throughout fiscal year 2020, which will determine what regional improvements can be made to recapture buildable land within the District. In addition, the Village Engineer started an infrastructure improvement study during fiscal year 2020 to be completed in fiscal year 2021 that will further delineate the

order in which improvements should take place. The Village is currently in discussion with 1 new business about a new building and 2 existing businesses about expansion of their current facilities within 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 2021 budget includes an additional 3.0 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 part-time Community Development intern (Community Development), 1 patrol officer (Public Safety), 1 maintenance worker for the Building and Grounds division, and moving the part-time mechanic to full-time (Public Works). Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village negotiated and approved a new 5-year contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2025. Cost of living increases ranging from 2.5% to 3.0% and pay for performance increases ranging from 4.5% to 6.0%.

The State of Illinois (the "State") has experienced adverse fiscal conditions over the last 5 years resulting in significant shortfalls between the State's general fund revenues and spending demands. The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017. The State's long-term general obligation bonds carry the lowest investment grade rating (lowest among all states). Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the Village. The State's general fiscal condition and the underfunding of the State's pension systems have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the Village. In addition, the State's fiscal year 2018, fiscal year 2019 Budget and fiscal year 2020 budgets contain a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities. The Village cannot determine at this time the financial impact of these provisions on its overall financial condition, but such provisions may result in lower income tax revenues and sales tax revenues distributed to the Village.

The COVID-19 pandemic, along with various governmental measures taken to protect public health considering the pandemic, has had an adverse impact on global financial markets and economies, including financial markets and economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies. In response to such expectations, President Trump has declared a "national emergency" and Illinois as a disaster area, which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. On March 9, 2020, Governor Pritzker declared all counties in the State as disaster areas because of the spread of COVID-19 (the "Gubernatorial Disaster Proclamation").

The State is not yet able to assess the severity of the economic impact of the COVID-19 pandemic. The adverse impact on the State's finances may, in turn, adversely affect the Village's finances due to delays or reductions in the amount received by the Village from the State. Likewise, the Village's finances may be adversely affected in manners separate and apart from the impact on the State. The Village, however, cannot predict the effect the spread of COVID-19 or the various governmental or private actions in reaction thereto will have on its finances or operations, including receipt of sales, income, gaming and utility taxes and real estate tax collections.

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 2021 budget includes an increase in the water usage rates of 5.5% as of May 1, 2020. The Village started work on a 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

through 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 2021, personal services expenditures are expected to total \$8,983,730 or 26.6% of total budgeted expenditures. This is an increase of 8.5% over the fiscal year 2020 budgeted expenditures of \$8,281,459. Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village negotiated and approved a new 5-year contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2025. Cost of living increases ranging from 2.5% to 3.0% and pay for performance increases ranging from 4.5% to 6.0%. The fiscal year 2021 budget includes an additional 3.0 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 part-time Community Development intern (Community Development), 1 patrol officer (Public Safety), 1 maintenance worker for the Building and Grounds division, and moving the part-time mechanic to full-time (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, 2020**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 11,693,595	5,056,199	16,749,794
Receivables - Net	4,134,007	1,255,359	5,389,366
Due from Other Governments	2,236,700	-	2,236,700
Internal Balances	19,439	(19,439)	-
Prepays	206,873	-	206,873
Total Current Assets	18,290,614	6,292,119	24,582,733
Noncurrent Assets			
Capital Assets			
Nondepreciable	18,100,860	247,534	18,348,394
Depreciable	61,111,388	52,519,765	113,631,153
Depreciation	(30,872,678)	(24,570,518)	(55,443,196)
Total Capital Assets	48,339,570	28,196,781	76,536,351
Other Assets			
Notes Receivable	36,906	-	36,906
Total Noncurrent Assets	48,376,476	28,196,781	76,573,257
Total Assets	66,667,090	34,488,900	101,155,990
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding	71,289	-	71,289
Deferred Items - IMRF	227,948	68,816	296,764
Deferred Items - Police Pension	3,954,646	-	3,954,646
Total Deferred Outflows of Resources	4,253,883	68,816	4,322,699
Total Assets and Deferred Outflows of Resources	70,920,973	34,557,716	105,478,689

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 990,757	224,891	1,215,648
Accrued Payroll	251,772	27,524	279,296
Deposits Payable	805,887	62,550	868,437
Accrued Interest Payable	68,961	125,569	194,530
Other Payables	-	66,592	66,592
Current Portion of Long-Term Debt	1,096,099	712,487	1,808,586
Total Current Liabilities	3,213,476	1,219,613	4,433,089
Noncurrent Liabilities			
Compensated Absences Payable	565,923	52,658	618,581
Net Pension Liability - IMRF	257,717	77,804	335,521
Net Pension Liability - Police Pension	8,417,363	-	8,417,363
Total OPEB Liability - RBP	5,702,400	972,490	6,674,890
General Obligation Bonds Payable - Net	4,431,166	6,969,593	11,400,759
IEPA Loans Payable	-	4,594,072	4,594,072
Total Noncurrent Liabilities	19,374,569	12,666,617	32,041,186
Total Liabilities	22,588,045	13,886,230	36,474,275
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	522,492	157,737	680,229
Deferred Items - Police Pension	1,709,088	-	1,709,088
Property Taxes	3,786,111	-	3,786,111
Total Deferred Inflows of Resources	6,017,691	157,737	6,175,428
Total Liabilities and Deferred Inflows of Resources	28,605,736	14,043,967	42,649,703
NET POSITION			
Net Investment in Capital Assets	42,946,474	16,719,681	59,666,155
Restricted - Public Safety	7,741	-	7,741
Restricted - Highways and Streets	444,875	-	444,875
Restricted - Subdivision Maintenance	761,712	-	761,712
Restricted - Subdivision Improvements	1,436,000	-	1,436,000
Unrestricted (Deficit)	(3,281,565)	3,794,068	512,503
Total Net Position	42,315,237	20,513,749	62,828,986

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, 2020

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 6,387,862	1,208,039	15,000	-
Public Safety	6,782,631	295,685	63,362	-
Highways and Streets	8,252,272	659,160	692,227	-
Interest on Long-Term Debt	208,114	-	-	-
Total Governmental Activities	21,630,879	2,162,884	770,589	-
Business-Type Activities				
Water	6,145,270	5,112,726	-	327,702
Refuse	1,237,572	1,241,515	-	-
Total Business-Type Activities	7,382,842	6,354,241	-	327,702
Total Primary Government	29,013,721	8,517,125	770,589	327,702

General Revenues

Taxes

Property Taxes

Utility Taxes

Video Gaming Taxes

Cannabis Tax

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

Net Position - Ending

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

Net (Expenses)/Revenue		
Governmental Activities	Business-Type Activities	Totals
(5,164,823)	-	(5,164,823)
(6,423,584)	-	(6,423,584)
(6,900,885)	-	(6,900,885)
(208,114)	(342,869)	(550,983)
(18,697,406)	(342,869)	(19,040,275)
-	(704,842)	(704,842)
-	3,943	3,943
-	(700,899)	(700,899)
(18,697,406)	(1,043,768)	(19,741,174)
3,743,444	-	3,743,444
1,193,929	-	1,193,929
135,367	-	135,367
3,886	-	3,886
4,710,253	-	4,710,253
3,146,070	-	3,146,070
1,814,022	-	1,814,022
67,840	-	67,840
652,788	-	652,788
14,392	-	14,392
246,982	84,921	331,903
539,535	940,195	1,479,730
16,268,508	1,025,116	17,293,624
(2,428,898)	(18,652)	(2,447,550)
44,744,135	20,532,401	65,276,536
42,315,237	20,513,749	62,828,986

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

VILLAGE OF MONTGOMERY, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2020

	General
<hr/>	
ASSETS	
Cash and Investments	\$ 4,074,602
Receivables - Net of Allowances	
Property Taxes	2,227,811
Other Taxes	17,833
Accounts	169,616
Accrued Interest	18,355
Notes	-
Due from Other Governments	1,471,688
Due from Other Funds	19,439
Advances to Other Funds	276,613
Prepays	206,873
	<hr/>
Total Assets	8,482,830
	<hr/>
LIABILITIES	
Accounts Payable	603,525
Accrued Payroll	251,772
Deposits Payable	319,275
Due to Other Funds	85,409
Advances from Other Funds	-
Total Liabilities	1,259,981
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	2,227,811
Total Liabilities and Deferred Inflows of Resources	3,487,792
	<hr/>
FUND BALANCES	
Nonspendable	483,486
Restricted	-
Assigned	-
Unassigned	4,511,552
Total Fund Balances	4,995,038
	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	8,482,830
	<hr/>

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

Debt Service	Capital Projects		Nonmajor	Totals
	Capital Improvement	Infrastructure Improvement		
50,000	314,890	1,810,366	4,887,637	11,137,495
-	-	-	1,558,300	3,786,111
-	123,615	-	-	141,448
-	-	-	-	169,616
-	4,079	10,197	2,162	34,793
-	-	-	36,906	36,906
-	-	710,327	54,685	2,236,700
-	-	85,409	-	104,848
-	-	-	-	276,613
-	-	-	-	206,873
50,000	442,584	2,616,299	6,539,690	18,131,403
-	13,518	300,992	72,722	990,757
-	-	-	-	251,772
-	-	486,612	-	805,887
-	-	-	-	85,409
-	276,613	-	-	276,613
-	290,131	787,604	72,722	2,410,438
-	-	-	1,558,300	3,786,111
-	290,131	787,604	1,631,022	6,196,549
-	-	-	-	483,486
50,000	-	-	2,650,328	2,700,328
-	152,453	1,828,695	2,258,340	4,239,488
-	-	-	-	4,511,552
50,000	152,453	1,828,695	4,908,668	11,934,854
50,000	442,584	2,616,299	6,539,690	18,131,403

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, 2020

Total Governmental Fund Balances	\$ 11,934,854
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Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	48,339,570
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Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(294,544)
Deferred Items - Police Pension	2,245,558

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.	558,139
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(628,803)
Net Pension Liability - IMRF	(257,717)
Net Pension Liability - Police Pension	(8,417,363)
Total OPEB Liability - RBP	(5,702,400)
General Obligation Bonds Payable - Net	(5,464,385)
Unamortized Loss on Refunding	71,289
Accrued Interest Payable	(68,961)

Net Position of Governmental Activities	<u><u>42,315,237</u></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, 2020**

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, 2020

	<u>General</u>
Revenues	
Property Taxes	\$ 2,335,699
Other Taxes	182,026
Licenses, Permits and Fees	672,228
Intergovernmental, Grants and Contributions	7,287,657
Fines and Forfeitures	255,851
Charges for Services	274,107
Interest	107,825
Miscellaneous	262,503
Total Revenues	<u>11,377,896</u>
Expenditures	
Current	
General Government	3,343,645
Public Safety	5,640,279
Highways and Streets	2,216,253
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>11,200,177</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>177,719</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	-
Transfers In	-
Transfers Out	-
	<u>-</u>
Net Change in Fund Balances	177,719
Fund Balances - Beginning	<u>4,817,319</u>
Fund Balances - Ending	<u><u>4,995,038</u></u>

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

Debt Service	Capital Projects		Nonmajor	Totals
	Capital Improvement	Infrastructure Improvement		
-	-	-	1,407,745	3,743,444
-	1,151,156	-	-	1,333,182
-	-	-	-	672,228
-	-	3,146,070	742,227	11,175,954
-	-	-	19,372	275,223
-	190,964	212,282	659,660	1,337,013
2,308	16,492	43,592	67,011	237,228
-	-	-	21,161	283,664
2,308	1,358,612	3,401,944	2,917,176	19,057,936
-	-	116,115	351,746	3,811,506
-	-	-	534	5,640,813
-	-	3,519,132	1,096,489	6,831,874
-	15,473	-	732,815	748,288
1,385,000	-	-	-	1,385,000
225,453	-	-	-	225,453
1,610,453	15,473	3,635,247	2,181,584	18,642,934
(1,608,145)	1,343,139	(233,303)	735,592	415,002
-	-	-	96,058	96,058
1,608,278	-	-	-	1,608,278
-	(1,608,278)	-	-	(1,608,278)
1,608,278	(1,608,278)	-	96,058	96,058
133	(265,139)	(233,303)	831,650	511,060
49,867	417,592	2,061,998	4,077,018	11,423,794
50,000	152,453	1,828,695	4,908,668	11,934,854

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

For the Fiscal Year Ended April 30, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ 511,060
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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	481,317
Depreciation Expense	(2,829,242)
Disposals - Cost	(617,242)
Disposals - Accumulated Depreciation	590,772

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

Change in Deferred Items - IMRF	(1,034,774)
Change in Deferred Items - Police Pension	815,658
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.

144,045

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.

Change in Compensated Absences Payable	(84,313)
Change in Net Pension Liability - IMRF	1,169,147
Change in Net Pension Liability - Police Pension	(1,664,223)
Change in Total OPEB Liability - RBP	(1,230,384)
Retirement of Debt	1,385,000
Amortization of Bond Premium	15,386
Amortization of Loss on Refunding	(22,690)

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.

