

Annual Comprehensive Financial Report

May 1, 2020 — April 30, 2021



**VILLAGE OF MONTGOMERY,
ILLINOIS**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2021**

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 organizational 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 2025)

Village Trustees

Matt Bauman
(Term Expires April 2023)

Thomas Betsinger
(Term Expires April 2025)

Dan Gier
(Term Expires April 2023)

Steve Jungermann
(Term Expires April 2025)

Doug Marecek
(Term Expires April 2023)

Theresa Sperling
(Term Expires April 2025)

Village Clerk

Penelope Fitzpatrick
(Term Expires April 2025)

Management Staff

Jeff Zoepfel

Village Administrator

Phil Smith

Chief of Police

Mark Wolf

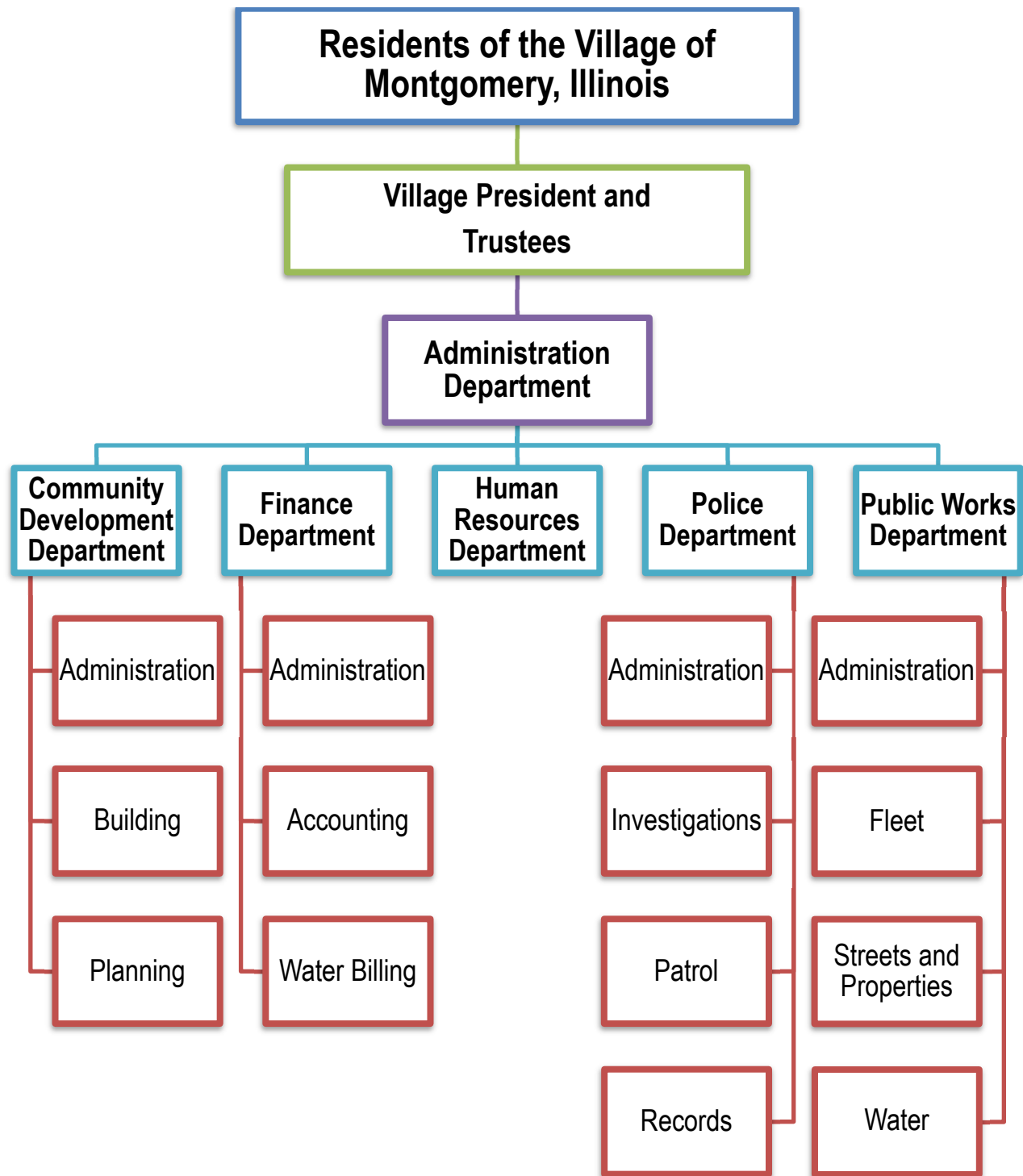
Director of Public Works

Justin VanVooren

Director of Finance

Sonya Abt

Director of Community Development



The above organizational chart shows the duties of each department within the Village of Montgomery. The Village contracts out their engineering services to Engineering Enterprises, Inc. (EEI), their legal services to Mickey, Wilson, Weiler, Lenert, and Julien, P.C. (MW); and their information technology services to Responsive Network Services (RNS).



October 20, 2021

Village Board

Matt Brolley
Village President

Penny FitzPatrick
Village Clerk

Trustees:
Thomas K. Betsinger
Dan Gier
Steve Jungermann
Denny Lee
Doug Marecek
Theresa Sperling

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (GAAS) by an independent firm of certified public accountants. Pursuant to that requirement, the Comprehensive Annual Financial Report of the Village of Montgomery, Illinois (Village) for the fiscal year ended April 30, 2021, 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, 2021, 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, 2021, 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.

Staff

Jeff Zoepfel
Village
Administrator

Phillip J. Smith
Chief of Police

Mark Wolf
Acting Dir. of
Public Works

Justin VanVooren
Director of Finance

Richard Young
Dir. of Community
Development

Profile of the Village of Montgomery

The Village of Montgomery is a growing community, covering a 10 square mile area, 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.

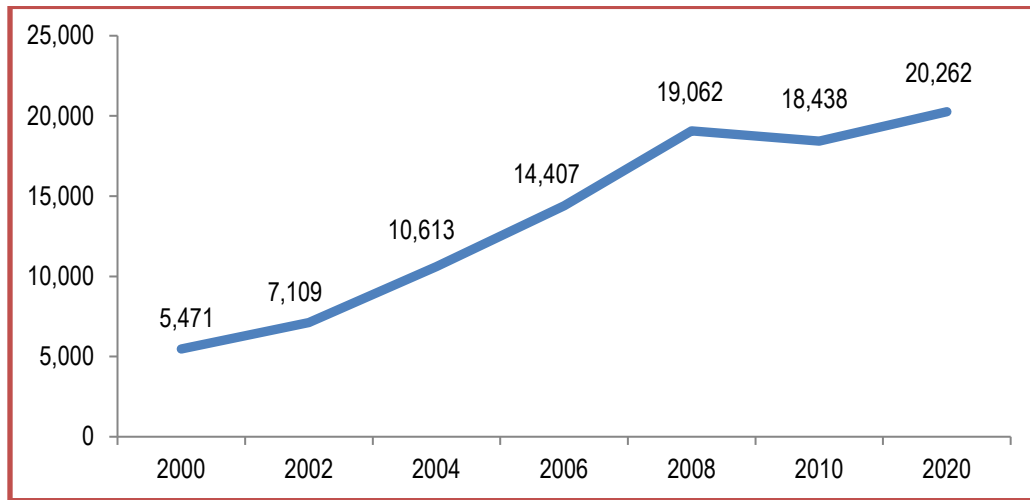
The Village sits at a strategic nexus of multiple regional transportation routes. One of its primary assets is its access to major transportation corridors, including U.S. Routes 30 and 34 (east-west roads) and Illinois Routes 25, 31, 47, and Orchard Road (north-south roads). The north-south corridors give access to Interstate 88, which runs east-west approximately 5 miles north of the Village. Interstate 88 provides connections to the Chicago Loop, O'Hare Airport and Midway Airport which are 55, 50 and 60 minutes away, respectively. Other public/private airports nearby include Aurora Municipal Airport in Sugar Grove and DuPage Airport in St. Charles. The Village is also served by the Burlington Northern/Santa Fe Railroads with commuter rail access being a short drive away in downtown Aurora. The Regional Transportation Authority is currently conducting a study to extend commuter rail access to the Village and communities to the west 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 opening of Caterpillar, the world's leading manufacturer of construction and mining equipment, manufacturing facility in 1959 further cemented the Village's strong industrial core.

For many years, Montgomery maintained a 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 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 Village has continued to grow, albeit at a slower pace, to 20,262 residents by the 2020 decennial census. 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 enacting legislation, establishing policies, adopting the budget, and providing guidance and direction for actions that impact the quality of life in the Village.



The Village Board includes, pictured from left to right – front row – Village Trustee Tom Betsinger, Village President Matt Brolley, Village Trustee Dan Gier; back row – Village Trustee Doug Marecek, Village Clerk Penny Fitzpatrick, Village Trustee Matt Bauman, Village Trustee Theresa Sperling, and Village Trustee Steve Jungermann.

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 (including Board and Commission members) 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 Village Hall houses the Administration, Community Development, and Finance Departments, as well as meeting rooms for the Village Board and community. The Village Administrator, appointed by the Village Board, oversees, coordinates, and provides leadership for the professional day-to-day administration of all Village departments. The Administration Department is charged with providing support to various boards, commissions, committees, and other departments; coordinating all general communication with Village residents; and responding to requests for information from the public. The Community Development Department provides assistance with building, permitting, zoning, and code enforcement throughout the Village. The Finance Department specializes in overseeing the daily finances, along with collecting water bills, accounts receivable, accounts payable, and information technology functions.



The Montgomery Police Station houses the Administration, Records, Patrol, and Investigations divisions; as well as a state-of-the-art indoor shooting range (used for training purposes); physical fitness center; evidence storage; housing for prisoners, and a community room available for use by staff and the community. The Police Department strives hard each day to provide exceptional public service, demonstrate community pride, and maintain public safety throughout our community by preventing crime and enforcing laws against those who fail to follow them.



The Village has included the construction of a new Public Works Center (pictured above) in the fiscal year 2022 budget, providing much needed space for staff and the ability to store vehicles and equipment indoors. The Public Works Department is responsible for maintaining all infrastructure improvements within the Village, including streets, sidewalks, water distribution pipes, storm and sanitary sewer lines, drinking water wells and pumping equipment, Village-owned property and buildings, right-of-way, street lighting, traffic signals and signs, and water treatment facilities.

BUDGET PROCESS

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 October.

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

The Director of Finance prepares revenue estimates in December based upon historical trends, economic forecasts of authoritative sources, and anticipated activities and events in the community which are expected to have a local economic impact. The Director of Finance consolidates all the information gathered from departments in order 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. The first meeting is held to review the General Fund budget as proposed, along with any new personnel or programs. The second meeting is held to review any governmental capital requests, while a third meeting is held to discuss the Water Fund, proprietary capital requests, and any other items not previously covered. 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.

The Village's current budgetary control is at the department level and a budget is adopted for every fund. Total expenditures may not exceed the total amount approved for each fund unless a budget amendment is approved by the Village Board. If necessary, the annual budget may be amended by the Village Board during the year, increasing or decreasing total revenues or expenditures for an individual fund. These budget amendments are usually necessary if anticipated expenditures are expected to exceed the total amount budgeted at the fund level due to changing priorities or unexpected occurrences.

Local Economy

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

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, 38 in 2019, 90 in 2020, and is expected to be over 100 in 2021. The Village has also seen renewed interest in new multi-family homes with 1 building in 2016, 4 in 2017, 3 in 2018, and 1 in 2020 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 for 4 buildings in 2019, 6 buildings in 2020 and the remaining 3 buildings are expected in 2021. 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 has been slow but steady. The Village works with the Montgomery Economic Development Corporation to attract new businesses to the community. The Village has seen several new businesses build from the ground up over the last year including McCallister's Deli and the Doggie Daycare. In addition, other new businesses have occupied

vacant buildings like Baba's Famous Steak and Lemonade 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. A multi-tenant building next to Chiquita Marketplace started construction in 2020 and expects occupancy in the middle of 2021. Lastly, there are several businesses who the Village expects to start construction in 2021 including Gas and Wash and Gray's Mill Estates.

Commercial development has helped the Village's sales tax, which is its 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).

There were 3 new industrial buildings completed in 2017 including the United Sugars Corporation \$21 million bulk sugar storage and transfer facility; the Nexeo Solutions \$12 million warehouse and distribution facility; and the Old Dominion Freight Line \$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 nearly \$900,000 of tax increment in fiscal year 2021. All of the increment noted above can be used to make needed improvements in the area. The Village Engineer has worked on a storm sewer overflow study and road improvement study over the last 18 months. The studies will determine what regional improvements can be made to recapture buildable land within TIF #2 and the order in which improvements should take place. United Sugars Corporation began construction in early 2021 on a second bulk storage dome (valued at \$20 million) and the Village is currently in discussion with another existing business about expansion of their facilities. Lastly, the Village is working with two landowners to annex their property and create the Caterpillar Drive TIF District (TIF #3) and Blackberry Creek TIF District (TIF #4).

At the time the budget was approved the Village wasn't clear of the full impact of Covid-19. Therefore, the fiscal year 2022 budget only includes an additional 0.5 full-time equivalent employees (FTE). FTE equal the total hours of all employees divided by 2,080 working hours in a year. The new position includes a part-time Community Development intern (Community Development). 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%.

Finances of the State of Illinois

The State of Illinois (the "State") has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. The State's long-term general obligation bonds are rated at the lowest investment grade rating level and are the lowest bond ratings among the states.

The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017, which had a significant, negative impact on the State's finances, although certain spending occurred

through statutory transfers, statutory continuing appropriations, court orders and consent decrees, including spending for elementary and secondary education. The State enacted full budgets for the State fiscal years ending June 30, 2018 (the “Fiscal Year 2018 Budget”), June 30, 2019 (the “Fiscal Year 2019 Budget”), June 30, 2020 (the “Fiscal Year 2020 Budget”) and June 30, 2021 (the “Fiscal Year 2021 Budget”).

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 Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget contained a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the Village, by 10% for State Fiscal Year 2018 and by 5% for State Fiscal Year 2019 and State Fiscal Year 2020. The Fiscal Year 2021 Budget did not include any such reduction. The Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget, the Fiscal Year 2020 Budget and the Fiscal Year 2021 Budget also include a service fee for collection and processing of locally-imposed sales taxes. Such fee was 2% of such sales taxes for State Fiscal Year 2018 and was reduced to 1.5% of such sales taxes for State Fiscal Year 2019, State Fiscal Year 2020 and State Fiscal Year 2021. The Fiscal Year 2021 Budget was predicated on, among other things, on Illinois voters approving a referendum to change the State income tax from a flat to a progressive income tax. The referendum was not approved by Illinois voters in the November 3, 2020 election. The effect on State aid to municipalities due to the failure to pass the progressive income tax is unknown at this time. 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 Village can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State, nor can the Village predict the effect the State’s financial problems, including those caused by the continued spread of the Novel Coronavirus 2019 (“COVID-19”) or the various governmental or private actions in reaction thereto, may have on the Village’s future finances. In response to the COVID-19 pandemic, the rating agencies have lowered their respective rating outlooks on the State’s long-term general obligation bonds to negative from stable.

Potential Impact of COVID-19

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of 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 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. President Trump signed the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”) on March 27, 2020, and the Coronavirus Response and Relief Supplemental Appropriations Act of 2020 on December 27, 2020, each of which is directed at mitigating the economic downturn and health care crisis caused by COVID-19. The CARES Act allocated approximately \$4.9 billion to the State for expenditures incurred due to the public health emergency with respect to COVID-19, split between the State (\$2.7 billion) and local

governments (the City of Chicago and Illinois counties with populations that exceed 500,000) (\$2.2 billion).

On March 11, President Joseph R. Biden, Jr., signed H.R. 1319, the American Rescue Plan (ARP) Act of 2021, into law. The new law will distribute \$1.9 trillion in direct stimulus payments for state and local governments, agriculture and nutrition programs, schools and institutions of higher education, child care, COVID-19 vaccinations, mental health and substance-use disorder services, among other provisions.

Included in the law is \$65.1 billion in financial assistance for all municipalities, nationwide. Of that, \$45.57 billion will be allocated to metropolitan cities, which either are the central city of a metropolitan area or have a population above 50,000, and will be distributed based on the Community Development Block Grant (CDBG) formula. The remaining \$19.53 billion will be sent to state governments to distribute directly to non-metropolitan (non-CDBG) municipalities based on population. For non-metropolitan (non-CDBG) municipalities, the amount of funding a municipality may receive is capped at 75% of the municipality's pre-pandemic budget as of January 27, 2020.

Payments to municipalities will be split between two rounds of funding. The first round of funding is required to be distributed by the federal government no later than 60 days after ARP's enactment. For non-metropolitan (non-CDBG) communities that will receive their funding from the state, there will be additional time allotted for the state to distribute that funding. The second round of funding may not be distributed earlier than 12 months after the first round distribution, meaning sometime in spring or summer of 2022.

The Governor has signed various executive orders (each with 30-day periods of effectiveness which have been extended several times) to prevent the further spread of COVID-19 that, as originally issued, (i) required all Illinoisans (with certain exceptions) to stay in their homes; (ii) closed all bars and restaurants to dine-in customers; (iii) ceased operations for all non-essential businesses in the State; (iv) moved schools to remote learning; and (v) prohibited all public and private gatherings of 10 people or more. The Governor implemented a five-phase approach to reopening the State's businesses, with each successive phase easing certain of the restrictions previously imposed by such executive orders. The Resurgence Mitigation Plan was announced on July 15, 2020, taking a regional approach to suppress the spread of the virus. After a wave of COVID-19 surged across Illinois and the national last fall, the Governor and the Illinois Department of Public Health imposed additional COVID-19 resurgence mitigations in every region across the State, effective as of November 20, 2020. By adhering to meaningful mitigations throughout the holiday season, the State was able to bring down rates of community spread, allowing for regions to once again move forward in the State's mitigation plan. On January 15, 2021, regions resumed moving out of Tier 3 mitigations, down to Tier 2 and Tier 1, and ultimately back into Phase 4 of Restore Illinois. The State remained in Phase 4 of the reopening plan through May 17, 2021, at which time the Governor issued the Bridge Phase executive order intended to safely and conscientiously, and in a manner consistent with CDC guidance, expand activities that were limited during the prior mitigation Phases of the State's response to the COVID-19 pandemic. The Governor issued the Phase 5 Reopening executive order on June 11, 2021; however, many of the provisions from prior executive orders remain in place.