24,643

Changes in Net Position of Governmental Activities

(2,428,898)

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, 2020

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS**Statement of Net Position - Proprietary Funds****April 30, 2020**

	Business-Type Activities			Governmental Activities
	Water	Refuse	Totals	Internal Service Employee Insurance
ASSETS				
Current Assets				
Cash and Investments	\$ 5,056,199	-	5,056,199	556,100
Receivables - Net of Allowances				
Accounts	1,035,905	207,096	1,243,001	-
Accrued Interest	12,358	-	12,358	2,039
Due from Other Funds	100,145	-	100,145	-
Total Current Assets	6,204,607	207,096	6,411,703	558,139
Noncurrent Assets				
Nondepreciable Capital Assets	247,534	-	247,534	-
Depreciable Capital Assets	52,519,765	-	52,519,765	-
Accumulated Depreciation	(24,570,518)	-	(24,570,518)	-
Total Noncurrent Assets	28,196,781	-	28,196,781	-
Total Assets	34,401,388	207,096	34,608,484	558,139
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	68,816	-	68,816	-
Total Assets and Deferred Outflows of Resources	34,470,204	207,096	34,677,300	558,139

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

	Business-Type Activities			Governmental Activities Internal Service Employee Insurance
	Water	Refuse	Totals	
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 120,498	104,393	224,891	-
Accrued Payroll	27,524	-	27,524	-
Deposits Payable	62,550	-	62,550	-
Accrued Interest Payable	125,569	-	125,569	-
Other Payables	66,592	-	66,592	-
Due to Other Funds	19,439	100,145	119,584	-
Current Portion of Long-Term Debt	712,487	-	712,487	-
Total Current Liabilities	1,134,659	204,538	1,339,197	-
Noncurrent Liabilities				
Compensated Absences Payable	52,658	-	52,658	-
Net Pension Liability - IMRF	77,804	-	77,804	-
Total OPEB Liability - RBP	972,490	-	972,490	-
General Obligation Bonds Payable - Net	6,969,593	-	6,969,593	-
IEPA Loans Payable	4,594,072	-	4,594,072	-
Total Noncurrent Liabilities	12,666,617	-	12,666,617	-
Total Liabilities	13,801,276	204,538	14,005,814	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	157,737	-	157,737	-
Total Liabilities and Derferred Inflows of Resources	13,959,013	204,538	14,163,551	-
NET POSITION				
Net Investment in Capital Assets	16,719,681	-	16,719,681	-
Unrestricted	3,791,510	2,558	3,794,068	558,139
Total Net Position	20,511,191	2,558	20,513,749	558,139

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, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Refuse	Totals	Internal Service Employee Insurance
Operating Revenues				
Charges for Services	\$ 5,112,726	1,241,515	6,354,241	-
Interfund Services	-	-	-	1,458,398
Total Operating Revenues	5,112,726	1,241,515	6,354,241	1,458,398
Operating Expenses				
Operations	4,204,924	1,237,572	5,442,496	1,324,107
Depreciation and Amortization	1,940,346	-	1,940,346	-
Total Operating Expenses	6,145,270	1,237,572	7,382,842	1,324,107
Operating Income (Loss)	(1,032,544)	3,943	(1,028,601)	134,291
Nonoperating Revenues (Expenses)				
Investment Earnings	84,921	-	84,921	9,754
Other Income	940,195	-	940,195	-
Interest Expense	(342,869)	-	(342,869)	-
	682,247	-	682,247	9,754
Income (Loss) Before Contributions	(350,297)	3,943	(346,354)	144,045
Capital Contributions - IEPA Grant	327,702	-	327,702	-
Change in Net Position	(22,595)	3,943	(18,652)	144,045
Net Position - Beginning	20,533,786	(1,385)	20,532,401	414,094
Net Position - Ending	20,511,191	2,558	20,513,749	558,139

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, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Refuse	Totals	Internal Service Employee Insurance
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 6,219,056	1,250,609	7,469,665	(489)
Receipts from Interfund Services	-	-	-	1,458,398
Payments to Employees	(625,627)	-	(625,627)	-
Payments to Suppliers	(3,890,250)	(1,250,609)	(5,140,859)	(1,324,107)
	1,703,179	-	1,703,179	133,802
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(191,050)	-	(191,050)	-
IEPA Grant	327,702	-	327,702	-
Principal Paid on Debt	(669,707)	-	(669,707)	-
Interest Paid on Debt	(342,869)	-	(342,869)	-
	(875,924)	-	(875,924)	-
Cash Flows from Investing Activities				
Investment Income	84,921	-	84,921	9,754
Net Change in Cash and Cash Equivalents	912,176	-	912,176	143,556
Cash and Cash Equivalents - Beginning	4,144,023	-	4,144,023	412,544
Cash and Cash Equivalents - Ending	5,056,199	-	5,056,199	556,100
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.				
Operating Income (Loss)	(1,032,544)	3,943	(1,028,601)	134,291
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in)				
Depreciation and Amortization Expense	1,940,346	-	1,940,346	-
Other Income	1,091,268	-	1,091,268	-
(Increase) Decrease in Current Assets	15,062	9,094	24,156	(489)
Increase (Decrease) in Current Liabilities	(310,953)	(13,037)	(323,990)	-
Net Cash Provided by Operating Activities	1,703,179	-	1,703,179	133,802

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

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Fiduciary Net Position

April 30, 2020

	Pension Trust Police Pension	Custodial
ASSETS		
Cash and Cash Equivalents	\$ 734,719	1,430,897
Investments		
U.S. Treasury Obligations	325,106	-
U.S. Agency Obligations	2,399,111	-
Municipal Bonds	153,234	-
Corporate Bonds	2,860,923	-
Mutual Funds	3,838,771	-
Common Stock	562,344	-
Receivables - Net of Allowance		
Property Taxes	-	3,934
Accrued Interest	55,691	-
Total Assets	10,929,899	1,434,831
LIABILITIES		
Accounts Payable	-	231
NET POSITION		
Restricted for Pensions	10,929,899	-
Restricted for Individuals, Organizations, and Other Governments	-	1,434,600
Total Net Position	10,929,899	1,434,600

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, 2020

	Pension Trust Police Pension	Custodial
Additions		
Contributions - Employer	\$ 636,733	-
Contributions - Plan Members	268,740	-
Total Contributions	905,473	-
Investment Income		
Investment Earnings	419,791	24,783
Net Change in Fair Value	(252,348)	-
	167,443	24,783
Less Investment Expenses	(23,535)	-
Net Investment Income	143,908	24,783
Property Taxes	-	3,934
Charges for Services	-	952,969
Total Additions	1,049,381	981,686
Deductions		
Administration	6,775	-
Benefits and Refunds	772,450	-
Contractual Services	-	19,961
Debt Service		
Principal Retirement	-	892,638
Intrest and Fiscal Charges	-	226,003
Total Deductions	779,225	1,138,602
Change in Fiduciary Net Position	270,156	(156,916)
Net Position Restricted		
Beginning	10,659,743	1,591,516
Ending	10,929,899	1,434,600

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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

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, 2020

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, 2020

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, 2020

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, 2020

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 custodial 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.

Custodial funds are used to account for assets held by the Village in a purely custodial capacity. The Village maintains three custodial funds. The Flexible Benefits Fund is used to account for the fringe benefits for employees. 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. 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 custodial). 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, 2020

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, pension trust, and custodial 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.

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, 2020

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 custodial 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, 2020

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, 2020

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, 2020

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 four 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, 2020

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/expenses, exclusive of depreciation, over budget at year end:

Fund	Excess
General	\$ 110,873
Capital Improvement	6,953
Blackberry Crossing Special Service Area	345
Ogden Hill Special Service Area	5,670
Marquis Pointe Special Service Area	3,330
Arbor Ridge Special Service Area	2,143
Fairfield Way Special Service Area	7,216
Foxmoor Special Service Area	3,058
Tax Increment Financing District #1	11,468
Saratoga Springs Special Service Area	27
Orchard Prairie North Special Service Area	74
Blackberry Crossing West Special Service Area	54
Fieldstone Special Service Area	1,300
Vehicle and Equipment Replacement	36,478
Refuse	295
Police Pension	100,024

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, Illinois Trust, and Illinois Public Reserves Investment Management Trust (IPRIME).

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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.

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 OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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 \$8,685,966 and the bank balances totaled \$10,870,622.

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
Municipal Bonds	\$ 2,134,749	-	2,134,749	-	-
IPRIME	340,473	340,473	-	-	-
IIIT Illinois Trust	5,588,606	5,588,606	-	-	-
	8,063,828	5,929,079	2,134,749	-	-

The Village has the following recurring fair value measurements as of April 30, 2020:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Securities				
Municipal Bonds	\$ 2,134,749	-	2,134,749	-
Investments Measured at the Net Asst Value (NAV)				
IPRIME	340,473			
IIIT Illinois Trust	5,588,606			
Total Investment Measured at Fair Value	8,063,828			

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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).

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 Aa3 by Standard and Poor's and Moody's, the IPRIME and the Illinois Trust are not rated.

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, 2020, 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.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$734,719 and the bank balances totaled \$734,719.

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

Investment Type	Fair Value	Investment Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Obligations	\$ 325,106	325,106		-	-
U.S. Agency Obligations	2,399,111	294,356	1,550,063	548,810	5,882
Municipal Bonds	153,234	101,395	-	-	51,839
Corporate Bonds	2,860,923	459,127	1,561,802	839,994	-
Totals	5,738,374	1,179,984	3,111,865	1,388,804	57,721

The Fund has the following recurring fair value measurements as of April 30, 2020:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasury Obligations	\$ 325,106	325,106	-	-
U.S. Agency Obligations	2,399,111	-	2,399,111	-
Municipal Bonds	153,234	-	153,234	-
Corporate Bonds	2,860,923	-	2,860,923	-
Equity Securities				
Mutual Funds	3,838,771	3,838,771	-	-
Common Stock	562,344	562,344	-	-
Total Investments by Fair Value Level	10,139,489	4,726,221	5,413,268	-

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, 2020

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. Agency obligations are rated AA+ to Aaa by Standard and Poor's. The municipal bonds are rated AA to A2 by Standard and Poor's and Moody's. The corporate bonds are rated AA to BBB by Standard and Poor's and Moody's.

Custodial Credit Risk – Deposits. The Fund's investment policy requires all bank balances to be covered by federal depository insurance. At April 30, 2020, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

Custodial Credit Risk – Investments. To limits 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, 2020, 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, 2020, 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 \$562,344 invested in common stock and \$3,838,771 invested in mutual funds at year-end.

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%	7.20%
Domestic Equities	10.00% - 55.00%	(4.52%)
Real Estate	10.00%	(11.14%)
Cash and Cash Equivalents	0.00%	1.80%

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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. 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 June 2020 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, 2020 are listed in the table above.

Rate of Return

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (4.30%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2018 attach as an enforceable lien on January 1, 2018, 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.

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:

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NOTES RECEIVABLE – Continued

Montgomery Development – Continued

- 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. Two forgivable loans were approved during fiscal year 2020 for a total of \$20,000. The outstanding balance of these loans as of April 30, 2020 was \$46,210.
- 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. The outstanding balance of this loan as of April 30, 2020 is \$36,906.

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>\$ 276,613</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – Continued

Interfund Balances

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

Receivable Fund	Payable Fund	Amount
General	Water	\$ 19,439
Infrastructure Improvement	General	85,409
Water	Refuse	<u>100,145</u>
		<u>204,993</u>

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Debt Service	Capital Improvement	<u>\$ 1,608,278</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, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 10,044,460	-	-	10,044,460
Land Right of Way	8,056,400	-	-	8,056,400
	<u>18,100,860</u>	<u>-</u>	<u>-</u>	<u>18,100,860</u>
Depreciable Capital Assets				
Land Improvements	138,448	-	-	138,448
Buildings	22,310,653	-	-	22,310,653
Equipment	783,888	-	-	783,888
Vehicles	4,158,215	481,317	617,242	4,022,290
Infrastructure	33,856,109	-	-	33,856,109
	<u>61,247,313</u>	<u>481,317</u>	<u>617,242</u>	<u>61,111,388</u>
Less Accumulated Depreciation				
Land Improvements	138,448	-	-	138,448
Buildings	12,631,316	1,115,532	-	13,746,848
Equipment	507,813	67,933	-	575,746
Vehicles	1,986,779	291,533	590,772	1,687,540
Infrastructure	13,369,852	1,354,244	-	14,724,096
	<u>28,634,208</u>	<u>2,829,242</u>	<u>590,772</u>	<u>30,872,678</u>
Total Net Depreciable Capital Assets	<u>32,613,105</u>	<u>(2,347,925)</u>	<u>26,470</u>	<u>30,238,710</u>
Total Net Capital Assets	<u>50,713,965</u>	<u>(2,347,925)</u>	<u>26,470</u>	<u>48,339,570</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 658,523
Public Safety	582,868
Highways and Streets	<u>1,587,851</u>
	<u>2,829,242</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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
Nondepreciable Capital Assets				
Land	\$ 16,533	-	-	16,533
Construction in Progress	231,001	-	-	231,001
	<u>247,534</u>	<u>-</u>	<u>-</u>	<u>247,534</u>
Depreciable Capital Assets				
Equipment	84,062	-	-	84,062
Infrastructure	52,244,653	191,050	-	52,435,703
	<u>52,328,715</u>	<u>191,050</u>	<u>-</u>	<u>52,519,765</u>
Less Accumulated Depreciation				
Equipment	84,062	-	-	84,062
Infrastructure	22,525,275	1,961,181	-	24,486,456
	<u>22,609,337</u>	<u>1,961,181</u>	<u>-</u>	<u>24,570,518</u>
Total Net Depreciable Capital Assets	<u>29,719,378</u>	<u>(1,770,131)</u>	<u>-</u>	<u>27,949,247</u>
Total Net Capital Assets	<u>29,966,912</u>	<u>(1,770,131)</u>	<u>-</u>	<u>28,196,781</u>

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

Water	<u>\$ 1,961,181</u>
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VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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
\$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	\$ 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	2,490,000	-	385,000	2,105,000
\$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	3,955,000	-	140,000	3,815,000
\$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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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
\$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	-	135,000	3,235,000
		14,150,000	-	1,660,000	12,490,000

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	\$ 281,928	-	67,698	214,230
IEPA Loan Payable of 2011, due in semi-annual installments of \$125,440, including interest of 1.25% through April 19, 2032.	Sewer	3,001,605	-	214,026	2,787,579
IEPA Loan Payable of 2014, due in semi-annual installments of \$77,226, including interest of 1.995% through December 7, 2034.	Sewer	2,106,725	-	112,983	1,993,742
		5,390,258	-	394,707	4,995,551

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 544,490	168,626	84,313	628,803	62,880
Net Pension Liability					
IMRF	1,426,864	-	1,169,147	257,717	-
Police Pension	6,753,140	1,664,223	-	8,417,363	-
Total OPEB Liability - RBP	4,472,016	1,230,384	-	5,702,400	-
General Obligation Bonds Payable	6,825,000	-	1,385,000	5,440,000	1,025,000
Unamortized Bond Premium	39,771	-	15,386	24,385	8,219
	<u>20,061,281</u>	<u>3,063,233</u>	<u>2,653,846</u>	<u>20,470,668</u>	<u>1,096,099</u>
Business-Type Activities					
Compensated Absences	38,880	39,258	19,629	58,509	5,851
Net Pension Liability					
IMRF	506,112	-	428,308	77,804	-
Total OPEB Liability - RBP	758,683	213,807	-	972,490	-
General Obligation Bonds Payable	7,325,000	-	275,000	7,050,000	285,000
Unamortized Bond Premium	245,586	-	20,836	224,750	20,157
IEPA Loans Payable	5,390,258	-	394,707	4,995,551	401,479
	<u>14,264,519</u>	<u>253,065</u>	<u>1,138,480</u>	<u>13,379,104</u>	<u>712,487</u>

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, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities		Business-Type Activities			
	General Obligation		General Obligation		IEPA	
	Bonds Payable		Bonds Payable		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,025,000	165,508	285,000	253,536	401,479	78,642
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	391,921	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	152,168	2,280
2036	-	-	460,000	69,000	-	-
2037	-	-	480,000	50,600	-	-
2038	-	-	505,000	31,400	-	-
2039	-	-	280,000	11,200	-	-
Totals	5,440,000	523,161	7,050,000	2,846,388	4,995,551	556,142

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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 - 2019		<u>\$ 479,911,867</u>
Legal Debt Limit - 8.625% of Assessed Value		<u>41,392,399</u>
Amount of Debt Applicable to Limit		
General Obligation ARS Refunding Bonds of 2011	\$ 2,105,000	
General Obligation ARS Bonds of 2013	3,815,000	
Taxable General Obligation ARS Refunding Bonds of 2014	3,335,000	
General Obligation ARS Bonds of 2017	<u>3,235,000</u>	
	12,490,000	
Less: Alternate Revenue Source Bonds	<u>(12,490,000)</u>	
Total Applicable Debt		<u>-</u>
Legal Debt Margin		<u>41,392,399</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, 2020, \$22,661 of the Special Service Area No. 17 bonds are outstanding.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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, 2020, \$6,865,000 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 2008A, issued for the construction of the Village Hall, are payable from a pledge of sales tax, telecommunication and use tax. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$1,050,000 was approximately 18.68% 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 \$2,293,300 with the bonds maturing December 1, 2024. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$453,313 was approximately 8.07% 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 \$5,500,350, with the bonds maturing December 1, 2038. During the current fiscal year, the pledge of water revenues of \$290,850 was approximately 5.69% 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 \$3,669,860 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, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Pledged Revenues – Continued

The General Obligation Alternate Revenue Source Bonds of 2017, issued for various water system improvements, are payable from a pledge of the Village's water operations revenue, with a remaining total pledge of \$4,396,075, with the bonds maturing December 1, 2037. During the current fiscal year, the pledge of water revenues of \$245,938 was approximately 4.81% of total water operating revenues.

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2020:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 48,339,570
Plus: Unamortized Loss on Refunding	71,289
Less Capital Related Debt:	
General Obligation ARS Refunding Bonds of 2011	(2,105,000)
General Obligation ARS Refunding Bonds of 2014	(3,335,000)
Unamortized Bond Premium	<u>(24,385)</u>
Net Investment in Capital Assets	<u><u>42,946,474</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	28,196,781
Plus: Unspent Bond Proceeds	793,201
Less Capital Related Debt:	
General Obligation ARS Refunding Bonds of 2013	(3,815,000)
General Obligation ARS Bonds of 2017	(3,235,000)
IEPA Loan Payable of 2002	(214,230)
IEPA Loan Payable of 2011	(2,787,579)
IEPA Loan Payable of 2014	(1,993,742)
Unamortized Bond Premium	<u>(224,750)</u>
Net Investment in Capital Assets	<u><u>16,719,681</u></u>

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

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

	General	Debt Service	Capital Projects		Nonmajor	Totals
			Capital Improvements	Infrastructure Improvement		
Fund Balances						
Nonspendable						
Advances	\$ 276,613	-	-	-	-	276,613
Prepays	206,873	-	-	-	-	206,873
	483,486	-	-	-	-	483,486
Restricted						
Police	-	-	-	-	7,741	7,741
Highways and Streets	-	-	-	-	444,875	444,875
Subdivision Maintenance	-	-	-	-	761,712	761,712
Subdivision Improvements	-	-	-	-	1,436,000	1,436,000
Debt Service	-	50,000	-	-	-	50,000
	-	50,000	-	-	2,650,328	2,700,328
Assigned						
Economic Development	-	-	-	-	1,489,093	1,489,093
Capital	-	-	152,453	1,828,695	769,247	2,750,395
	-	-	152,453	1,828,695	2,258,340	4,239,488
Unassigned	4,511,552	-	-	-	-	4,511,552
Total Fund Balances	4,995,038	50,000	152,453	1,828,695	4,908,668	11,934,854

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, 2020

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, 2020, 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, 2020

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, 2020 was \$980,917, and the total cumulative expenditures incurred to date in rebates of current development agreements was \$9,430,375.

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.

Financial Impact of COVID-19

The World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2020

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. 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 recognized for the pension plans is:

	Net Pension Liabilities	Deferred Outflows	Deferred Inflows	Pension Expenses
IMRF	\$ 335,521	296,764	680,229	39,957
Police Pension	8,417,363	3,954,646	1,709,088	1,485,298
	8,752,884	4,251,410	2,389,317	1,525,255

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, 2020

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, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	43
Inactive Plan Members Entitled to but not yet Receiving Benefits	51
Active Plan Members	<u>37</u>
Total	<u><u>131</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, 2020, the Village's contribution was 10.51% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2019. 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, 2020

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, 2019, 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	3.35% 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, 2020

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%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior year valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the Village calculated using the discount rate as well as what the Village's net pension liability/(asset) 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/(Asset)	\$ 2,191,287	335,521	(1,179,663)

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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, 2018	\$ 14,100,137	12,167,161	1,932,976
Changes for the Year:			
Service Cost	216,197	-	216,197
Interest on the Total Pension Liability	997,777	-	997,777
Changes of Benefit Terms			
Difference Between Expected and Actual Experience of the Total Pension Liability	(32,006)	-	(32,006)
Changes of Assumptions	-	-	-
Contributions - Employer	-	235,164	(235,164)
Contributions - Employees	-	106,016	(106,016)
Net Investment Income	-	2,281,458	(2,281,458)
Benefit Payments, including Refunds of Employee Contributions	(891,581)	(891,581)	-
Other (Net Transfer)	-	156,785	(156,785)
Net Changes	290,387	1,887,842	(1,597,455)
Balances at December 31, 2019	14,390,524	14,055,003	335,521

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

For the year ended April 30, 2020, the Village recognized pension expense of \$39,957. At April 30, 2020, 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, 2020

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	\$ 52,780	(35,237)	17,543
Change in Assumptions	154,784	(57,232)	97,552
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(587,760)	(587,760)
	207,564	(680,229)	(472,665)
Pension Contributions Made Subsequent to the Measurement Date	89,200	-	89,200
Total Deferred Amounts Related to IMRF	296,764	(680,229)	(383,465)

\$89,200 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, 2021. 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/ (Inflows) of Resources
2021	\$ (91,287)
2022	(138,729)
2023	40,074
2024	(282,723)
2025	-
Thereafter	-
Total	(472,665)

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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, 2020, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	9
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>31</u>
Total	<u><u>40</u></u>

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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 ½ 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., ½ 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 1st 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 or ½ 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, 2020, the Village's contribution was 23.75% 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, 2020

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, 2020, 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	3.50% - 8.25%
Cost of Living Adjustments	2.25%
Inflation	2.25%

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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	\$ 11,803,250	8,417,363	5,735,388

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2019	\$ 17,412,883	10,659,743	6,753,140
Changes for the Year:			
Service Cost	560,887	-	560,887
Interest on the Total Pension Liability	1,191,866	-	1,191,866
Changes of Benefit Terms	241,594		241,594
Difference Between Expected and Actual Experience of the Total Pension Liability	228,114	-	228,114
Changes of Assumptions	484,368	-	484,368
Contributions - Employer	-	636,733	(636,733)
Contributions - Employees	-	268,740	(268,740)
Net Investment Income	-	143,908	(143,908)
Benefit Payments, including Refunds of Employee Contributions	(772,450)	(772,450)	-
Administrative Expense	-	(6,775)	6,775
Net Changes	1,934,379	270,156	1,664,223
Balances at April 30, 2020	19,347,262	10,929,899	8,417,363

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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, 2020, the Village recognized pension expense of \$1,485,298. At April 30, 2020, 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	\$ 532,499	(1,709,088)	(1,176,589)
Change in Assumptions	2,818,631	-	2,818,631
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	603,516	-	603,516
Total Deferred Amounts Related to Police Pension	3,954,646	(1,709,088)	2,245,558

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
2021	\$ 382,313
2022	383,014
2023	346,963
2024	331,374
2025	210,037
Thereafter	591,857
Total	2,245,558

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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, 2020, 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><u>78</u></u>

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2020, and was determined by an actuarial valuation as of April 30, 2019.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	3.00%
Discount Rate	2.56%
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, 2020

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

	Total OPEB Liability
Balance at April 30, 2019	<u>\$ 5,230,699</u>
Changes for the Year:	
Service Cost	109,371
Interest on the Total Pension Liability	193,829
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	1,372,531
Benefit Payments	<u>(231,540)</u>
Net Changes	<u>1,444,191</u>
Balance at April 30, 2020	<u><u>6,674,890</u></u>

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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 2.56%, 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:

	1% Decrease (1.56%)	Current Discount Rate (2.56%)	1% Increase (3.56%)
Total OPEB Liability	\$ 7,683,867	6,674,890	5,865,275

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:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 5,678,428	6,674,890	7,919,671

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2020

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

Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB. For the year ended April 30, 2020, the Village recognized OPEB expense of \$1,772,880. At April 30, 2020, 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	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	-	-	-

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
2021	\$ -
2022	-
2023	-
2024	-
2025	-
Thereafter	-
Total	-

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, 2020

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%
2020	251,155	251,155	-	2,388,962	10.51%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.35% to 14.25%
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, 2020

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
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%
2020	661,733	636,733	(25,000)	2,680,466	23.75%

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, 2020

	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	(433,918)
Net Change in Total Pension Liability	380,142
Total Pension Liability - Beginning	12,012,911
Total Pension Liability - Ending	12,393,053
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)	(10,193)
Net Change in Plan Fiduciary Net Position	7,244
Plan Net Position - Beginning	10,450,285
Plan Net Position - Ending	10,457,529
Employer's Net Pension Liability	\$ 1,935,524
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	12/31/2019
242,720	232,978	229,595	216,197
917,636	949,180	960,197	997,777
-	-	-	-
(233,085)	(91,234)	132,196	(32,006)
(33,076)	(390,097)	387,680	-
(493,110)	(509,785)	(594,711)	(891,581)
401,085	191,042	1,114,957	290,387
12,393,053	12,794,138	12,985,180	14,100,137
12,794,138	12,985,180	14,100,137	14,390,524
299,313	271,330	260,328	235,164
99,846	103,737	104,971	106,016
718,169	1,936,009	(659,593)	2,281,458
(493,110)	(509,785)	(594,711)	(891,581)
104,625	(158,186)	226,689	156,785
728,843	1,643,105	(662,316)	1,887,842
10,457,529	11,186,372	12,829,477	12,167,161
11,186,372	12,829,477	12,167,161	14,055,003
1,607,766	155,703	1,932,976	335,521
87.43%	98.80%	86.29%	97.67%
2,218,784	2,305,270	2,332,691	2,355,898
72.46%	6.75%	82.86%	14.24%

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2020

	<u>4/30/2015</u>
Total Pension Liability	
Service Cost	\$ 463,455
Interest	782,101
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change in Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(431,684)</u>
Net Change in Total Pension Liability	813,872
Total Pension Liability - Beginning	<u>11,388,718</u>
Total Pension Liability - Ending	<u><u>12,202,590</u></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	<u>(8,625)</u>
Net Change in Plan Fiduciary Net Position	708,423
Plan Net Position - Beginning	<u>7,498,173</u>
Plan Net Position - Ending	<u><u>8,206,596</u></u>
Employer's Net Pension Liability	<u><u>\$ 3,995,994</u></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	4/30/2020
400,101	426,069	460,254	489,408	560,887
837,341	1,000,049	1,026,665	1,118,508	1,191,866
-	-	-	-	241,594
(589,343)	(874,635)	429,887	(986,862)	228,114
2,189,746	370,109	-	1,149,405	484,368
(481,164)	(545,717)	(537,009)	(672,519)	(772,450)
2,356,681	375,875	1,379,797	1,097,940	1,934,379
12,202,590	14,559,271	14,935,146	16,314,943	17,412,883
14,559,271	14,935,146	16,314,943	17,412,883	19,347,262
452,282	520,987	580,602	557,590	636,733
216,533	205,654	223,418	327,795	268,740
(25,628)	593,998	466,740	617,818	143,908
(481,164)	(545,717)	(537,009)	(672,519)	(772,450)
(18,226)	(10,627)	(11,237)	(8,143)	(6,775)
143,797	764,295	722,514	822,541	270,156
8,206,596	8,350,393	9,114,688	9,837,202	10,659,743
8,350,393	9,114,688	9,837,202	10,659,743	10,929,899
6,208,878	5,820,458	6,477,741	6,753,140	8,417,363
57.35%	61.03%	60.30%	61.22%	56.49%
1,951,463	2,070,191	2,226,229	2,376,298	2,680,466
318.17%	281.16%	290.97%	284.19%	314.03%

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2020

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	6.54%
2016	0.29%
2017	6.61%
2018	4.98%
2019	6.15%
2020	(4.30%)

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, 2020

	2019	2020
Total OPEB Liability		
Service Cost	\$ 102,680	109,371
Interest	197,188	193,829
Change of Assumptions or Other Inputs	103,474	1,372,531
Benefit Payments	(279,432)	(231,540)
Net Change in Total OPEB Liability	123,910	1,444,191
Total OPEB Liability - Beginning	5,106,789	5,230,699
Total OPEB Liability - Ending	5,230,699	6,674,890
Covered Payroll	\$ 4,556,870	4,693,576
Total OPEB Liability as a Percentage of Covered Payroll	114.79%	142.21%

Notes:

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2019 and 2020.

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, 2020

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 2,334,259	2,335,699
Other Taxes	186,545	182,026
Licenses, Permits and Fees	439,188	672,228
Intergovernmental, Grants and Contributions	7,327,028	7,287,657
Charges for Services	398,852	274,107
Fines and Forfeitures	264,500	255,851
Investment Earnings	82,500	107,825
Miscellaneous	125,790	262,503
Total Revenues	11,158,662	11,377,896
Expenditures		
Current		
General Government	3,400,792	3,343,645
Public Safety	5,623,289	5,640,279
Highways and Streets	2,065,223	2,216,253
Total Expenditures	11,089,304	11,200,177
Net Change in Fund Balance	69,358	177,719
Fund Balance - Beginning		4,817,319
Fund Balance - Ending		4,995,038

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 Statements – Custodial Funds
- Consolidated Year-End Financial Report

INDIVIDUAL FUND SCDEduLES

GENERAL FUND

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

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.

INDIVIDUAL FUND SCDEDULES

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.

INDIVIDUAL FUND SCDEduLES

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.