The State is not able to assess the severity of the economic impact of the COVID-19 pandemic. The pandemic, however, is expected to continue to have a significant negative impact on the State's economy, revenues and cash flow. Such challenges are expected to continue to exist despite (i) the receipt by the State of federal CARES Act moneys, (ii) the State's \$4.2 billion in total borrowing from the Federal Reserve's Municipal Liquidity Facility, and (iii) cuts to various appropriations contained in the State's fiscal year 2021 budget.

The Village 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 programming revenue 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.

Awards and acknowledgements

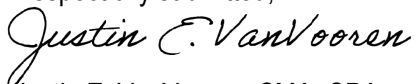
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Montgomery for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2020. This was the seventeenth consecutive 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 a nineteenth 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 2021 budget document. This was the ninth 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

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Presented to

**Village of Montgomery
Illinois**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

April 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

October 20, 2021

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

Report on the Financial Statements

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, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2021, 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.

Other Matters – Continued

Other Information – Continued

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2021, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Montgomery
Management's Discussion and Analysis

April 30, 2021

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, 2021. 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 in the introductory section of this report, and the Village's basic financial statements, which can be found in the financial section 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, 2021 was \$64,365. Of this amount, \$2,253 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position increased by \$1,536 and reflects approximately \$1,853 increase and \$317 decrease attributable to the governmental and business-type operations of the Village, respectively. The increase in governmental operations is due to the receipt of Rebuild Illinois Bond Funds, Coronavirus Relief Funds, and increases in regular sales taxes, local use taxes, non-home rule sales taxes, and state-shared income taxes; offset by depreciation and liabilities for pensions and other postemployment benefits. The decrease in business-type operations is mainly due an increase in water and refuse rates and receipt of a capital grant; offset by completion of the lead service line replacement program, depreciation, and liabilities for pensions and other postemployment benefits.
- As of April 30, 2021, the Village's governmental funds reported combined ending fund balances of \$14,995, an increase of \$3,060 from the prior year. Approximately 29.4% of this total amount, \$4,403, 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 \$20,197, a decrease of \$317 from the prior year. Approximately 24.4% of this total amount, \$4,935, 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.

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-four 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, Tax Increment Financing District #2 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.

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.

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.

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.

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 and major special revenue funds.

Individual fund statements and schedules are presented immediately following the required supplementary information discussed above.

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 \$64,365 as of April 30, 2021.

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 22,394	\$ 18,327	\$ 7,245	\$ 6,292	\$ 29,639	\$ 24,619
Capital assets	46,343	48,340	26,236	28,197	72,579	76,537
Total assets	68,737	66,667	33,481	34,489	102,218	101,156
Deferred outflows						
Unamortized loss	49	71	-	-	49	71
Deferred items	3,446	4,183	624	69	4,070	4,252
Total deferred outflows	3,495	4,254	624	69	4,119	4,323
Liabilities						
Long-term liabilities	15,903	20,471	12,552	13,379	28,455	33,850
Other liabilities	2,395	2,117	807	508	3,202	2,625
Total liabilities	18,298	22,588	13,359	13,887	31,657	36,475
Deferred inflows						
Deferred taxes	3,852	3,786	-	-	3,852	3,786
Deferred items	5,914	2,232	549	157	6,463	2,389
Total deferred inflows	9,766	6,018	549	157	10,315	6,175
Net position						
Net investment in						
capital assets	41,961	42,946	15,262	16,720	57,223	59,666
Restricted	4,889	2,651	-	-	4,889	2,651
Unrestricted (Deficit)	(2,682)	(3,282)	4,935	3,794	2,253	512
Total net position	\$ 44,168	\$ 42,315	\$ 20,197	\$ 20,514	\$ 64,365	\$ 62,829

The largest portion of the Village's net position (88.9%) 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 (7.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (3.5%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of April 30, 2021, 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, 2020, 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 increased by \$1,536 from the prior year. The increase of \$1,536 reflects approximately \$1,853 increase and \$317 decrease attributable to the governmental and business-type operations of the Village, respectively. The increase in governmental operations is due to the receipt of Rebuild Illinois Bond Funds, Coronavirus Relief Funds, and increases in regular sales taxes, local use taxes, non-home rule sales taxes, and state-shared income taxes; offset by depreciation and liabilities for pensions and other postemployment benefits. The decrease in business-type operations is mainly due an increase in water and refuse rates and receipt of a capital grant; offset by completion of the lead service line replacement program, depreciation, and liabilities for pensions and other postemployment benefits..

The Village's unrestricted net position increased by \$1,741 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 \$2,443 during the current fiscal year. The Village added \$916 of new capital assets, had depreciation of \$4,874 during the year, and reduced long-term debt related to capital assets by \$1,740.

Table 2
Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 2,147	\$ 2,163	\$ 6,790	\$ 6,354	\$ 8,937	\$ 8,517
Operating grants and contributions	2,377	771	-	-	2,377	771
Capital grants and contributions	-	-	672	328	672	328
General revenues:						
Property taxes	3,841	3,744	-	-	3,841	3,744
Other taxes	1,327	1,333	-	-	1,327	1,333
Intergovernmental	11,490	10,405	-	-	11,490	10,405
Other	474	786	458	1,026	932	1,812
Total revenues	21,656	19,202	7,920	7,708	29,576	26,910
Expenses:						
General government	5,011	6,388	-	-	5,011	6,388
Public safety	6,727	6,783	-	-	6,727	6,783
Highways and streets	7,896	8,252	-	-	7,896	8,252
Sanitation	-	-	1,293	1,238	1,293	1,238
Interest	169	208	328	343	497	551
Water and sewer	-	-	6,616	6,145	6,616	6,145
Total expenses	19,803	21,631	8,237	7,726	28,040	29,357
Change in net position	1,853	(2,429)	(317)	(18)	1,536	(2,447)
Net position, May 1	42,315	44,744	20,514	20,532	62,829	65,276
Net position, April 30	\$ 44,168	\$ 42,315	\$ 20,197	\$ 20,514	\$ 64,365	\$ 62,829

Governmental activities. Governmental activities increased the Village's net position by \$1,853. Key elements of this increase are as follows:

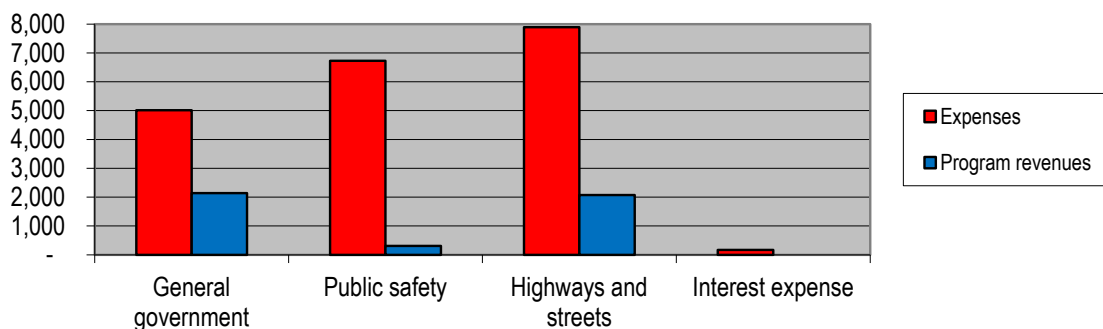
Governmental revenues increased by \$2,454 (12.8%). Components of this increase are as follows:

- Operating grants and contributions increased by \$1,606 (208.3%) due to \$608 of Rebuild Illinois Bond Funds provided by the State of Illinois and \$951 of Coronavirus Relief Funds provided by the U.S. Department of the Treasury.
- Intergovernmental revenue increased by \$1,085 (10.4%) due to an increase of \$183 in regular sales taxes, \$192 in local use taxes, \$271 in non-home rule sales taxes, and \$424 in state-shared income taxes.
- Other revenue decreased by \$312 (39.7%) due to contributions from Kendall County and the Village of Oswego in fiscal year 2020 for their share of a streetlight installation.

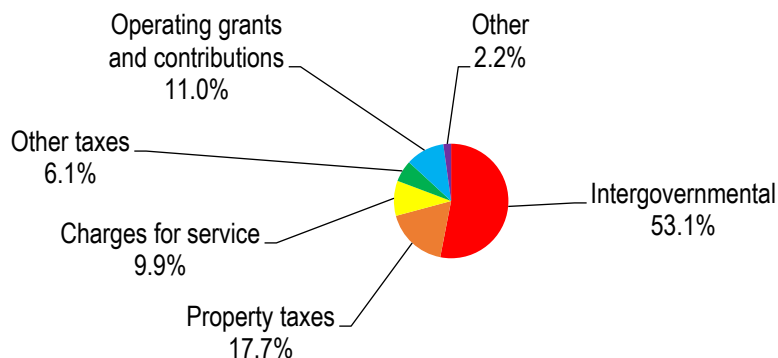
Governmental expenses decreased by \$1,828 (8.5%). Components of this increase are as follows:

- General government expense decreased by \$1,377 (21.6%) due to decreases in the IMRF Net Pension and OPEB liabilities.
- Public safety expenses decreased by \$56 (0.8%) due to an increase in salaries and benefits, offset by decreases in the Police Net Pension and OPEB liabilities.
- Highways and streets expenses decreased by \$356 (4.3%) mainly due to a decrease 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 \$317. Key elements of this decrease are as follows:

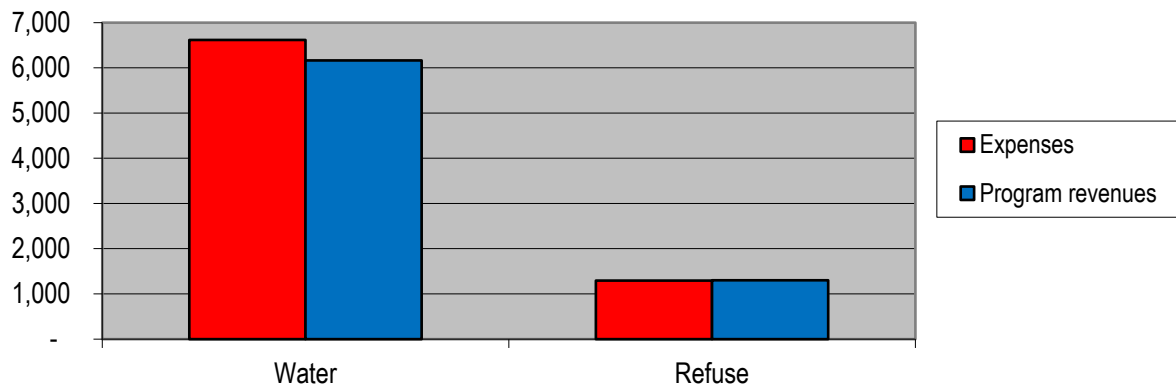
Business-type revenues increased by \$212 (2.8%). Components of this increase are as follows:

- Charges for services increased by \$436 (6.9%) due to an increase of 5.5% and 3.0% in the water and refuse rates, respectively.
- Capital grants and contributions increased by \$344 (104.9%) due to a contribution from the Illinois EPA.
- Other revenue decreased by \$568 (55.4%) due to a decrease in water connection fees.

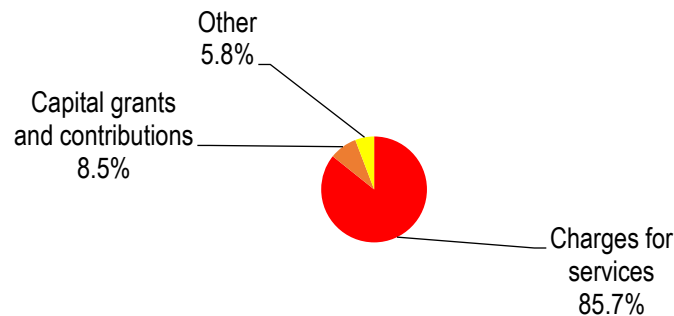
Business-type expenses increased by \$511 (6.6%). Components of this decrease are as follows:

- Sanitation increased by \$55 (4.4%) due to a combination of an increase in the number of households served and a 3.0% increase in the refuse rate by the Village's third-party waste hauler.
- Water increased by \$471 (7.7%) due to completion of the lead service line replacement program in fiscal year 2021.

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, 2021, the Village's governmental funds reported combined ending fund balances of \$14,995, an increase of \$3,060 from the prior year. Approximately 29.4% of this total amount, \$4,403, 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 (\$591), 2) restricted for particular purposes (\$4,936), or 3) assigned for particular purposes (\$5,065).

The General Fund is the chief operating fund of the Village. As of April 30, 2021, unassigned fund balance of the General Fund was \$4,405. 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 38.1% (4.6 months) of the total General Fund expenditures, while total fund balance represents 43.2% (5.2 months) of total General Fund expenditures.

The fund balance of the General Fund increased slightly and remained at a total of \$4,995 of fund balance at the end of the current fiscal year. The key factors are an increase in regular sales, state-shared income, and local use taxes from the economic recovery; 2) receipt of Coronavirus Relief Funds from the CARES Act; and 3) recapitalization of the Montgomery Development Fund.

The fund balance of the Tax Increment Financing District #2 increased by \$932 to a total of \$2,250 of balance at the end of the current fiscal year. The key factors are an increase in the property tax increment combined with the finalization of two studies regarding the overall project area.

The fund balance of the Debt Service Fund decreased by \$3 to a total of \$47 of fund balance at the end of the current fiscal year. The receipt of transfers from the Capital Improvement Fund was slightly less than the payment of debt principal and interest.

The fund balance of the Capital Improvement Fund increased by \$185 to a total of \$338 of fund balance at the end of the current fiscal year. The increase in fund balance is due to a transfer from the General Fund combined with starting to design the new Public Works Center.

The fund balance of the Infrastructure Improvement Fund decreased by \$175 to a total of \$1,654 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 taxes from the economic recovery, offset by an increase in the number and value of road projects during the year.

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

The Water Fund had a decrease in net position of \$324 to a total of \$20,187 of net position at the end of the current fiscal year. Approximately 24.4% of that total is unrestricted net position. Other factors concerning the finances of the Water Fund have already been addressed in the discussion of the Village's business-type activities.

The Refuse Fund had an increase in net position of \$7 to a total of \$10 of net position at the end of the current fiscal year.

The Employee Insurance Fund had an increase in net position of \$89 to a total of \$647 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, dental, and life 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 \$1,125 or 9.5%. The most significant differences between budgeted and actual revenues included: 1) regular sales taxes were \$192 lower than budget due to the early effects of Covid-19; 2) state-shared income and local use taxes were \$302 and \$191, respectively, higher than budget due to the start of the economic recovery; and 3) receipt of \$921 of Coronavirus Relief Funds from the CARES Act.

The General Fund expenditures were less than the budget by \$100 or 0.9%. The most significant difference between budgeted and actual expenditures was cancellation of events due to Covid-19 restrictions put in place by State and Federal agencies.

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, 2021, amounts to \$72,579 (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:

- The Village began design of its new Public Works Center during fiscal year 2021 totaling \$461.
- A total of 5 vehicles and 2 pieces of equipment were replaced during the year totaling \$455. The vehicles and equipment replaced included 2 Police squad cars, 3 Public Works pickup trucks, a trailer mounted water pump, and a skid loader.
- Depreciation of governmental and business-type activities capital assets totaling \$2,912 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	
	2021	2020	2021	2020	2021	2020
Land	\$ 18,101	\$ 18,101	\$ 17	\$ 17	\$ 18,118	\$ 18,118
Construction in progress	461	-	231	231	692	231
Land improvements	138	138	-	-	138	138
Buildings	22,311	22,311	-	-	22,311	22,311
Equipment	877	784	84	84	961	868
Vehicles	4,308	4,022	-	-	4,308	4,022
Infrastructure	33,856	33,856	52,436	52,436	86,292	86,292
Less:						
Accumulated depreciation	(33,709)	(30,872)	(26,532)	(24,571)	(60,241)	(55,443)
Total capital assets	\$ 46,343	\$ 48,340	\$ 26,236	\$ 28,197	\$ 72,579	\$ 76,537

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

Long-Term Debt. At the end of the current fiscal year, the Village had total debt outstanding of \$15,595 (excluding compensated absences, net pension liabilities, other postemployment benefit liability, and asset retirement obligations). 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 \$1,740 (9.8%) during fiscal year 2021.

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

- The Village made its regularly scheduled payments of principal (\$1,712) 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	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 4,431	\$ 5,464	\$ 6,970	\$ 7,275	\$ 11,401	\$ 12,739
IEPA loans	-	-	4,594	4,996	4,594	4,996
Total long-term debt	\$ 4,431	\$ 5,464	\$ 11,564	\$ 12,271	\$ 15,995	\$ 17,735

Additional information regarding the Village's long-term debt can be found in Note 3 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, 38 in 2019, 90 in 2020, and is expected to be over 100 in 2021. The Village has also seen renewed interest in new multi-family homes with 1 building in 2016, 4 in 2017, 3 in 2018, and 1 in 2020 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 for 4 buildings in 2019, 6 buildings in 2020 and the remaining 3 buildings are expected in 2021. 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 has been slow but steady. The Village works with the Montgomery Economic Development Corporation to attract new businesses to the community. The Village has seen several new businesses build from the ground up over the last year including McCallister's Deli and the Doggie Daycare. In addition, other new businesses have occupied vacant buildings like Baba's Famous Steak and Lemonade 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. A multi-tenant building next to Chiquita Marketplace started construction in 2020 and expects occupancy in the middle of 2021. Lastly, there are several businesses who the Village expects to start construction in 2021 including Gas and Wash and Gray's Mill Estates.