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.

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.

INDIVIDUAL FUND SCDEDULES

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.

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.

INDIVIDUAL FUND SCDEDULES

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.

FIDUCIARY 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.

CUSTODIAL FUNDS

Flexible Benefit Fund

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

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.

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual For the Fiscal Year Ended April 30, 2020

	Original and Final Budget	Actual
Property Taxes		
Corporate	\$ 587,506	587,241
Police Pension	595,737	595,476
Social Security	243,614	243,503
IMRF	234,427	234,328
Insurance	301,000	300,878
Police Protection	270,571	270,457
Road and Bridge	101,404	103,816
Total Property Taxes	2,334,259	2,335,699
Other Taxes		
Utility Tax	54,545	42,773
Video Gaming Tax	132,000	135,367
Cannabis Tax	-	3,886
Total Other Taxes	186,545	182,026
Licenses, Permits and Fees		
Licenses		
Liquor	29,400	28,229
Amusement Machine	150	-
Tobacco	400	350
Contractors	25,000	35,305
Other	930	970
Permits		
Building	135,000	351,181
Oversized Vehicle	13,500	10,875
Solicitor	3,000	3,750
Other	500	500
Fees		
Cable Franchise	231,308	241,068
Total Licenses, Permits, and Fees	439,188	672,228
Intergovernmental		
Sales Tax	4,795,248	4,710,253

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2020

	Original and Final Budget	Actual
Intergovernmental - Continued		
State Income Tax	\$ 1,816,143	1,814,022
Corporate Replacement Tax	53,339	59,936
Road and Bridge Replacement Tax	6,667	7,904
Local Use Tax	603,845	652,788
TIF Surplus	14,176	14,392
Federal Grant - Urban/Community Forest	15,000	15,000
State Grant - Body Armor (Police)	2,280	1,409
State Grant - ILCC Tobacco (Police)	2,090	2,090
State Grant - Traffic Safety (Police)	18,240	9,863
Total Intergovernmental	7,327,028	7,287,657
Charges for Services		
Plumbing Inspections	22,000	66,500
Engineering Inspections	11,000	23,710
Reinspections	1,000	600
Elevator Inspections	1,600	1,080
Planning - Plan Commission Applications	8,000	2,800
Recycling Income	2,000	1,367
Lawn Services	8,207	6,645
Professional Services Reimbursements - Engineering Service	175,770	38,936
Professional Services Reimbursements - Legal Service	36,750	5,756
Professional Services Reimbursements - Planning Service	23,625	4,450
Professional Services Reimbursements - Printing and Publishing	500	-
Police Reimbursements - Training	6,000	28,000
Police Reimbursements - Special Duty	2,700	2,639
Police Reimbursements - Other	3,500	9,025
Police Reimbursements - Firing Range	500	170
Other Reimbursements - Streets	58,100	22,350
Other Reimbursements - Credit Card Fees	28,800	30,726
Other Reimbursements - Miscellaneous	6,000	26,361
Rents and Royalties - Municipal Building Rental	2,800	2,992
Total Charges for Services	398,852	274,107

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2020

	Original and Final Budget	Actual
Fines and Forfeitures		
Tow Impoundment Fee	\$ 100,000	54,000
Court Fines - Village	27,000	20,610
Court Fines - Kane County	110,000	141,154
Court Fines - Kendall County	11,000	11,252
Patrol Car Maintenance Fines - Kane County	10,000	8,368
Patrol Car Maintenance Fines - Kendall County	1,500	805
Code Enforcement Fines	5,000	3,558
Other - Federal Forfeiture	-	16,104
Total Fines and Forfeitures	264,500	255,851
Investment Earnings		
Interest	82,500	107,825
Miscellaneous		
Other Reimbursements - Insurance	30,000	66,349
Donations - Montgomery Fest	65,000	64,300
Donations - Beautification	5,000	6,865
Donations - River Run	12,340	11,627
Donations - Garage Sales	1,000	660
Donations - Settler's Cottage	500	257
Donations - HPC Brick Paver Program	500	-
Donations - Senior Luncheon	2,000	2,201
Donations - Parkway Tree Program	2,000	300
Donations - Car Show	2,500	-
Donations - Safety Event	4,000	5,600
Salable Items - History Books	350	-
Salable Items - Miscellaneous	100	-
Change in Terminal Reserve (IPBC)	-	104,864
Miscellaneous	500	(520)
Total Miscellaneous	125,790	262,503
Total Revenues	11,158,662	11,377,896

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended April 30, 2020

	Original and Final Budget	Actual
General Government		
Elected Officials		
Personal Services	\$ 69,895	67,242
Contractual Services	110,270	106,508
Commodities	1,295	150,827
	<u>181,460</u>	<u>324,577</u>
Administration		
Personal Services	398,844	386,591
Contractual Services	82,776	102,558
Commodities	4,300	8,875
	<u>485,920</u>	<u>498,024</u>
Finance		
Accounting		
Personal Services	444,622	445,688
Contractual Services	384,892	368,296
Commodities	10,570	14,344
	<u>840,084</u>	<u>828,328</u>
Utility Billing		
Personal Services	130,563	124,288
Contractual Services	45,109	46,565
Commodities	33,140	27,102
	<u>208,812</u>	<u>197,955</u>
	1,048,896	1,026,283
Less: Internal Charges	<u>(544,846)</u>	<u>(529,445)</u>
Total Finance	<u>504,050</u>	<u>496,838</u>
Legal		
Contractual Services	226,100	136,810
Commodities	-	4,568
	<u>226,100</u>	<u>141,378</u>

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2020

	Original and Final Budget	Actual
General Government - Continued		
Engineering		
Contractual Services	\$ 235,000	141,644
Community Development		
Economic Development		
Contractual Services	101,500	96,273
Other	969,492	980,917
	1,070,992	1,077,190
Planning and Zoning		
Personal Services	279,220	279,363
Contractual Services	48,579	15,388
Commodities	4,750	4,026
	332,549	298,777
Code Enforcement and Inspections		
Personal Services	289,684	291,072
Contractual Services	71,642	70,298
Commodities	3,395	3,847
	364,721	365,217
Total Community Development	1,768,262	1,741,184
Total General Government	3,400,792	3,343,645
Public Safety		
Police		
Administration		
Personal Services	698,125	713,229
Contractual Services	204,096	229,828
Commodities	20,320	22,320
	922,541	965,377

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2020

	Original and Final Budget	Actual
Public Safety - Continued		
Police - Continued		
Records		
Personal Services	\$ 262,681	259,511
Contractual Services	292,244	310,178
Commodities	3,550	5,255
	<u>558,475</u>	<u>574,944</u>
Patrol		
Personal Services	3,310,255	3,298,101
Contractual Services	227,863	224,108
Commodities	53,286	47,127
	<u>3,591,404</u>	<u>3,569,336</u>
Investigations		
Personal Services	509,874	496,447
Contractual Services	14,638	10,838
Commodities	17,620	16,831
	<u>542,132</u>	<u>524,116</u>
Police Commission		
Personal Services	452	-
Contractual Services	4,835	3,768
Commodities	250	-
	<u>5,537</u>	<u>3,768</u>
ESDA		
Contractual Services	2,500	2,738
Commodities	700	-
	<u>3,200</u>	<u>2,738</u>
Total Public Safety	<u>5,623,289</u>	<u>5,640,279</u>

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2020

	Original and Final Budget	Actual
Highways and Streets		
Administration		
Personal Services	\$ 102,526	102,723
Contractual Services	38,779	64,797
Commodities	5,335	9,039
	<u>146,640</u>	<u>176,559</u>
Streets		
Personal Services	497,454	421,243
Contractual Services	628,555	745,576
Commodities	61,500	93,402
	<u>1,187,509</u>	<u>1,260,221</u>
Vehicle Maintenance		
Personal Services	127,311	136,585
Contractual Services	102,517	105,842
Commodities	153,700	146,102
	<u>383,528</u>	<u>388,529</u>
Buildings and Grounds		
Personal Services	204,469	202,654
Contractual Services	513,899	558,464
Commodities	16,100	21,949
	<u>734,468</u>	<u>783,067</u>
Stormwater Management		
Contractual Services	<u>48,956</u>	<u>77,775</u>
	2,501,101	2,686,151
Less: Internal Charges	<u>(435,878)</u>	<u>(469,898)</u>
Total Highways and Streets	<u>2,065,223</u>	<u>2,216,253</u>
Total Expenditures	<u>11,089,304</u>	<u>11,200,177</u>

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, 2020

	Original and Final Budget	Actual
Revenues		
Interest	\$ 2,500	2,308
Expenditures		
Debt Service		
Principal Retirement	1,385,000	1,385,000
Interest and Fiscal Charges	225,853	225,453
Total Expenditures	1,610,853	1,610,453
Excess (Deficiency) of Revenues Over Expenditures	(1,608,353)	(1,608,145)
Other Financing Sources		
Transfers In	1,608,353	1,608,278
Net Change in Fund Balance	-	133
Fund Balance - Beginning		49,867
Fund Balance - Ending		50,000

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, 2020

	Original and Final Budget	Actual
Revenues		
Other Taxes		
Utility Taxes	\$ 1,262,235	1,151,156
Charges for Services	142,359	190,964
Interest	10,000	16,492
Total Revenues	1,414,594	1,358,612
Expenditures		
Capital Outlay	8,520	15,473
Excess (Deficiency) of Revenues Over Expenditures	1,406,074	1,343,139
Other Financing (Uses)		
Transfers Out	(1,608,353)	(1,608,278)
Net Change in Fund Balances	<u>(202,279)</u>	(265,139)
Fund Balances - Beginning		<u>417,592</u>
Fund Balances - Ending		<u>152,453</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Infrastructure Improvement - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2020

	Original and Final Budget	Actual
Revenues		
Intergovernmental, Grants and Contributions		
Non-Home Rule Sales Tax	\$ 3,315,129	3,146,070
State Grants	500,000	-
Charges for Services	252,500	212,282
Interest	20,000	43,592
Total Revenues	<u>4,087,629</u>	<u>3,401,944</u>
Expenditures		
Current		
General Government		
Contractual Services	133,102	116,115
Highways and Streets		
Contractual Services	5,020,889	3,519,132
Total Expenditures	<u>5,153,991</u>	<u>3,635,247</u>
Net Change in Fund Balance	<u>(1,066,362)</u>	(233,303)
Fund Balance - Beginning		<u>2,061,998</u>
Fund Balance - Ending		<u><u>1,828,695</u></u>

VILLAGE OF MONTGOMERY, ILLINOIS**Nonmajor Governmental Funds****Combining Balance Sheet****April 30, 2020**

	Special Revenue	Capital Projects	Totals
ASSETS			
Cash and Investments	\$ 4,063,800	823,837	4,887,637
Receivables - Net of Allowances			
Property Taxes	1,558,300	-	1,558,300
Accrued Interest	123	2,039	2,162
Notes	36,906	-	36,906
Due from Other Governments	54,685	-	54,685
Total Assets	5,713,814	825,876	6,539,690
LIABILITIES			
Accounts Payable	57,209	15,513	72,722
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	1,558,300	-	1,558,300
Total Liabilities and Deferred Inflows of Resources	1,615,509	15,513	1,631,022
FUND BALANCES			
Restricted	2,609,212	41,116	2,650,328
Assigned	1,489,093	769,247	2,258,340
Total Fund Balances	4,098,305	810,363	4,908,668
Total Liabilities, Deferred Inflows of Resources and Fund Balances	5,713,814	825,876	6,539,690

VILLAGE OF MONTGOMERY, ILLINOIS**Nonmajor Governmental Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2020**

	Special Revenue	Capital Projects	Totals
Revenues			
Property Taxes	\$ 1,407,745	-	1,407,745
Intergovernmental, Grants and Contributions	692,227	50,000	742,227
Fines and Forfeitures	-	19,372	19,372
Charges for Services	500	659,160	659,660
Interest	55,007	12,004	67,011
Miscellaneous	1,200	19,961	21,161
Total Revenues	2,156,679	760,497	2,917,176
Expenditures			
Current			
General Government	296,774	54,972	351,746
Public Safety	534	-	534
Highways and Streets	1,096,489	-	1,096,489
Capital Outlay	109,180	623,635	732,815
Total Expenditures	1,502,977	678,607	2,181,584
Excess (Deficiency) of Revenues Over Expenditures	653,702	81,890	735,592
Other Financing Sources			
Disposal of Capital Assets	-	96,058	96,058
Net Change in Fund Balances	653,702	177,948	831,650
Fund Balances - Beginning	3,444,603	632,415	4,077,018
Fund Balances - Ending	4,098,305	810,363	4,908,668

VILLAGE OF MONTGOMERY, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Balance Sheet****April 30, 2020**

	Montgomery Development	Motor Fuel Tax	Police Gift	Montgomery Crossings Special Service Area
ASSETS				
Cash and Investments	\$ 1,452,187	390,190	7,741	122,004
Receivables - Net of Allowances				
Property Taxes	-	-	-	55,000
Notes	36,906	-	-	-
Accrued Interest	-	-	-	31
Due from Other Governments	-	54,685	-	-
Total Assets	1,489,093	444,875	7,741	177,035
LIABILITIES				
Accounts Payable	-	-	-	5,067
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	-	55,000
Total Liabilities and Deferred Inflows of Resources	-	-	-	60,067
FUND BALANCES				
Restricted	-	444,875	7,741	116,968
Assigned	1,489,093	-	-	-
Total Fund Balances	1,489,093	444,875	7,741	116,968
Total Liabilities and Fund Balances	1,489,093	444,875	7,741	177,035

Blackberry Crossing Special Service Area	Ogden Hill Special Service Area	Marquis Pointe Special Service Area	Baltimore Special Service Area	Arbor Ridge Special Service Area	Fairfield Way Special Service Area	Foxmoor Special Service Area
53,015	57,939	38,551	43,810	32,238	109,900	82,592
19,000	20,033	13,304	26,000	24,000	27,000	55,000
-	-	-	-	-	-	-
-	-	-	-	-	33	17
-	-	-	-	-	-	-
72,015	77,972	51,855	69,810	56,238	136,933	137,609
500	3,964	2,327	1,464	-	250	1,500
19,000	20,033	13,304	26,000	24,000	27,000	55,000
19,500	23,997	15,631	27,464	24,000	27,250	56,500
52,515	53,975	36,224	42,346	32,238	109,683	81,109
-	-	-	-	-	-	-
52,515	53,975	36,224	42,346	32,238	109,683	81,109
72,015	77,972	51,855	69,810	56,238	136,933	137,609