Commercial development has helped the Village's sales tax, which is its 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).

There were 3 new industrial buildings completed in 2017 including the United Sugars Corporation \$21 million bulk sugar storage and transfer facility; the Nexeo Solutions \$12 million warehouse and distribution facility; and the Old Dominion Freight Line \$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 nearly \$900,000 of tax increment in fiscal year 2021. All of the increment noted above can be used to make needed improvements in the area. The Village Engineer has worked on a storm sewer overflow study and road improvement study over the last 18 months. The studies will determine what regional improvements can be made to recapture buildable

land within TIF #2 and the order in which improvements should take place. United Sugars Corporation began construction in early 2021 on a second bulk storage dome (valued at \$20 million) and the Village is currently in discussion with another existing business about expansion of their facilities. Lastly, the Village is working with two landowners to annex their property and create the Caterpillar Drive TIF District (TIF #3) and Blackberry Creek TIF District (TIF #4).

Finances of the State of Illinois

The State of Illinois (the "State") has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. The State's long-term general obligation bonds are rated at the lowest investment grade rating level and are the lowest bond ratings among the states.

The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017, which had a significant, negative impact on the State's finances, although certain spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees, including spending for elementary and secondary education. The State enacted full budgets for the State fiscal years ending June 30, 2018 (the "Fiscal Year 2018 Budget"), June 30, 2019 (the "Fiscal Year 2019 Budget"), June 30, 2020 (the "Fiscal Year 2020 Budget") and June 30, 2021 (the "Fiscal Year 2021 Budget").

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 Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget contained a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the Village, by 10% for State Fiscal Year 2018 and by 5% for State Fiscal Year 2019 and State Fiscal Year 2020. The Fiscal Year 2021 Budget did not include any such reduction. The Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget, the Fiscal Year 2020 Budget and the Fiscal Year 2021 Budget also include a service fee for collection and processing of locally-imposed sales taxes. Such fee was 2% of such sales taxes for State Fiscal Year 2018 and was reduced to 1.5% of such sales taxes for State Fiscal Year 2019, State Fiscal Year 2020 and State Fiscal Year 2021. The Fiscal Year 2021 Budget was predicated on, among other things, on Illinois voters approving a referendum to change the State income tax from a flat to a progressive income tax. The referendum was not approved by Illinois voters in the November 3, 2020 election. The effect on State aid to municipalities due to the failure to pass the progressive income tax is unknown at this time. 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 Village can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State, nor can the Village predict the effect the State's financial problems, including those caused by the continued spread of the Novel Coronavirus 2019 ("COVID-19") or the various governmental or private actions in reaction thereto, may have on the Village's future finances. In response to the COVID-19 pandemic, the rating agencies have lowered their respective rating outlooks on the State's long-term general obligation bonds to negative from stable.

Potential Impact of COVID-19

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of 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 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. President Trump signed the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”) on March 27, 2020, and the Coronavirus Response and Relief Supplemental Appropriations Act of 2020 on December 27, 2020, each of which is directed at mitigating the economic downturn and health care crisis caused by COVID-19. The CARES Act allocated approximately \$4.9 billion to the State for expenditures incurred due to the public health emergency with respect to COVID-19, split between the State (\$2.7 billion) and local governments (the City of Chicago and Illinois counties with populations that exceed 500,000) (\$2.2 billion).

On March 11, President Joseph R. Biden, Jr., signed H.R. 1319, the American Rescue Plan (ARP) Act of 2021, into law. The new law will distribute \$1.9 trillion in direct stimulus payments for state and local governments, agriculture and nutrition programs, schools and institutions of higher education, child care, COVID-19 vaccinations, mental health and substance-use disorder services, among other provisions.

Included in the law is \$65.1 billion in financial assistance for all municipalities, nationwide. Of that, \$45.57 billion will be allocated to metropolitan cities, which either are the central city of a metropolitan area or have a population above 50,000, and will be distributed based on the Community Development Block Grant (CDBG) formula. The remaining \$19.53 billion will be sent to state governments to distribute directly to non-metropolitan (non-CDBG) municipalities based on population. For non-metropolitan (non-CDBG) municipalities, the amount of funding a municipality may receive is capped at 75% of the municipality's pre-pandemic budget as of January 27, 2020.

Payments to municipalities will be split between two rounds of funding. The first round of funding is required to be distributed by the federal government no later than 60 days after ARP's enactment. For non-metropolitan (non-CDBG) communities that will receive their funding from the state, there will be additional time allotted for the state to distribute that funding. The second round of funding may not be distributed earlier than 12 months after the first round distribution, meaning sometime in spring or summer of 2022.

The Governor has signed various executive orders (each with 30-day periods of effectiveness which have been extended several times) to prevent the further spread of COVID-19 that, as originally issued, (i) required all Illinoisans (with certain exceptions) to stay in their homes; (ii) closed all bars and restaurants to dine-in customers; (iii) ceased operations for all non-essential businesses in the State; (iv) moved schools to remote learning; and (v) prohibited all public and private gatherings of 10 people or more. The Governor implemented a five-phase approach to reopening the State's businesses, with each successive phase easing certain of the restrictions previously imposed by such executive orders. The Resurgence Mitigation Plan was announced on July 15, 2020, taking a regional approach to suppress the spread of the virus. After a wave of COVID-19 surged across Illinois and the national last fall, the Governor and the Illinois Department of Public Health imposed additional COVID-19 resurgence mitigations in every region

across the State, effective as of November 20, 2020. By adhering to meaningful mitigations throughout the holiday season, the State was able to bring down rates of community spread, allowing for regions to once again move forward in the State's mitigation plan. On January 15, 2021, regions resumed moving out of Tier 3 mitigations, down to Tier 2 and Tier 1, and ultimately back into Phase 4 of Restore Illinois. The State remained in Phase 4 of the reopening plan through May 17, 2021, at which time the Governor issued the Bridge Phase executive order intended to safely and conscientiously, and in a manner consistent with CDC guidance, expand activities that were limited during the prior mitigation Phases of the State's response to the COVID-19 pandemic. The Governor issued the Phase 5 Reopening executive order on June 11, 2021; however, many of the provisions from prior executive orders remain in place.

The State is not able to assess the severity of the economic impact of the COVID-19 pandemic. The pandemic, however, is expected to continue to have a significant negative impact on the State's economy, revenues and cash flow. Such challenges are expected to continue to exist despite (i) the receipt by the State of federal CARES Act moneys, (ii) the State's \$4.2 billion in total borrowing from the Federal Reserve's Municipal Liquidity Facility, and (iii) cuts to various appropriations contained in the State's fiscal year 2021 budget.

The Village 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 programming revenue 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 2022 budget includes an increase in the water usage rates of 5.5% as of May 1, 2021. 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% 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 operating budget (second largest overall) on personal services (wages and benefits). For fiscal year 2022, personal services expenditures are expected to total \$9,301,555 or 21.0% of total budgeted expenditures. This is an increase of 3.5% over the fiscal year 2021 budgeted expenditures of \$8,983,730. Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village has an approved a 5-year contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2025. Cost of living increases range from 2.5% to 3.0% and pay for performance increases range from 4.5% to 6.0%. The fiscal year 2022 budget includes an additional 0.5 full-time equivalent employees (FTE). FTE equal the total hours of all employees divided by 2,080 working hours in a year. The new position includes a part-time Community Development intern (Community Development).

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, 2021

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 14,300,334	5,878,766	20,179,100
Receivables - Net	4,269,200	1,293,295	5,562,495
Due from Other Governments	2,740,213	-	2,740,213
Internal Balances	102,913	(102,913)	-
Prepays	382,959	-	382,959
Total Current Assets	21,795,619	7,069,148	28,864,767
Noncurrent Assets			
Capital Assets			
Nondepreciable	18,562,300	247,534	18,809,834
Depreciable	61,490,483	52,519,765	114,010,248
Accumulated Depreciation	(33,709,188)	(26,531,699)	(60,240,887)
Total Capital Assets	46,343,595	26,235,600	72,579,195
Other Assets			
Net Pension Asset - IMRF	560,853	176,185	737,038
Notes Receivable	36,906	-	36,906
Total Other Assets	597,759	176,185	773,944
Total Noncurrent Assets	46,941,354	26,411,785	73,353,139
Total Assets	68,736,973	33,480,933	102,217,906
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding	48,629	-	48,629
Deferred Items - IMRF	284,033	89,225	373,258
Deferred Items - Police Pension	3,161,937	-	3,161,937
Deferred Items - ARO	-	535,000	535,000
Total Deferred Outflows of Resources	3,494,599	624,225	4,118,824
Total Assets and Deferred Outflows of Resources	72,231,572	34,105,158	106,336,730