VILLAGE OF MONTGOMERY, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Balance Sheet - Continued****April 30, 2020**

	Tax Increment Financing District #1	Tax Increment Financing District #2	Saratoga Springs Special Service Area	Orchard Prairie North Special Service Area
ASSETS				
Cash and Investments	\$ 77,059	1,354,403	38,182	41,725
Receivables - Net of Allowances				
Property Taxes	34,668	1,194,288	20,000	33,000
Notes	-	-	-	-
Accrued Interest	-	-	-	-
Due from Other Governments	-	-	-	-
Total Assets	111,727	2,548,691	58,182	74,725
LIABILITIES				
Accounts Payable	-	36,578	912	1,000
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	34,668	1,194,288	20,000	33,000
Total Liabilities and Deferred Inflows of Resources	34,668	1,230,866	20,912	34,000
FUND BALANCES				
Restricted	77,059	1,317,825	37,270	40,725
Assigned	-	-	-	-
Total Fund Balances	77,059	1,317,825	37,270	40,725
Total Liabilities and Fund Balances	111,727	2,548,691	58,182	74,725

Blackberry Crossing West Special Service Area	Fieldstone Special Service Area	Totals
140,982	21,282	4,063,800
34,007	3,000	1,558,300
-	-	36,906
42	-	123
-	-	54,685
175,031	24,282	5,713,814
3,647	-	57,209
34,007	3,000	1,558,300
37,654	3,000	1,615,509
137,377	21,282	2,609,212
-	-	1,489,093
137,377	21,282	4,098,305
175,031	24,282	5,713,814

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, 2020

	Montgomery Development	Motor Fuel Tax	Police Gift	Montgomery Crossings Special Service Area
Revenues				
Property Taxes	\$ -	-	-	52,987
Intergovernmental, Grants and Contributions	-	692,227	-	-
Charges for Services	500	-	-	-
Interest	28,464	5,741	-	828
Miscellaneous	-	-	1,200	-
Total Revenues	28,964	697,968	1,200	53,815
Expenditures				
Current				
General Government	25,460	-	-	-
Public Safety	-	-	534	-
Highways and Streets	-	782,392	-	48,904
Capital Outlay	10,501	-	-	-
Total Expenditures	35,961	782,392	534	48,904
Net Change in Fund Balances	(6,997)	(84,424)	666	4,911
Fund Balances - Beginning	1,496,090	529,299	7,075	112,057
Fund Balances - Ending	1,489,093	444,875	7,741	116,968

Blackberry Crossing Special Service Area	Ogden Hill Special Service Area	Marquis Pointe Special Service Area	Baltimorea Special Service Area	Arbor Ridge Special Service Area	Fairfield Way Special Service Area	Foxmoor Special Service Area
18,002	23,031	13,031	35,001	22,954	24,430	51,978
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	897	455
-	-	-	-	-	-	-
18,002	23,031	13,031	35,001	22,954	25,327	52,433
-	-	-	-	-	-	-
-	-	-	-	-	-	-
15,174	19,870	11,669	16,981	20,803	43,340	56,463
-	-	-	-	-	-	-
15,174	19,870	11,669	16,981	20,803	43,340	56,463
2,828	3,161	1,362	18,020	2,151	(18,013)	(4,030)
49,687	50,814	34,862	24,326	30,087	127,696	85,139
52,515	53,975	36,224	42,346	32,238	109,683	81,109

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, 2020

	Tax Increment Financing District #1	Tax Increment Financing District #2	Saratoga Springs Special Service Area	Orchard Prairie North Special Service Area
Revenues				
Property Taxes	\$ 34,083	1,048,769	17,501	30,983
Intergovernmental, Grants and Contributions	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	17,491	-	-
Miscellaneous	-	-	-	-
Total Revenues	34,083	1,066,260	17,501	30,983
Expenditures				
Current				
General Government	578	270,736	-	-
Public Safety	-	-	-	-
Highways and Streets	-	-	14,629	23,892
Capital Outlay	11,570	87,109	-	-
Total Expenditures	12,148	357,845	14,629	23,892
Net Change in Fund Balances	21,935	708,415	2,872	7,091
Fund Balances - Beginning	55,124	609,410	34,398	33,634
Fund Balances - Ending	77,059	1,317,825	37,270	40,725

Blackberry Crossing West Special Service Area	Fieldstone Special Service Area	Totals
31,997	2,998	1,407,745
-	-	692,227
-	-	500
1,131	-	55,007
-	-	1,200
33,128	2,998	2,156,679
-	-	296,774
-	-	534
38,672	3,700	1,096,489
-	-	109,180
38,672	3,700	1,502,977
(5,544)	(702)	653,702
142,921	21,984	3,444,603
137,377	21,282	4,098,305

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, 2020

	Original and Final Budget	Actual
Revenues		
Charges for Services	\$ 1,000	500
Interest	26,046	28,464
Total Revenues	27,046	28,964
Expenditures		
Current		
General Government		
Contractual Services	21,000	25,460
Capital Outlay	30,000	10,501
Total Expenditures	51,000	35,961
Net Change in Fund Balance	(23,954)	(6,997)
Fund Balance - Beginning		1,496,090
Fund Balance - Ending		1,489,093

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, 2020

	Original and Final Budget	Actual
Revenues		
Intergovernmental, Grants and Contributions		
Motor Fuel Taxes	\$ 517,247	692,227
Interest	2,000	5,741
Total Revenues	<u>519,247</u>	<u>697,968</u>
Expenditures		
Current		
Highways and Streets		
Contractual Services	825,000	663,848
Commodities	119,750	118,544
Total Expenditures	<u>944,750</u>	<u>782,392</u>
Net Change in Fund Balance	<u>(425,503)</u>	(84,424)
Fund Balance - Beginning		<u>529,299</u>
Fund Balance - Ending		<u>444,875</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, 2020

	Original and Final Budget	Actual
Revenues		
Miscellaneous	\$ 250	1,200
Expenditures		
Current		
Public Safety		
Commodities	1,000	534
Net Change in Fund Balance	<u>(750)</u>	666
Fund Balance - Beginning		<u>7,075</u>
Fund Balance - Ending		<u>7,741</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, 2020

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 53,000	52,987
Interest	600	828
Total Revenues	53,600	53,815
Expenditures		
Current		
Highways and Streets		
Contractual Services	48,983	48,904
Net Change in Fund Balance	4,617	4,911
Fund Balance - Beginning		112,057
Fund Balance - Ending		116,968

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, 2020

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 18,000	18,002
Expenditures		
Current		
Highways and Streets		
Contractual Services	14,829	15,174
Net Change in Fund Balance	<u>3,171</u>	2,828
Fund Balance - Beginning		<u>49,687</u>
Fund Balance - Ending		<u>52,515</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, 2020**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 23,000	23,031
Expenditures		
Current		
Highways and Streets		
Contractual Services	14,200	19,870
Net Change in Fund Balance	<u>8,800</u>	3,161
Fund Balance - Beginning		<u>50,814</u>
Fund Balance - Ending		<u>53,975</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, 2020**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 13,000	13,031
Expenditures		
Current		
Highways and Streets		
Contractual Services	8,339	11,669
Net Change in Fund Balance	<u>4,661</u>	1,362
Fund Balance - Beginning		<u>34,862</u>
Fund Balance - Ending		<u>36,224</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Baltimore 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, 2020

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 35,000	35,001
Expenditures		
Current		
Highways and Streets		
Contractual Services	16,981	16,981
Net Change in Fund Balance	<u>18,019</u>	18,020
Fund Balance - Beginning		<u>24,326</u>
Fund Balance - Ending		<u>42,346</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, 2020

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 23,000	22,954
Expenditures		
Current		
Highways and Streets		
Contractual Services	18,660	20,803
Net Change in Fund Balance	4,340	2,151
Fund Balance - Beginning		30,087
Fund Balance - Ending		32,238

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, 2020**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 24,500	24,430
Interest	720	897
Total Revenues	25,220	25,327
Expenditures		
Current		
Highways and Streets		
Contractual Services	36,124	43,340
Net Change in Fund Balance	<u>(10,904)</u>	(18,013)
Fund Balance - Beginning		<u>127,696</u>
Fund Balance - Ending		<u>109,683</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, 2020

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 52,000	51,978
Interest	360	455
Total Revenues	52,360	52,433
Expenditures		
Current		
Highways and Streets		
Contractual Services	53,405	56,463
Net Change in Fund Balance	<u>(1,045)</u>	(4,030)
Fund Balance - Beginning		<u>85,139</u>
Fund Balance - Ending		<u>81,109</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Tax Increment Financing District #1 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2020

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 35,000	34,083
Expenditures		
Current		
General Government		
Contractual Services	680	578
Capital Outlay	-	11,570
Total Expenditures	680	12,148
Net Change in Fund Balance	<u>34,320</u>	21,935
Fund Balance - Beginning		<u>55,124</u>
Fund Balance - Ending		<u>77,059</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, 2020**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 1,089,595	1,048,769
Interest	12,000	17,491
Total Revenues	<u>1,101,595</u>	<u>1,066,260</u>
Expenditures		
Current		
General Government		
Contractual Services	285,894	270,736
Capital Outlay	335,000	87,109
Total Expenditures	<u>620,894</u>	<u>357,845</u>
Net Change in Fund Balance	<u>480,701</u>	708,415
Fund Balance - Beginning		<u>609,410</u>
Fund Balance - Ending		<u>1,317,825</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Saratoga Springs Special Service Area - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 17,500	17,501
Expenditures		
Current		
Highways and Streets		
Contractual Services	14,602	14,629
Net Change in Fund Balance	<u>2,898</u>	2,872
Fund Balance - Beginning		<u>34,398</u>
Fund Balance - Ending		<u>37,270</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, 2020**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 31,000	30,983
Expenditures		
Current		
Highways and Streets		
Contractual Services	23,818	23,892
Net Change in Fund Balance	<u>7,182</u>	7,091
Fund Balance - Beginning		<u>33,634</u>
Fund Balance - Ending		<u>40,725</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, 2020**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 32,000	31,997
Interest	960	1,131
Total Revenues	32,960	33,128
Expenditures		
Current		
Highways and Streets		
Contractual Services	38,618	38,672
Net Change in Fund Balance	<u>(5,658)</u>	(5,544)
Fund Balance - Beginning		<u>142,921</u>
Fund Balance - Ending		<u>137,377</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, 2020

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 3,000	2,998
Expenditures		
Current		
Highways and Streets		
Contractual Services	2,400	3,700
Net Change in Fund Balance	600	(702)
Fund Balance - Beginning		21,984
Fund Balance - Ending		21,282

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2020

	Vehicle and Equipment Replacement	Lakewood Creek Project	Totals
ASSETS			
Cash and Investments	\$ 782,721	41,116	823,837
Receivables - Net of Allowances			
Accrued Interest	2,039	-	2,039
Total Assets	784,760	41,116	825,876
LIABILITIES			
Accounts Payable	15,513	-	15,513
FUND BALANCES			
Restricted	-	41,116	41,116
Assigned	769,247	-	769,247
Total Fund Balances	769,247	41,116	810,363
Total Liabilities and Fund Balances	784,760	41,116	825,876

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, 2020**

	Vehicle and Equipment Replacement	Lakewood Creek Project	Totals
Revenues			
Intergovernmental, Grants and Contributions	\$ 50,000	-	50,000
Fines and Forfeitures	19,372	-	19,372
Charges for Services	659,160	-	659,160
Interest	11,031	973	12,004
Miscellaneous	-	19,961	19,961
Total Revenues	739,563	20,934	760,497
Expenditures			
Current			
General Government	-	54,972	54,972
Capital Outlay	623,635	-	623,635
Total Expenditures	623,635	54,972	678,607
Excess (Deficiency) of Revenues Over Expenditures	115,928	(34,038)	81,890
Other Financing Sources			
Disposal of Capital Assets	96,058	-	96,058
Net Change in Fund Balances	211,986	(34,038)	177,948
Fund Balances - Beginning	557,261	75,154	632,415
Fund Balances - Ending	769,247	41,116	810,363

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, 2020

	Original and Final Budget	Actual
Revenues		
Intergovernmental, Grants and Contributions		
State Grant	\$ 50,000	50,000
Fines and Forfeitures	19,750	19,372
Charges for Services	659,160	659,160
Interest	10,000	11,031
Total Revenues	738,910	739,563
Expenditures		
Capital Outlay	587,157	623,635
Excess (Deficiency) of Revenues Over Expenditures	151,753	115,928
Other Financing Sources		
Disposal of Capital Assets	-	96,058
Net Change in Fund Balance	151,753	211,986
Fund Balance - Beginning		557,261
Fund Balance - Ending		769,247

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, 2020**

	Original and Final Budget	Actual
Revenues		
Interest	\$ 1,000	973
Miscellaneous	20,000	19,961
Total Revenues	21,000	20,934
Expenditures		
Current		
General Government		
Contractual Services	60,000	54,972
Net Change in Fund Balance	<u>(39,000)</u>	(34,038)
Fund Balance - Beginning		<u>75,154</u>
Fund Balance - Ending		<u>41,116</u>

VILLAGE OF MONTGOMERY, ILLINOIS**Water - Enterprise Fund - by Account****Combining Schedule of Net Position****April 30, 2020**

	Water Account	Water Improvement Account	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 4,262,823	793,376	5,056,199
Receivables - Net of Allowances			
Accounts	1,035,905	-	1,035,905
Accrued Interest	12,358	-	12,358
Due from Other Funds	100,145	-	100,145
Total Current Assets	5,411,231	793,376	6,204,607
Noncurrent Assets			
Nondepreciable Capital Assets	247,534	-	247,534
Depreciable Capital Assets	52,519,765	-	52,519,765
Accumulated Depreciation	(24,570,518)	-	(24,570,518)
Total Noncurrent Assets	28,196,781	-	28,196,781
Total Assets	33,608,012	793,376	34,401,388
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	68,816	-	68,816
Total Assets and Deferred Outflows of Resources	33,676,828	793,376	34,470,204

	Water Account	Water Improvement Account	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 117,491	3,007	120,498
Accrued Payroll	27,524	-	27,524
Deposits Payable	28,750	33,800	62,550
Accrued Interest Payable	125,569	-	125,569
Other Payables	66,592	-	66,592
Due to Other Funds	19,439	-	19,439
Current Portion of Long-Term Debt	712,487	-	712,487
Total Current Liabilities	1,097,852	36,807	1,134,659
Noncurrent Liabilities			
Compensated Absences Payable	52,658	-	52,658
Net Pension Liability - IMRF	77,804	-	77,804
Total OPEB Liability - RBP	972,490	-	972,490
General Obligation Bonds Payable - Net	6,969,593	-	6,969,593
IEPA Loans Payable	4,594,072	-	4,594,072
Total Noncurrent Liabilities	12,666,617	-	12,666,617
Total Liabilities	13,764,469	36,807	13,801,276
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	157,737	-	157,737
Total Liabilities and Deferred Inflows of Resources	13,922,206	36,807	13,959,013
NET POSITION			
Net Investment in Capital Assets	16,719,681	-	16,719,681
Unrestricted	3,034,941	756,569	3,791,510
Total Net Position	19,754,622	756,569	20,511,191

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, 2020**

	Water Account	Water Improvement Account	Totals
Operating Revenues			
Charges for Services	\$ 5,112,726	-	5,112,726
Operating Expenses			
Operations	4,141,166	63,758	4,204,924
Depreciation and Amortization	1,940,346	-	1,940,346
Total Operating Expenses	6,081,512	63,758	6,145,270
Operating (Loss)	(968,786)	(63,758)	(1,032,544)
Nonoperating Revenues (Expenses)			
Investment Income	66,925	17,996	84,921
Other Income	60,345	879,850	940,195
Interest Expense	(342,869)	-	(342,869)
	(215,599)	897,846	682,247
Income (Loss) Before Contributions and Transfers	(1,184,385)	834,088	(350,297)
Capital Contributions - IEPA Grant	327,702	-	327,702
Intrafund Transfers	1,056,820	(1,056,820)	-
Change in Net Position	200,137	(222,732)	(22,595)
Net Position - Beginning	19,554,485	979,301	20,533,786
Net Position - Ending	19,754,622	756,569	20,511,191

VILLAGE OF MONTGOMERY, ILLINOIS**Water - Enterprise Fund - by Account****Combining Schedule of Cash Flows****For the Fiscal Year Ended April 30, 2020**

	Water Account	Water Improvement Account	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 5,333,669	885,387	6,219,056
Payments to Employees	(625,627)	-	(625,627)
Payments to Suppliers	(3,450,017)	(440,233)	(3,890,250)
	<u>1,258,025</u>	<u>445,154</u>	<u>1,703,179</u>
Cash Flows from Non-Capital Financing Activities			
Intrafund Transfers	<u>1,056,820</u>	<u>(1,056,820)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(191,050)	-	(191,050)
IEPA Grant	327,702	-	327,702
Principal Paid on Debt	(669,707)	-	(669,707)
Interest Paid on Debt	(342,869)	-	(342,869)
	<u>(875,924)</u>	<u>-</u>	<u>(875,924)</u>
Cash Flows from Investing Activities			
Investment Income	<u>66,925</u>	<u>17,996</u>	<u>84,921</u>
Net Change in Cash and Cash Equivalents	1,505,846	(593,670)	912,176
Cash and Cash Equivalents - Beginning	<u>2,756,977</u>	<u>1,387,046</u>	<u>4,144,023</u>
Cash and Cash Equivalents - Ending	<u>4,262,823</u>	<u>793,376</u>	<u>5,056,199</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.			
Operating Income (Loss)	(968,786)	(63,758)	(1,032,544)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization Expense	1,940,346	-	1,940,346
Other Income	211,418	879,850	1,091,268
(Increase) Decrease in Current Assets	9,525	5,537	15,062
Increase (Decrease) in Current Liabilities	65,522	(376,475)	(310,953)
Net Cash Provided by Operating Activities	<u>1,258,025</u>	<u>445,154</u>	<u>1,703,179</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, 2020**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Water Sales	\$ 4,168,794	3,913,682
Late Charges	143,746	108,938
Water Service Charges	355,644	357,118
Delinquent Fees	60,390	46,500
Sewer Maintenance Charges	153,000	153,791
BH Infrastructure Fee	508,860	509,344
Fox Metro Reading Fee	27,885	23,353
Total Operating Revenues	5,418,319	5,112,726
Operating Expenses		
Operations		
Water Administration	214,722	206,132
Water Plant Operations	4,967,505	3,935,034
Depreciation and Amortization	-	1,940,346
Total Operating Expenses	5,182,227	6,081,512
Operating Income (Loss)	236,092	(968,786)
Nonoperating Revenues (Expenses)		
Investment Income	40,000	66,925
Other Income	21,250	60,345
Interest Expense	(348,077)	(342,869)
	(286,827)	(215,599)
(Loss) Before Contributions and Transfers	(50,735)	(1,184,385)
Capital Contributions - IEPA Grant	600,000	327,702
Intrafund Transfers	(613,720)	1,056,820
Change in Net Position	(64,455)	200,137
Net Position - Beginning		19,554,485
Net Position - Ending		19,754,622

VILLAGE OF MONTGOMERY, ILLINOIS

Water Account - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual For the Fiscal Year Ended April 30, 2020

	Original and Final Budget	Actual
Water Administration		
Personal Services	\$ 150,066	160,330
Contractual Services	59,656	43,561
Commodities	5,000	2,241
Debt Service		
Principal Payment	1,269,708	-
Interest Payment and Fiscal Agent Fees	348,077	342,869
	1,832,507	549,001
Less Nonoperating Items		
Debt Service	(1,617,785)	(342,869)
Total Water Administration	214,722	206,132
Water Plant Operations		
Personal Services	805,418	841,987
Contractual Services	3,669,837	2,681,018
Commodities	492,250	412,029
Total Water Plant Operations	4,967,505	3,935,034
Depreciation and Amortization	-	1,940,346
Total Operating Expenses	5,182,227	6,081,512

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, 2020

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ -	-
Operating Expenses		
Operations	1,125,110	63,758
Operating (Loss)	(1,125,110)	(63,758)
Nonoperating Revenues		
Investment Income	26,000	17,996
Connection Fees and Reimbursements	485,390	879,850
	511,390	897,846
Income (Loss) Before Transfers	(613,720)	834,088
Intrafund Transfers	613,720	(1,056,820)
Change in Net Position	-	(222,732)
Net Position - Beginning		979,301
Net Position - Ending		756,569

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, 2020

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Refuse Removal	\$ 1,237,277	1,241,515
Operating Expenses		
Operations		
Solid Waste Disposal	1,237,277	1,237,572
Change in Net Position	-	3,943
Net Position - Beginning		(1,385)
Net Position - Ending		2,558

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, 2020

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 1,480,905	1,458,398
Operating Expenses		
Operations		
Insurance	1,480,905	1,324,107
Operating Income	-	134,291
Nonoperating Revenues		
Investment Earnings	6,000	9,754
Change in Net Position	6,000	144,045
Net Position - Beginning		414,094
Net Position - Ending		558,139

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, 2020

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 595,737	636,733
Contributions - Plan Members	250,688	268,740
Total Contributions	846,425	905,473
Investment Income		
Investment Earnings	754,075	419,791
Net Change in Fair Value	-	(252,348)
	754,075	167,443
Less Investment Expenses	(26,931)	(23,535)
Net Investment Income	727,144	143,908
Total Additions	1,573,569	1,049,381
Deductions		
Administration	15,552	6,775
Benefits and Refunds	663,649	772,450
Total Deductions	679,201	779,225
Change in Fiduciary Net Position	894,368	270,156
Net Position Restricted for Pensions		
Beginning		10,659,743
Ending		10,929,899

VILLAGE OF MONTGOMERY, ILLINOIS

Custodial Funds

Combining Statement of Fiduciary Net Position

April 30, 2020

	Flexible Benefits	Lakewood Creek Special Assessment	Cornell Special Service Area	Totals
ASSETS				
Cash and Cash Equivalents	\$ 231	1,430,658	8	1,430,897
Receivables - Net of Allowance Property Taxes	-	-	3,934	3,934
Total Assets	231	1,430,658	3,942	1,434,831
LIABILITIES				
Accounts Payable	231	-	-	231
NET POSITION				
Restricted for Individuals, Organizations, and Other Governments	-	1,430,658	3,942	1,434,600

VILLAGE OF MONTGOMERY, ILLINOIS

Custodial Funds

Combining Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended April 30, 2020

	Flexible Benefits	Lakewood Creek Special Assessment	Cornell Special Service Area	Totals
Additions				
Property Taxes	\$ -	-	3,934	3,934
Charges for Services	-	952,969	-	952,969
Interest Earned	-	24,783	-	24,783
Total Additions	-	977,752	3,934	981,686
Deductions				
Contractual Services	-	19,961	-	19,961
Debt Service				
Principal Retirement	-	890,000	2,638	892,638
Intrest and Fiscal Charges	-	224,707	1,296	226,003
Total Deductions	-	1,134,668	3,934	1,138,602
Change in Fiduciary Net Position	-	(156,916)	-	(156,916)
Net Position Restricted for Individuals, Organizations, and Other Governments				
Beginning	-	1,587,574	3,942	1,591,516
Ending	-	1,430,658	3,942	1,434,600

VILLAGE OF MONTGOMERY, ILLINOIS

Consolidated Year-End Financial Report April 30, 2020

CSFA #	Program Name	State	Federal	Other	Totals
444-26-1565	Tobacco Enforcement	\$ 2,090	-	-	2,090
494-00-0967	High-Growth Cities	11,834	-	-	11,834
494-00-1488	Motor Fuel Tax	770,557	-	-	770,557
494-10-0343	State and Community Highway Safety/National Priority Safety	-	9,864	-	9,864
532-60-0379	USEPA Capitalization Grants for Drinking Water State Revolving Funds	372,802	-	-	372,802
	Other Grant Programs and Activities	-	51,409	91,411	142,820
	All Other Costs Not Allocated	-	-	28,046,623	28,046,623
	Totals	1,157,283	61,273	28,138,034	29,356,590



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING
STANDARDS**

August 29, 2020

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated August 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. According, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Refunding Bonds of 2011

April 30, 2020

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
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
	2,105,000	188,301	2,293,301

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds of 2013

April 30, 2020

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
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
	3,815,000	1,685,350	5,500,350

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

Taxable General Obligation Alternate Revenue Source Refunding Bonds of 2014

April 30, 2020

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
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
	3,335,000	334,860	3,669,860

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds of 2017

April 30, 2020

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
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
	3,235,000	1,161,038	4,396,038

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2002

April 30, 2020

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
2021	\$ 69,521	5,269	74,790
2022	71,393	3,397	74,790
2023	73,316	1,474	74,790
	<u>214,230</u>	<u>10,140</u>	<u>224,370</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2011

April 30, 2020

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
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	248,548	2,333	250,881
	2,787,579	222,982	3,010,561

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2014

April 30, 2020

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
2021	\$ 115,247	39,204	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	152,168	2,280	154,448
	1,993,742	323,020	2,316,762

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, 2020 (Unaudited)

	2011	2012	2013
Governmental Activities			
Net Investment in			
Capital Assets	\$ 45,586,500	47,292,952	51,636,819
Restricted	3,226,346	3,313,822	3,379,946
Unrestricted	2,190,183	2,419,305	2,487,065
Total Governmental Activities Net Position	51,003,029	53,026,079	57,503,830
Business-Type Activities			
Net Investment in			
Capital Assets	26,651,346	27,255,898	28,096,145
Unrestricted	1,865,399	1,842,862	2,183,680
Total Business-Type Activities Net Position	28,516,745	29,098,760	30,279,825
Total Net Position			
Net Investment in			
Capital Assets	72,237,846	74,548,850	79,732,964
Restricted	3,226,346	3,313,822	3,379,946
Unrestricted	4,055,582	4,262,167	4,670,745
Total Primary Government Net Position	79,519,774	82,124,839	87,783,655

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.

2014	2015	2016	2017*	2018	2019**	2020
50,229,557	48,714,620	46,661,769	45,991,729	44,692,893	43,943,173	42,946,474
3,332,376	3,094,319	3,113,629	1,662,150	1,284,243	2,023,667	2,650,328
3,083,037	3,583,910	249,053	2,739,824	3,079,607	(1,222,705)	(3,281,565)
56,644,970	55,392,849	50,024,451	50,393,703	49,056,743	44,744,135	42,315,237
26,974,755	25,650,151	20,879,292	20,383,154	19,146,577	18,355,971	16,719,681
2,224,460	2,596,797	2,957,829	3,302,664	3,179,608	2,176,430	3,794,068
29,199,215	28,246,948	23,837,121	23,685,818	22,326,185	20,532,401	20,513,749
77,204,312	74,364,771	67,541,061	66,374,883	63,839,470	62,299,144	59,666,155
3,332,376	3,094,319	3,113,629	1,662,150	1,284,243	2,023,667	2,650,328
5,307,497	6,180,707	3,206,882	6,042,488	6,259,215	953,725	512,503
85,844,185	83,639,797	73,861,572	74,079,521	71,382,928	65,276,536	62,828,986

VILLAGE OF MONTGOMERY, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
General Government	\$ 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	6,387,862
Public Safety	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	6,782,631
Highways and Streets	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	8,252,272
Sanitation *	1,030,129	1,062,656	1,159,173	1,265,497	64,954	-	-	-	-	-
Interest	537,769	502,037	496,752	466,594	358,069	344,003	318,881	296,284	261,329	208,114
Total Governmental Activities Expenses	12,383,171	12,605,290	13,612,458	14,557,184	13,292,103	15,236,557	15,961,511	18,009,854	18,073,464	21,630,879
Business-Type Activities										
Waterworks	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	6,488,139
Refuse *	-	-	-	-	1,235,387	1,293,243	1,332,282	1,213,171	1,198,372	1,237,572
Total Business-Type Activities Net Position	4,108,643	5,134,321	5,097,758	5,235,850	6,764,268	6,800,261	7,196,682	7,437,620	7,394,608	7,725,711
Total Primary Government Expenses	16,491,814	17,739,611	18,710,216	19,793,034	20,056,371	22,036,818	23,158,193	25,447,474	25,468,072	29,356,590
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	1,343,545	520,260	479,102	749,477	560,053	488,315	603,044	676,638	942,207	966,971
Public Safety	764,147	837,875	737,683	478,482	314,769	509,588	271,302	235,286	334,673	295,685
Highways and Streets	168,046	74,715	281,136	607,452	648,251	713,056	621,374	640,824	618,241	659,160
Sanitation	1,004,889	1,050,053	1,133,823	1,190,325	7,852	-	-	-	-	-
Operating Grants/Contributions	1,413,932	620,940	601,387	605,838	673,299	1,319,509	681,547	655,684	526,178	770,589
Capital Grants/Contributions	5,640,911	3,154,115	5,634,735	195,711	6,783	-	403,637	-	-	-
Total Governmental Activities Program Revenue	10,335,470	6,257,958	8,867,866	3,827,285	2,211,007	3,030,468	2,580,904	2,208,432	2,421,299	2,692,405
Business-Type Activities										
Charges for Services	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	6,354,241
Capital Grants/Contributions	1,919,667	2,025,506	2,268,670	39,361	117,713	-	587,125	-	-	327,702
Total Business-Type Activities Program Revenue	5,452,092	5,639,665	6,276,836	4,153,867	5,807,256	5,864,368	6,792,933	5,930,548	6,113,989	6,681,943
Total Primary Government Program Revenue	15,787,562	11,897,623	15,144,702	7,981,152	8,018,263	8,894,836	9,373,837	8,138,980	8,535,288	9,374,348