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	\$ 1,402,990	549,583	1,952,573
Accrued Payroll	99,891	18,258	118,149
Deposits Payable	835,104	63,750	898,854
Accrued Interest Payable	56,972	120,199	177,171
Other Payables	-	56,281	56,281
Current Portion of Long-Term Debt	1,140,336	720,381	1,860,717
Total Current Liabilities	3,535,293	1,528,452	5,063,745
Noncurrent Liabilities			
Compensated Absences Payable	588,466	67,931	656,397
Net Pension Liability - Police Pension	6,992,087	-	6,992,087
Total OPEB Liability - RBP	3,807,953	377,339	4,185,292
General Obligation Bonds Payable - Net	3,374,211	6,665,139	10,039,350
IEPA Loans Payable	-	4,185,692	4,185,692
Asset Retirement Obligation	-	535,000	535,000
Total Noncurrent Liabilities	14,762,717	11,831,101	26,593,818
Total Liabilities	18,298,010	13,359,553	31,657,563
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	1,002,245	314,843	1,317,088
Deferred Items - Police Pension	2,550,246	-	2,550,246
Deferred Items - RBP	2,361,099	233,967	2,595,066
Property Taxes	3,852,397	-	3,852,397
Total Deferred Inflows of Resources	9,765,987	548,810	10,314,797
Total Liabilities and Deferred Inflows of Resources	28,063,997	13,908,363	41,972,360
NET POSITION			
Net Investment in Capital Assets	41,961,058	15,261,554	57,222,612
Restricted - Public Safety	7,245	-	7,245
Restricted - Highways and Streets	1,764,224	-	1,764,224
Restricted - Subdivision Maintenance	753,489	-	753,489
Restricted - Subdivision Improvements	2,363,860	-	2,363,860
Unrestricted (Deficit)	(2,682,301)	4,935,241	2,252,940
Total Net Position	44,167,575	20,196,795	64,364,370

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, 2021

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 5,011,178	1,166,170	974,922	-
Public Safety	6,726,856	297,355	12,378	-
Highways and Streets	7,895,794	682,834	1,389,750	-
Interest on Long-Term Debt	169,165	-	-	-
Total Governmental Activities	19,802,993	2,146,359	2,377,050	-
Business-Type Activities				
Water	6,616,220	5,489,568	-	672,298
Refuse	1,292,619	1,299,690	-	-
Total Business-Type Activities	7,908,839	6,789,258	-	672,298
Total Primary Government	27,711,832	8,935,617	2,377,050	672,298
General Revenues				
Taxes				
Property Taxes				
Utility Taxes				
Video Gaming Taxes				
Cannabis Taxes				
Intergovernmental - Unrestricted				
Sales Taxes				
Non-Home Rule Sales Taxes				
Income Taxes				
Replacement Taxes				
Local Use Taxes				
TIF Surplus				
Investment Earnings				
Miscellaneous				
Change in Net Position				
Net Position - Beginning				
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
(2,870,086)	-	(2,870,086)
(6,417,123)	-	(6,417,123)
(5,823,210)	-	(5,823,210)
(169,165)	(327,684)	(496,849)
(15,279,584)	(327,684)	(15,607,268)
-	(454,354)	(454,354)
-	7,071	7,071
-	(447,283)	(447,283)
(15,279,584)	(774,967)	(16,054,551)
3,841,421	-	3,841,421
1,184,554	-	1,184,554
126,539	-	126,539
16,314	-	16,314
4,893,652	-	4,893,652
3,417,233	-	3,417,233
2,238,047	-	2,238,047
86,049	-	86,049
845,150	-	845,150
9,339	-	9,339
149,734	52,921	202,655
323,890	405,092	728,982
17,131,922	458,013	17,589,935
1,852,338	(316,954)	1,535,384
42,315,237	20,513,749	62,828,986
44,167,575	20,196,795	64,364,370

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

VILLAGE OF MONTGOMERY, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2021

	General	Special Revenue Tax Increment Financing District #2
ASSETS		
Cash and Investments	\$ 5,082,218	2,254,504
Receivables - Net of Allowances		
Property Taxes	2,270,093	1,211,176
Other Taxes	51,260	-
Accounts	210,391	-
Accrued Interest	18,886	-
Notes	-	-
Due from Other Governments	1,797,898	-
Due from Other Funds	99,351	-
Advances to Other Funds	207,460	-
Prepays	382,959	-
Total Assets	10,120,516	3,465,680
LIABILITIES		
Accounts Payable	908,430	4,920
Accrued Payroll	99,891	-
Deposits Payable	304,775	-
Due to Other Funds	1,542,260	-
Advances from Other Funds	-	-
Total Liabilities	2,855,356	4,920
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	2,270,093	1,211,176
Total Liabilities and Deferred Inflows of Resources	5,125,449	1,216,096
FUND BALANCES		
Nonspendable	590,419	-
Restricted	-	2,249,584
Assigned	-	-
Unassigned	4,404,648	-
Total Fund Balances	4,995,067	2,249,584
Total Liabilities, Deferred Inflows of Resources and Fund Balances	10,120,516	3,465,680

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

Debt Service	Capital Projects		Nonmajor	Totals
	Capital Improvement	Infrastructure Improvement		
47,458	266,795	1,423,031	4,757,144	13,831,150
-	-	-	371,128	3,852,397
-	117,288	-	-	168,548
-	-	-	-	210,391
-	4,197	10,492	2,191	35,766
-	-	-	36,906	36,906
-	-	881,575	60,740	2,740,213
-	370,000	-	1,000,000	1,469,351
-	-	-	-	207,460
-	-	-	-	382,959
47,458	758,280	2,315,098	6,228,109	22,935,141
-	213,146	131,254	145,240	1,402,990
-	-	-	-	99,891
-	-	530,329	-	835,104
-	-	-	297	1,542,557
-	207,460	-	-	207,460
-	420,606	661,583	145,537	4,088,002
-	-	-	371,128	3,852,397
-	420,606	661,583	516,665	7,940,399
-	-	-	-	590,419
47,458	-	-	2,639,234	4,936,276
-	337,674	1,653,515	3,074,190	5,065,379
-	-	-	(1,980)	4,402,668
47,458	337,674	1,653,515	5,711,444	14,994,742
47,458	758,280	2,315,098	6,228,109	22,935,141

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, 2021

Total Governmental Fund Balances	\$ 14,994,742
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.	46,343,595
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(718,212)
Deferred Items - Police Pension	611,691
Deferred Items - RBP	(2,361,099)
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.	647,401
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(671,847)
Net Pension Liability - IMRF	560,853
Net Pension Liability - Police Pension	(6,992,087)
Total OPEB Liability - RBP	(3,807,953)
General Obligation Bonds Payable - Net	(4,431,166)
Unamortized Loss on Refunding	48,629
Accrued Interest Payable	(56,972)
Net Position of Governmental Activities	44,167,575

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, 2021**

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, 2021

	General	Special Revenue Tax Increment Financing District #2
Revenues		
Property Taxes	\$ 2,283,756	1,194,315
Other Taxes	178,661	-
Licenses, Permits and Fees	548,234	-
Intergovernmental	9,008,944	-
Fines and Forfeitures	258,355	-
Charges for Services	398,982	-
Investment Earnings	70,545	4,057
Miscellaneous	170,813	-
Total Revenues	12,918,290	1,198,372
Expenditures		
Current		
General Government	3,383,809	204,687
Public Safety	5,993,524	-
Highways and Streets	2,175,928	-
Capital Outlay	-	61,926
Debt Service		
Principal Retirement	-	-
Interest and Fiscal Charges	-	-
Total Expenditures	11,553,261	266,613
Excess (Deficiency) of Revenues Over Expenditures	1,365,029	931,759
Other Financing Sources (Uses)		
Disposal of Capital Assets	-	-
Transfers In	-	-
Transfers Out	(1,365,000)	-
	(1,365,000)	-
Net Change in Fund Balances	29	931,759
Fund Balances - Beginning	4,995,038	1,317,825
Fund Balances - Ending	4,995,067	2,249,584

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

Debt Service	Capital Projects		Nonmajor	Totals
	Capital Improvement	Infrastructure Improvement		
-	-	-	363,350	3,841,421
-	1,148,746	-	-	1,327,407
-	21,243	-	-	569,477
-	7,000	3,417,233	1,412,750	13,845,927
-	-	-	21,027	279,382
-	286,123	-	682,834	1,367,939
-	14,528	36,342	16,818	142,290
-	-	-	21,413	192,226
-	1,477,640	3,453,575	2,518,192	21,566,069
-	-	121,173	501,556	4,211,225
-	-	-	696	5,994,220
-	-	3,507,582	405,688	6,089,198
-	468,248	-	499,641	1,029,815
1,025,000	-	-	-	1,025,000
166,351	362	-	-	166,713
1,191,351	468,610	3,628,755	1,407,581	18,516,171
(1,191,351)	1,009,030	(175,180)	1,110,611	3,049,898
-	-	-	9,990	9,990
1,188,809	365,000	-	1,000,000	2,553,809
-	(1,188,809)	-	-	(2,553,809)
1,188,809	(823,809)	-	1,009,990	9,990
(2,542)	185,221	(175,180)	2,120,601	3,059,888
50,000	152,453	1,828,695	3,590,843	11,934,854
47,458	337,674	1,653,515	5,711,444	14,994,742

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, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 3,059,888
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	916,403
Depreciation Expense	(2,912,378)
Disposals - Cost	(75,868)
Disposals - Accumulated Depreciation	75,868
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(423,668)
Change in Deferred Items - Police Pension	(1,633,867)
Change in Deferred Items - RBP	(2,361,099)
Internal service funds are used by the Village to charge the costs of insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	
	89,262
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	(43,044)
Change in Net Pension Liability/(Asset) - IMRF	818,570
Change in Net Pension Liability - Police Pension	1,425,276
Change in Total OPEB Liability - RBP	1,894,447
Retirement of Debt	1,025,000
Amortization of Bond Premium	8,219
Amortization of Loss on Refunding	(22,660)
Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
	11,989
Changes in Net Position of Governmental Activities	1,852,338

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, 2021

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2021

	Business-Type Activities			Governmental Activities
	Water	Refuse	Totals	Internal Service Employee Insurance
ASSETS				
Current Assets				
Cash and Investments	\$ 5,878,766	-	5,878,766	469,184
Receivables - Net of Allowances				
Accounts	1,062,464	218,147	1,280,611	-
Accrued Interest	12,684	-	12,684	2,098
Due from Other Funds	22,938	-	22,938	176,119
Total Current Assets	6,976,852	218,147	7,194,999	647,401
Noncurrent Assets				
Capital Assets				
Nondepreciable	247,534	-	247,534	-
Depreciable	52,519,765	-	52,519,765	-
Accumulated Depreciation	(26,531,699)	-	(26,531,699)	-
Total Capital Assets	26,235,600	-	26,235,600	-
Other Assets				
Net Pension Asset - IMRF	176,185	-	176,185	-
Total Noncurrent Assets	26,411,785	-	26,411,785	-
Total Assets	33,388,637	218,147	33,606,784	647,401
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	89,225	-	89,225	-
Deferred Items - ARO	535,000	-	535,000	-
Total Deferred Outflows of Resources	624,225	-	624,225	-
Total Assets and Deferred Outflows of Resources	34,012,862	218,147	34,231,009	647,401

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

	Business-Type Activities			Governmental Activities
	Water	Refuse	Totals	Internal Service Employee Insurance
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 440,119	109,464	549,583	-
Accrued Payroll	18,258	-	18,258	-
Deposits Payable	63,750	-	63,750	-
Accrued Interest Payable	120,199	-	120,199	-
Due to Other Funds	26,797	99,054	125,851	-
Other Payables	56,281	-	56,281	-
Current Portion of Long-Term Debt	720,381	-	720,381	-
Total Current Liabilities	1,445,785	208,518	1,654,303	-
Noncurrent Liabilities				
Compensated Absences Payable	67,931	-	67,931	-
Total OPEB Liability - RBP	377,339	-	377,339	-
General Obligation Bonds Payable - Net	6,665,139	-	6,665,139	-
IEPA Loans Payable	4,185,692	-	4,185,692	-
Asset Retirement Obligation	535,000	-	535,000	-
Total Noncurrent Liabilities	11,831,101	-	11,831,101	-
Total Liabilities	13,276,886	208,518	13,485,404	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	314,843	-	314,843	-
Deferred Items - RBP	233,967	-	233,967	-
Total Deferred Inflows or Resources	548,810	-	548,810	-
Total Liabilities and Deferred Inflows of Resources	13,825,696	208,518	14,034,214	-
NET POSITION				
Net Investment in Capital Assets	15,261,554	-	15,261,554	-
Unrestricted	4,925,612	9,629	4,935,241	647,401
Total Net Position	20,187,166	9,629	20,196,795	647,401

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, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Refuse	Totals	Internal Service
				Employee Insurance
Operating Revenues				
Charges for Services	\$ 5,489,568	1,299,690	6,789,258	-
Interfund Services	-	-	-	1,434,679
Total Operating Revenues	5,489,568	1,299,690	6,789,258	1,434,679
Operating Expenses				
Operations	4,675,196	1,292,619	5,967,815	1,352,861
Depreciation and Amortization	1,941,024	-	1,941,024	-
Total Operating Expenses	6,616,220	1,292,619	7,908,839	1,352,861
Operating Income (Loss)	(1,126,652)	7,071	(1,119,581)	81,818
Nonoperating Revenues (Expenses)				
Investment Earnings	52,921	-	52,921	7,444
Other Income	405,092	-	405,092	-
Interest Expense	(327,684)	-	(327,684)	-
	130,329	-	130,329	7,444
Income (Loss) Before Transfers	(996,323)	7,071	(989,252)	89,262
Capital Contributions - IEPA Grant	672,298	-	672,298	-
Change in Net Position	(324,025)	7,071	(316,954)	89,262
Net Position - Beginning	20,511,191	2,558	20,513,749	558,139
Net Position - Ending	20,187,166	9,629	20,196,795	647,401

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, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Refuse	Totals	Internal Service Employee Insurance
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 5,467,147	1,288,639	6,755,786	(176,178)
Receipts from Interfund Services	-	-	-	1,434,679
Payments to Employees	(668,979)	-	(668,979)	-
Payments to Suppliers	(3,686,656)	(1,288,639)	(4,975,295)	(1,352,861)
	1,111,512	-	1,111,512	(94,360)
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	-	-	-	-
IEPA Grant	672,298	-	672,298	-
Principal Paid on Debt	(686,480)	-	(686,480)	-
Interest Paid on Debt	(327,684)	-	(327,684)	-
	(341,866)	-	(341,866)	-
Cash Flows from Investing Activities				
Investment Earnings	52,921	-	52,921	7,444
Net Change in Cash and Cash Equivalents	822,567	-	822,567	(86,916)
Cash and Cash Equivalents - Beginning	5,056,199	-	5,056,199	556,100
Cash and Cash Equivalents - Ending	5,878,766	-	5,878,766	469,184
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.				
Operating Income (Loss)	(1,126,652)	7,071	(1,119,581)	81,818
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in)				
Depreciation and Amortization Expense	1,941,024	-	1,941,024	-
Other Income	(72,743)	-	(72,743)	-
(Increase) Decrease in Current Assets	50,322	(11,051)	39,271	(176,178)
Increase (Decrease) in Current Liabilities	319,561	3,980	323,541	-
Net Cash Provided by Operating Activities	1,111,512	-	1,111,512	(94,360)

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

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Fiduciary Net Position

April 30, 2021

	Pension Trust	
	Police Pension	Custodial
ASSETS		
Cash and Cash Equivalents	\$ 327,625	1,375,553
Investments		
U.S. Treasury Obligations	330,644	-
U.S. Agency Obligations	2,025,217	-
Municipal Bonds	50,701	-
Corporate Bonds	2,188,479	-
Mutual Funds	8,139,413	-
Common Stock	742,091	-
Receivables - Net of Allowance		
Property Taxes	-	3,934
Accrued Interest	44,115	-
Total Assets	13,848,285	1,379,487
LIABILITIES		
Accounts Payable	-	545
NET POSITION		
Restricted for Pensions	13,848,285	-
Restricted for Individuals, Organizations, and Other Governments	-	1,378,942
Total Net Position	13,848,285	1,378,942

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, 2021

	Pension Trust	
	Police Pension	Custodial
Additions		
Contributions - Employer	\$ 850,278	-
Contributions - Plan Members	293,685	-
Total Contributions	1,143,963	-
Investment Income		
Investment Earnings	399,231	231
Net Change in Fair Value	2,135,701	-
	2,534,932	231
Less Investment Expenses	(26,006)	-
Net Investment Income	2,508,926	231
Property Taxes	-	3,934
Charges for Services	-	995,891
Total Additions	3,652,889	1,000,056
Deductions		
Administration	14,902	-
Benefits and Refunds	719,601	-
Contractual Services	-	21,212
Debt Service		
Principal Retirement	-	829,773
Intrest and Fiscal Charges	-	204,729
Total Deductions	734,503	1,055,714
Change in Fiduciary Net Position	2,918,386	(55,658)
Net Position Restricted		
Beginning	10,929,899	1,434,600
Ending	13,848,285	1,378,942

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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, 2021

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 operations 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, highways and streets, etc.). The functions are supported by general government revenues (property taxes, sales and use taxes, certain intergovernmental revenues, investment earnings, 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 taxes, sales and use taxes, certain intergovernmental revenues, investment earnings, 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, 2021

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 18 special revenue funds. The Tax Increment Financing (TIF) District #2 Fund, a major 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.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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. Financing is provided by the Village contributions, employee payroll withholdings, and investment earnings.

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, 2021

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, 2021

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, investment earnings, 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, 2021

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, 2021

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, 2021

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, 2021

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 over budget at year end:

Fund	Excess
Debt Service	\$ 42
Capital Improvement	333,164
Montgomery Development	315,613
Montgomery Crossing Special Service Area	371
Blackberry Crossing Special Serv ice Area	79
Ogden Hill Special Service Area	852
Marquis Pointe Special Service Area	502
Arbor Ridge Special Service Area	3,706
Fairfield Way Special Service Area	6,780
Foxmoor Special Service Area	3,354
Saratoga Springs Special Service Area	77
Orchard Prairie North Special Service Area	1,013
Blackberry Crossing West Special Service Area	721
Vehicle and Equipment Replacement	19,027
Refuse	5,002
Police Pension	55,032

DEFICIT FUND BALANCE

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

Fund	Deficit
Tax Increment Financing District #3	\$ 1,980

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET 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.