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense) Revenue										
Governmental Activities	\$ (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)	(18,938,474)
Business-Type Activities	1,343,449	505,344	1,179,078	(1,081,983)	(957,012)	(935,893)	(403,749)	(1,507,072)	(1,280,619)	(1,043,768)
Total Net Revenue (Expense)	(704,252)	(5,841,988)	(3,565,514)	(11,811,882)	(12,038,108)	(13,141,982)	(13,784,356)	(17,308,494)	(16,932,784)	(19,982,242)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	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	3,743,444
Utility Taxes	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	1,193,929
Video Gaming Taxes	-	-	-	17,477	48,392	60,261	69,783	110,129	131,568	135,367
Cannabis Tax	-	-	-	-	-	-	-	-	-	3,886
Intergovernmental - Unrestricted										
Sales Taxes	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	7,856,323
Income Taxes	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	1,814,022
Replacement Taxes	66,756	57,776	56,957	76,855	66,610	56,272	68,467	64,221	61,977	67,840
Local Use Taxes	250,488	1,350,780	303,898	316,541	370,691	436,512	456,796	487,302	566,143	652,788
Franchise Fees	178,225	186,217	229,121	218,343	237,577	258,965	261,152	246,034	250,229	241,068
Investment Income	61,751	66,329	42,991	16,143	25,919	44,614	44,830	112,229	220,896	246,982
Miscellaneous	11,030	12,937	366,025	269,258	129,626	288,798	377,165	317,649	82,773	553,927
Total Governmental Activities	8,050,241	8,370,382	9,222,343	9,561,098	9,828,975	13,015,599	13,749,859	14,217,339	15,536,607	16,509,576
Business-Type Activities										
Investment Income	2,797	891	1,987	1,373	4,745	19,148	24,775	59,077	104,802	84,921
Miscellaneous	47,758	75,780	-	-	-	71,058	227,671	88,362	122,744	940,195
Total Business-Type Activities	50,555	76,671	1,987	1,373	4,745	90,206	252,446	147,439	227,546	1,025,116
Total Primary Government	8,100,796	8,447,053	9,224,330	9,562,471	9,833,720	13,105,805	14,002,305	14,364,778	15,764,153	17,534,692
Changes in Net Position										
Governmental Activities	6,002,540	2,023,050	4,477,751	(1,168,801)	(1,252,121)	809,510	369,252	(1,584,083)	(115,558)	(2,428,898)
Business-Type Activities	1,394,004	582,015	1,181,065	(1,080,610)	(952,267)	(845,687)	(151,303)	(1,359,633)	(1,053,073)	(18,652)
Total Primary Government	7,396,544	2,605,065	5,658,816	(2,249,411)	(2,204,388)	(36,177)	217,949	(2,943,716)	(1,168,631)	(2,447,550)

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, 2020 (Unaudited)

	2011	2012	2013
General Fund			
Nonspendable	\$ 691,533	691,533	691,533
Unassigned	2,124,288	2,484,493	2,860,573
Total General Fund	2,815,821	3,176,026	3,552,106
All Other Governmental Funds			
Restricted	3,226,346	3,226,351	3,379,946
Assigned	165,254	165,255	56,089
Unassigned	(59,236)	(59,234)	(565,377)
Total All Other Governmental Funds	6,148,185	6,508,398	6,422,764
Total Governmental Funds	8,964,006	9,684,424	9,974,870

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.

2014	2015	2016	2017*	2018	2019	2020
754,783	686,895	617,742	549,233	481,703	377,270	483,486
2,799,352	2,972,861	3,394,156	3,488,826	3,625,645	4,440,049	4,511,552
3,554,135	3,659,756	4,011,898	4,038,059	4,107,348	4,817,319	4,995,038
3,332,376	3,094,319	3,169,718	1,712,350	1,335,443	2,073,534	2,700,328
388,966	585,659	2,221,199	4,819,428	5,170,063	4,532,941	4,239,488
(360,486)	(129,852)	(30,090)	-	-	-	-
6,914,991	7,209,882	5,360,827	6,531,778	6,505,506	6,606,475	6,939,816
10,469,126	10,869,638	9,372,725	10,569,837	10,612,854	11,423,794	11,934,854

VILLAGE OF MONTGOMERY, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years April 30, 2020 (Unaudited)

	2011	2012	2013*
Revenues			
Property Taxes	\$ 2,131,202	2,258,978	2,570,184
Other Taxes	6,198,356	6,342,355	4,838,011
State Shared Income Taxes	-	-	1,661,642
Licenses and Permits	337,455	337,287	331,004
Charges for Services	2,658,910	1,771,386	1,890,891
Intergovernmental	908,238	147,133	127,585
Fines and Forfeits	333,126	416,324	435,958
Investment Income	61,751	66,329	42,991
Contributions from Property Owners	1,208	-	-
Miscellaneous	145,315	147,006	316,079
Total Revenues	12,775,561	11,486,798	12,214,345
Expenditures			
General Government	2,665,677	2,939,574	2,475,369
Public Safety	3,449,377	3,961,199	4,533,205
Highways and Streets	2,259,801	1,802,261	2,350,369
Sanitation **	1,030,129	1,062,656	1,159,173
Capital Outlay	501,212	53,213	117,786
Debt Service			
Principal	740,000	915,000	1,080,000
Interest and Fiscal Charges	599,438	561,575	435,339
Total Expenditures	11,245,634	11,295,478	12,151,241
Excess of Revenues Over (Under) Expenditures	1,529,927	191,320	63,104
Other Financing Sources (Uses)			
Transfer In	1,443,300	1,584,100	1,612,150
Transfer Out	(1,443,300)	(1,584,100)	(1,612,150)
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	10,302
	311,458	9,853	10,302
Net Change in Fund Balances	1,841,385	201,173	73,406
Debt Service as a Percentage of Noncapital Expenditures	12.31%	13.21%	12.81%

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.

2014	2015**	2016	2017	2018	2019	2020
2,607,364	2,650,814	2,681,695	2,833,737	2,811,662	3,447,801	3,743,444
5,231,904	5,628,806	1,316,334	1,399,794	1,358,593	1,412,254	1,333,182
1,796,712	1,805,718	8,425,193	9,349,990	9,890,382	10,122,654	10,405,365
401,960	394,959	447,653	525,473	427,199	460,164	672,228
2,293,343	944,616	1,158,907	1,016,400	1,044,839	1,148,011	1,337,013
214,355	24,742	1,319,509	164,738	152,259	537,485	770,589
301,446	308,703	341,152	255,857	216,061	282,892	275,223
16,143	25,919	44,614	44,824	110,396	212,669	237,228
-	-	-	-	-	-	-
738,124	249,051	288,798	377,165	301,244	244,525	283,664
13,601,351	12,033,328	16,023,855	15,967,978	16,312,635	17,868,455	19,057,936
2,674,004	2,908,916	3,099,920	3,621,280	3,582,411	3,602,701	3,811,506
4,342,408	4,329,070	4,434,450	4,837,851	5,279,814	5,263,236	5,640,813
3,012,767	2,891,627	3,678,986	4,129,972	5,577,214	5,604,072	6,831,874
1,265,497	64,954	-	-	-	-	-
483,766	471,361	1,368,627	1,251,522	1,129,429	927,016	748,288
1,297,966	738,396	828,071	755,000	810,000	1,375,000	1,385,000
474,225	340,767	364,061	334,965	312,015	285,490	225,453
13,550,633	11,745,091	13,774,115	14,930,590	16,690,883	17,057,515	18,642,934
50,718	288,237	2,249,740	1,037,388	(378,248)	810,940	415,002
1,681,117	968,253	1,492,113	1,084,076	1,162,439	1,656,790	1,608,278
(1,681,117)	(968,253)	(1,492,113)	(1,084,076)	(1,162,439)	(1,656,790)	(1,608,278)
309,433	-	-	-	-	-	-
3,335,000	-	-	-	-	-	-
21,989	-	-	-	-	-	-
(3,289,345)	-	-	-	-	-	-
31,176	6,654	68,650	159,724	174,142	-	96,058
408,253	6,654	68,650	159,724	174,142	-	96,058
458,971	294,891	2,318,390	1,197,112	(204,106)	810,940	511,060
13.65%	9.54%	9.44%	7.86%	7.06%	10.24%	8.87%

VILLAGE OF MONTGOMERY, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years

April 30, 2020 (Unaudited)

Tax Levy Year		Residential Property	Commercial Property	Industrial Property
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
2019	Kane County	131,975,374	20,052,122	47,563,340
	Kendall County	238,717,322	36,043,368	2,993,873

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
\$ 761,544 10,056	\$ 537,493 142,280	\$ 212,767,415 <u>257,479,363</u> <u>470,246,778</u>	\$ 638,366,082 <u>772,515,341</u> <u>1,410,881,423</u>	33.33%	\$ 0.4155 0.4156
907,720 10,056	553,817 128,645	184,446,322 <u>236,805,475</u> <u>421,251,797</u>	553,394,305 <u>710,487,474</u> <u>1,263,881,779</u>	33.33%	0.4747 0.4746
970,041 10,056	424,227 139,612	170,168,109 <u>218,042,760</u> <u>388,210,869</u>	510,555,383 <u>654,193,699</u> <u>1,164,749,082</u>	33.33%	0.5405 0.5305
1,054,188 10,056	409,843 189,690	155,206,856 <u>207,673,690</u> <u>362,880,546</u>	465,667,135 <u>623,083,378</u> <u>1,088,750,513</u>	33.33%	0.5726 0.5824
1,062,546 10,056	415,211 208,290	152,460,509 <u>206,023,906</u> <u>358,484,415</u>	457,381,527 <u>618,071,718</u> <u>1,075,453,245</u>	33.33%	0.5937 0.5937
1,114,199 10,056	440,268 227,910	158,678,413 <u>211,690,327</u> <u>370,368,740</u>	476,035,239 <u>635,070,981</u> <u>1,111,106,220</u>	33.33%	0.5804 0.5804
1,263,415 10,056	469,149 239,540	170,437,754 <u>233,591,939</u> <u>404,029,693</u>	511,313,262 <u>700,775,817</u> <u>1,212,089,079</u>	33.33%	0.5391 0.5391
1,408,869 10,056	424,682 198,652	177,920,721 <u>245,967,732</u> <u>423,888,453</u>	533,762,163 <u>737,903,196</u> <u>1,271,665,359</u>	33.33%	0.5136 0.5125
1,513,472 34,962	503,549 208,952	193,369,243 <u>263,014,847</u> <u>456,384,090</u>	580,107,729 <u>789,044,541</u> <u>1,369,152,270</u>	33.33%	0.4951 0.4851
1,755,043 51,654	539,472 220,299	201,885,351 <u>278,026,516</u> <u>479,911,867</u>	605,656,053 <u>834,079,548</u> <u>1,439,735,601</u>	33.33%	0.4770 0.4549

VILLAGE OF MONTGOMERY, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years April 30, 2020 (Unaudited)

	2010 (2)	2011 (2)	2012 (2)
Village of Montgomery			
General Corporate	\$ 0.1999	0.2283	0.2459
IMRF	0.0461	0.0527	0.0580
Liability Insurance	0.0461	0.0527	0.0682
Social Security	0.0543	0.0621	0.0580
Police Pension	0.0691	0.0789	0.1104
Police Protection	-	-	-
Prior Year Adjustment	-	-	-
Total Direct Tax Rates	0.4155	0.4747	0.5405
Overlapping			
Kane County	0.3730	0.3990	0.4336
Kane County Forest Preserve District	0.2201	0.2609	0.2710
Kendall County	-	-	-
Kendall County Forest Preserve District	-	-	-
Aurora Township	0.1664	0.1882	0.2162
Aurora Township Road District	0.0764	0.0860	0.0978
Oswego Township	-	-	-
Oswego Township Road District	-	-	-
Montgomery Fire Protection District	0.6769	0.7000	0.7000
Oswego Fire Protection District	-	-	-
Oswego Library District	0.2207	0.2453	0.2726
Fox Valley Park District	0.4803	0.5286	0.5863
Oswegoland Park District	-	-	-
Unit School District Number 129	4.2740	5.1603	5.8896
Unit School District Number 308	-	-	-
Community College District Number 516	0.4070	0.4710	0.5312
Total Overlapping Tax Rates	6.8948	8.0393	8.9983
Total All Rates (Representative)	7.3103	8.5140	9.5388

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 2010 to 2013 and 2017 to 2019 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

2013 (2)	2014 (3)	2015 (3)	2016 (3)	2017 (2)	2018 (2)	2019 (2)
0.2573	0.2667	0.2607	0.1384	0.1376	0.1246	0.1355
0.0606	0.0629	0.0615	0.0571	0.0542	0.0514	0.0379
0.0714	0.0740	0.0724	0.0733	0.0696	0.0660	0.0555
0.0606	0.0629	0.0615	0.0593	0.0563	0.0534	0.0471
0.1227	0.1272	0.1243	0.1451	0.1315	0.1306	0.1428
-	-	-	0.0659	0.0625	0.0593	0.0584
-	-	-	-	0.0019	0.0098	(0.0002)
0.5726	0.5937	0.5804	0.5391	0.5136	0.4951	0.4770
0.4623	-	-	-	0.4025	0.3877	0.3739
0.3039	-	-	-	0.1658	0.1607	0.1549
-	0.8085	0.7909	0.7477	-	-	-
-	0.1826	0.1787	0.1755	-	-	-
0.2517	-	-	-	0.2163	0.2210	0.2107
0.1104	-	-	-	0.0961	0.0917	0.0887
-	0.0947	0.0904	0.0855	-	-	-
-	0.2124	0.2027	0.1917	-	-	-
0.8000	-	-	-	0.7460	0.7099	0.7055
-	0.8045	0.7871	0.7524	-	-	-
0.2999	0.3058	0.2996	0.2864	0.2816	0.2724	0.2782
0.6280	-	-	-	0.5322	0.4903	0.4916
-	0.5103	0.4973	0.4764	-	-	-
6.6667	-	-	-	5.9882	5.8301	5.6274
-	7.8803	7.3176	6.9712	-	-	-
0.5807	0.5973	0.5885	0.5601	0.5533	0.5414	0.5377
10.1036	11.3964	10.7528	10.2469	8.9820	8.7052	8.4686
10.6762	11.9901	11.3332	10.7860	9.4956	9.2003	8.9456

VILLAGE OF MONTGOMERY, ILLINOIS

Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago April 30, 2020 (Unaudited)

2019 Tax Levy							2010 Tax Levy						
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village		Taxable Assessed Value	Rank	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village		Taxable Assessed Value	Rank
			Taxable	Assessed						Taxable	Assessed		
United Facilities, Inc.	\$ 9,468,531	1	1.97%				United Facilities	\$ 11,624,818	1	2.47%			
American Crystal Sugar Co.	6,712,445	2	1.40%				Wal-Mart Stores, Inc.	6,158,572	2	1.31%			
Wal-Mart Stores Inc	4,505,391	3	0.94%				IP Eat Five	4,020,307	3	0.85%			
Allsteel 900 Knell LLC	4,184,765	4	0.87%				Menards, Inc.	3,220,707	4	0.68%			
Hawthorn-Woodridge LP	3,596,470	5	0.75%				Monmouth Capital Corporation	2,992,781	5	0.64%			
Montgomery Investors LLC	3,166,350	6	0.66%				2001 Baseline Road, LLC	2,911,698	6	0.62%			
Fox River Foods	2,957,741	7	0.62%				Fox River Foods	2,565,385	7	0.55%			
Stag Montgomery LLC	2,925,285	8	0.61%				Gusto Packing	2,481,220	8	0.53%			
Menard Inc.	2,742,097	9	0.57%				Freeport Farm & Fleet, Inc.	2,317,047	9	0.49%			
IP Eat Five	2,124,196	10	0.44%				Allsteal	2,307,236	10	0.49%			
	<u>42,383,271</u>							<u>40,599,771</u>					
2019 EAV	<u>\$ 479,911,867</u>						2010 EAV	<u>\$ 470,246,778</u>					

Data Source: Kane and Kendall Counties Assessors (The 2019 EAV is the most current)

VILLAGE OF MONTGOMERY, ILLINOIS

Property Tax Levies and Collections - Last Ten Tax Levy Years April 30, 2020 (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
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	2,231,693	99.92%	-	2,231,693	99.92%
2019		2,227,811	*	*	*	*	*

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, 2020 (Unaudited)

	2010	2011	2012
General Merchandise	\$ 758,004	624,501	751,216
Food	156,322	172,562	186,712
Drinking and Eating Places	188,509	166,753	177,489
Apparel	-	4,210	14,541
Furniture & H.H. & Radio	16,054	17,684	2,374
Lumber, Building Hardware	265,305	293,067	337,541
Automobile and Filling Stations	301,975	427,877	371,747
Drugs and Miscellaneous Retail	301,107	287,564	299,006
Agriculture and All Others	380,789	375,008	376,804
Manufacturers	108,189	131,142	138,385
Censored (1)	30,842	150,838	24,506
Totals	2,507,096	2,651,206	2,680,321
Village Portion of State Sales Tax Rate	1.00%	1.00%	1.00%
Village Non-Home Rule Rate	-	-	-
Totals	1.00%	1.00%	1.00%

Notes:

- (1) Censored - The State will not release data if 4 or fewer businesses are included in a particular category for each County.
- (2) The Village Non-Home Rule Sales Tax was implemented on July 1, 2015.
- (3) The above numbers are the total sales tax dollars received by the Village before applicable sales tax rebates.

Data Source: Illinois Department of Revenue SIC Reporting and Village Records

2013	2014	2015 (2)	2016	2017	2018	2019
731,581	884,321	1,489,844	1,190,970	1,237,033	1,254,109	1,290,509
179,076	161,385	245,183	1,048,995	1,208,296	1,736,738	1,820,355
174,763	171,217	327,968	450,668	501,084	518,035	497,951
14,019	15,067	24,467	32,781	37,558	41,964	38,410
22,547	9,446	33,435	28,547	29,595	17,397	56,064
381,898	424,927	652,700	878,745	883,918	925,284	978,447
439,511	416,930	526,431	677,443	742,106	777,910	760,091
329,801	354,712	449,040	578,138	728,736	724,141	731,524
385,633	360,361	927,918	1,066,314	1,050,707	1,102,859	1,145,558
170,761	208,833	330,015	509,575	550,425	416,946	477,130
8,346	18,700	12,132	14,538	23,887	35,699	13,520
2,837,936	3,025,899	5,019,133	6,476,714	6,993,345	7,551,082	7,809,559
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
-	-	1.00%	1.00%	1.00%	1.00%	1.00%
1.00%	1.00%	2.00%	2.00%	2.00%	2.00%	2.00%

VILLAGE OF MONTGOMERY, ILLINOIS

Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years

April 30, 2020 (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)
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%
2020	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, 2020 (Unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	General Obligation Alternate Revenue Source Bonds	Capital Lease Payable		General Obligation Alternate Revenue Source Bonds	Installment Loans			
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
2020	5,464,385	-		7,274,750	4,995,551	17,734,686	3.23%	961.86

Data Source: Village Records

Notes:

Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

VILLAGE OF MONTGOMERY, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years April 30, 2020 (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 (1)	Per Capita (2)
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
2020	12,739,135	-	12,739,135	456,384,090	2.79%	690.92

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.

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

VILLAGE OF MONTGOMERY, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt April 30, 2020 (Unaudited)

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Montgomery	\$ 5,464,385	100.000 %	\$ 5,464,385
Less: Self-Supported Debt	(5,464,385)	100.000 %	(5,464,385)
Net Direct Bonded Debt	-		-
School Districts:			
School District #115	56,558,314	8.890 %	5,028,034
School District #129	122,543,000	5.810 %	7,119,748
School District #131	139,541,212	3.990 %	5,567,694
School District #302	69,539,448	4.270 %	2,969,334
School District #308	275,079,054	10.940 %	30,093,649
Community College District #516	46,305,000	4.780 %	2,213,379
Total School Districts	709,566,028		52,991,839
Other Agencies:			
Kane County	22,100,000	1.350 %	298,350
Kendall County	23,455,000	8.100 %	1,899,855
Kane County Forest Preserve District	131,215,000	1.350 %	1,771,403
Kendall County Forest Preserve District	32,825,000	8.100 %	2,658,825
Fox Valley Park District	24,095,000	8.710 %	2,098,675
Oswegoland Park District	3,915,000	4.100 %	160,515
Oswego Library District	5,215,000	21.130 %	1,101,930
Sugar Grove Library District	2,975,000	12.890 %	383,478
Total Other Agencies	245,795,000		10,373,029
Total Overlapping Debt	955,361,028		63,364,868
Total Direct and Overlapping Debt	955,361,028		63,364,868

Data Source: Kane and Kendall Clerks

Note: Overlapping and bonded debt percentages based on 2018 EAV, the most current available.

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

VILLAGE OF MONTGOMERY, ILLINOIS

Schedule of Legal Debt Margin - Last Ten Fiscal Years April 30, 2020 (Unaudited)

	2011	2012	2013	2014
Assessed Value of Property	\$ 421,251,797	388,210,869	362,880,546	358,484,415
Debt Limit 8.625% of Assessed Value	36,332,967	33,483,187	31,298,447	30,919,281
Total Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	36,332,967	33,483,187	31,298,447	30,919,281
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

2015	2016	2017	2018	2019	2020
370,368,740	368,483,500	401,706,662	423,888,453	456,384,090	479,911,867
31,944,304	31,781,702	34,647,200	36,560,379	39,363,128	41,392,399
-	-	-	-	-	-
31,944,304	31,781,702	34,647,200	36,560,379	39,363,128	41,392,399
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, 2020 (Unaudited)

Fiscal Year	General Obligation Aleternate Revenue Source Bonds and IEPA Loans						
	Water Charges and Other	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
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	
2020	5,112,726	4,112,382	1,000,344	669,707	341,987	0.9888	

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, 2020 (Unaudited)

Calendar Year	Population	Personal Income (in Thousands)	Per Capita Personal Income (1)	Unemployment Rate (2)
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	18,438	540,362,466	29,307	3.85%
2020 (3)	18,438	549,692,094	29,813	16.60%

Data Source:

(1) US Census Bureau, 2014-2018 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 2020

VILLAGE OF MONTGOMERY, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago April 30, 2020 (Unaudited)

Employer	2020			2011		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
School District #308	3,296	1	17.88%			
Carl Buddig	550	2	2.98%			
Caterpillar, Inc.	500	3	2.71%			
Performance Food Service	379	4	2.06%			
Eby-Brown Co., LLC	329	5	1.78%	400	1	2.17%
Lyon LLC	300	6	1.63%	400	2	2.17%
Walmart	250	7	1.36%			
Aurora Bearing Co.	246	8	1.33%	250	5	1.36%
Hormann, LLC	200	9	1.09%			
Sams Club	170	10	0.92%			
VVF Illinois Services				400	3	2.17%
Fox River Foods, Inc.				340	4	1.84%
Hoermann Gadco, LLC.				200	6	1.08%
International Paper				150	7	0.81%
Aurora Metals Division, LLC				135	8	0.73%
The Lakone Co.				85	9	0.46%
Gusto Packing				70	10	0.38%
	<u>6,220</u>		<u>33.74%</u>	<u>2,430</u>		<u>13.17%</u>

Data Source:

Montgomery Economic Development Corporation

2020 Illinois Manufacturers Directory, 2018 Illinois Services Directory, Selective Telephone Survey

2011 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, 2020 (Unaudited)

Function/Program	2011	2012	2013	2014
General Government				
Administration	4.00	3.00	3.88	2.38
Finance	4.50	4.50	5.50	5.50
Community Development	5.00	3.50	3.50	4.70
Public Safety				
Police				
Sworn Officers	23.00	23.00	23.00	25.00
Civilians/Other	11.00	11.00	3.00	3.00
Public Works				
Administration	2.00	2.00	2.00	2.00
Street Maintenance	7.00	8.00	7.00	8.50
Water Operations	2.00	2.00	3.00	3.00
Building Maintenance	1.00	-	1.00	1.00
Fleet Maintenance	1.50	1.00	1.00	1.00
Totals	61.00	58.00	52.88	56.08

Data Source: Village Records

2015	2016	2017	2018	2019	2020
1.88	1.88	1.88	2.88	2.88	3.88
6.00	6.00	6.00	5.00	5.00	5.00
5.00	5.00	5.00	5.00	5.00	5.00
25.00	25.00	28.00	30.00	31.00	32.00
3.00	3.00	3.75	3.75	4.38	4.38
2.00	2.00	2.00	2.00	2.00	2.00
9.00	9.00	10.50	11.00	7.00	8.00
3.00	3.00	3.00	4.00	8.00	9.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.50	1.50	1.50	1.50
56.88	56.88	62.63	66.13	67.76	71.76

VILLAGE OF MONTGOMERY, ILLINOIS

Operating Indicators by Function/Program - Last Ten Calendar Years April 30, 2020 (Unaudited)

Function/Program	2010	2011	2012
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	930	912	2,221
Parking Violations	826	786	1,316
Traffice Violations	3,940	4,023	4,141
Truck Overweight Violations	-	-	-
Public Works			
Reconstruction (Miles)	0.4	-	-
Resurfacing (Miles)	2.0	1.5	0.6
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	4,159,000	4,200,590	3,907,000
Average Daily Consumption	2,694,800	2,721,750	2,441,000
Water Main Breaks	55	57	53
Water Main Breaks Spoils Removal (Sq. Yd.)	-	-	-
Fire Hydrant Maintenance and Painting	-	-	-
New Connections	85	63	62

Data Source: Village Records

2013	2014	2015	2016	2017	2018	2019
-	2,455	4,206	4,916	5,186	4,926	4,782
-	58	65	113	227	245	228
-	2.3%	1.5%	2.2%	4.2%	4.7%	4.6%
-	23	23	57	69	18	27
-	0.9%	0.5%	1.1%	1.3%	0.3%	0.5%
-	1,506	1,477	1,600	1,710	1,955	1,997
-	402	334	326	271	173	97
-	78.9%	81.6%	83.1%	86.3%	91.3%	95.4%
-	AA	AA	AA	AA	AA	AA
994	1,505	993	821	778	838	857
1,273	1,184	984	866	1,579	1,329	1,126
2,474	2,758	2,884	2,135	3,807	3,515	3,329
-	-	77	32	N/A	N/A	N/A
-	-	-	-	-	-	-
1.1	0.9	6.7	5.4	5.2	5.17	10.45
3,100	4,475	1,480	13,716	40,106	39,459	57,648
-	-	-	1,800	-	471	2,065
142	174	282	300	341	389	406
152	749	475	286	213	115	113
-	9,114	9,111	9,145	9,196	9,241	9,319
-	\$ 68.85	\$ 70.30	\$ 75.49	\$ 72.39	\$ 75.34	\$ 79.13
-	-	26.0%	31.1%	26.4%	30.1%	N/A
-	-	27.6%	25.2%	29.8%	26.7%	N/A
-	-	11.8%	14.2%	16.9%	16.9%	N/A
-	-	5.5%	5.5%	2.5%	2.2%	N/A
-	-	4.4%	4.5%	6.2%	5.8%	N/A
-	-	24.7%	19.5%	18.2%	18.3%	N/A
3,563,800	3,732,300	3,384,000	3,923,000	3,417,000	3,899,000	3,484,000
2,156,394	2,443,000	2,243,917	2,328,000	2,306,000	2,130,000	2,357,000
56	44	19	33	51	44	43
-	1,428	1,580	2,250	N/A	896	880
300	300	325	180	120	133	75
30	50	22	19	2	16	70

VILLAGE OF MONTGOMERY, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Calendar Years April 30, 2020 (Unaudited)

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	4	4	4	4	4	4	4	4	4	4
Patrol Units	15	15	19	19	19	19	19	19	19	19
Public Works										
Residential Streets (Miles)	74	76	76	76	76	76	76.5	76.5	76.5	76.5
Water										
Water Mains (Miles)	110	114	114	117	117	117	118	118	133	133
Fire Hydrants	1,050	1,372	1,372	1,680	1,680	1,680	1,700	1,700	1,747	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	5.8

Data Source: Village Records