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

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$6,614,958 and the bank balances totaled \$6,926,916.

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	\$ 2,880,209	603,951	2,276,258	-	-
IMET	10,584,811	9,233,907	1,350,904	-	-
IPRIME	65,853	65,853	-	-	-
Illinois Trust	33,269	33,269	-	-	-
	13,564,142	9,936,980	3,627,162	-	-

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk – Continued

The Village has the following recurring fair value measurements as of April 30, 2021:

		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)
Totals				
Investments by Fair Value Level				
Debt Securities				
Municipal Bonds	\$ 2,880,209	-	2,880,209	-
Investments Measured at the Net Asst Value (NAV)				
IMET	10,584,811			
IPRIME	65,853			
Illinois Trust	33,269			
Total Investment Measured at Fair Value	13,564,142			

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 Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration risk. 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).

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk – Continued

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 IMET, 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, 2021, 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 IMET, IPRIME, and Illinois Trust are not subject to custodial credit risk.

Police Pension Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$327,625 and the bank balances totaled \$327,625.

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	\$ 330,644	-	330,644	-	-
U.S. Agency Obligations	2,025,217	75,436	1,420,983	524,117	4,681
Municipal Bonds	50,701	-	-	-	50,701
Corporate Bonds	2,188,479	211,439	1,891,624	85,416	-
Totals	4,595,041	286,875	3,643,251	609,533	55,382

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk – Continued

The Fund has the following recurring fair value measurements as of April 30, 2021:

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	\$ 330,644	330,644	-	-
U.S. Agency Obligations	2,025,217	-	2,025,217	-
Municipal Bonds	50,701	-	50,701	-
Corporate Bonds	2,188,479	-	2,188,479	-
Equity Securities				
Mutual Funds	8,139,413	8,139,413	-	-
Common Stock	742,091	742,091	-	-
Total Investments by Fair Value Level	13,476,545	9,212,148	4,264,397	-

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. 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 not rated. The municipal bonds are rated A2 by Moody's. The corporate bonds are rated Aa2 to Baa2 by Moody's.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk – Continued

Custodial Credit Risk – Deposits. The Fund's investment policy requires all bank balances to be covered by federal depository insurance. At April 30, 2021, 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, 2021, 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, 2021, 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 \$8,139,413 invested in mutual funds and \$742,091 invested in common stock 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	3.61% - 29.71%	(0.40%) - 4.90%
Domestic Equities	7.19% - 32.99%	5.70% - 6.40%
Real Estate	2.01%	5.50% - 8.20%
Cash and Cash Equivalents	2.27%	0.40%

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 September 2021 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, 2021 are listed in the table above.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk – Continued

Rate of Return

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.98%. 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 2019 attach as an enforceable lien on January 1, 2020, 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 three programs:

- The Forgivable Loan Program will be capitalized by approximately \$500,000 and is focused on retail and commercial businesses. Businesses will be required to continue operating in the Village for at least three (3) years from the date of project approval to receive forgiveness of the loan. The maximum forgivable loan is \$200,000. 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. Five forgivable loans were approved during fiscal year 2021 for a total of \$240,000. The outstanding balance of these loans as of April 30, 2021 was \$286,210 and the entire amount has been forgiven.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NOTES RECEIVABLE – Continued

Montgomery Development – Continued

- 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, 2021 is \$36,906.
- The Small Business COVID-19 Responsive Grant Program was established in May 2020 in an effort to help small businesses during the COVID-19 pandemic. This grant program can be used to assist private for-profit small businesses with working capital funding. Thirty-eight COVID-19 Response Grants were approved during fiscal year 2021 for a total of \$190,000.

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>\$ 207,460</u>

Interfund Balances

The purpose of the significant interfund balances are as follows:

- \$1,000,000 due to the Montgomery Development Fund (Nonmajor Governmental) from the General Fund is for reimbursement of shared expense.
- \$370,000 due to the Capital Improvement Fund from the General Fund is for reimbursement of shared expense.
- \$149,322 due to the Internal Service – Employee Insurance Fund from the General Fund is for reimbursement of shared expense.
- \$99,054 due to the General Fund from the Refuse Fund is to eliminate deficit cash balance.
- \$26,797 due to the Internal Service – Employee Insurance Fund from the Water – Water Account Fund is for reimbursement of shared expense.
- \$22,938 due to the Water – Water Account Fund from the General Fund is for reimbursement of shared expense.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

Interfund Balances – Continued

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 297
General	Refuse	99,054
Capital Improvement	General	370,000
Nonmajor Governmental	General	1,000,000
Water - Water Account	General	22,938
Internal Service - Employee Insurance	General	149,322
Internal Service - Employee Insurance	Water - Water Account	<u>26,797</u>
		<u><u>1,668,408</u></u>

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Debt Service	Capital Improvement	\$ 1,188,809 (1)
Capital Improvement	General	365,000 (2)
Nonmajor Governmental	General	<u>1,000,000 (2)</u>
		<u><u>2,553,809</u></u>

Transfers are used to (1) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations..

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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
Construction in Progress	-	461,440	-	461,440
	<u>18,100,860</u>	<u>461,440</u>	<u>-</u>	<u>18,562,300</u>
Depreciable Capital Assets				
Land Improvements	138,448	-	-	138,448
Buildings	22,310,653	-	-	22,310,653
Equipment	783,888	93,494	-	877,382
Vehicles	4,022,290	361,469	75,868	4,307,891
Infrastructure	33,856,109	-	-	33,856,109
	<u>61,111,388</u>	<u>454,963</u>	<u>75,868</u>	<u>61,490,483</u>
Less Accumulated Depreciation				
Land Improvements	138,448	-	-	138,448
Buildings	13,746,848	1,115,533	-	14,862,381
Equipment	575,746	38,880	-	614,626
Vehicles	1,687,540	403,720	75,868	2,015,392
Infrastructure	14,724,096	1,354,245	-	16,078,341
	<u>30,872,678</u>	<u>2,912,378</u>	<u>75,868</u>	<u>33,709,188</u>
Total Net Depreciable Capital Assets	<u>30,238,710</u>	<u>(2,457,415)</u>	<u>-</u>	<u>27,781,295</u>
Total Net Capital Assets	<u>48,339,570</u>	<u>(1,995,975)</u>	<u>-</u>	<u>46,343,595</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 658,524
Public Safety	643,931
Highways and Streets	<u>1,609,923</u>
	<u>2,912,378</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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	52,435,703	-	-	52,435,703
	<u>52,519,765</u>	<u>-</u>	<u>-</u>	<u>52,519,765</u>
Less Accumulated Depreciation				
Equipment	84,062	-	-	84,062
Infrastructure	24,486,456	1,961,181	-	26,447,637
	<u>24,570,518</u>	<u>1,961,181</u>	<u>-</u>	<u>26,531,699</u>
Total Net Depreciable Capital Assets	<u>27,949,247</u>	<u>(1,961,181)</u>	<u>-</u>	<u>25,988,066</u>
Total Net Capital Assets	<u>28,196,781</u>	<u>(1,961,181)</u>	<u>-</u>	<u>26,235,600</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, 2021

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
\$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	\$ 2,105,000	-	395,000	1,710,000
\$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	3,815,000	-	145,000	3,670,000
\$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	-	630,000	2,705,000
\$3,370,000 General Obligation Alternate Revenue Source Bonds of 2017, due in annual installments of \$135,000 to \$235,000 plus interest at 3.00% to 4.00% through December 1, 2037.	Water	3,235,000	-	140,000	3,095,000
		12,490,000	-	1,310,000	11,180,000

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

IEPA Loans Payable

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan Payable of 2002, due in semi-annual installments of \$37,395, including interest of 2.675% through December 1, 2022.	Water	\$ 214,230	-	69,521	144,709
IEPA Loan Payable of 2011, due in semi-annual installments of \$125,440, including interest of 1.25% through April 19, 2032.	Water	2,787,579	-	216,711	2,570,868
IEPA Loan Payable of 2014, due in semi-annual installments of \$77,226, including interest of 1.995% through December 7, 2034.	Water	1,993,742	-	115,248	1,878,494
		4,995,551	-	401,480	4,594,071

Asset Retirement Obligation

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells and at the end of their estimated useful lives in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells range from 3 to 50 years.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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	\$ 628,803	43,044	-	671,847	83,381
Net Pension Liability/(Asset)					
IMRF	257,717	-	818,570	(560,853)	-
Police Pension	8,417,363	-	1,425,276	6,992,087	-
Total OPEB Liability - RBP	5,702,400	-	1,894,447	3,807,953	-
General Obligation Bonds Payable	5,440,000	-	1,025,000	4,415,000	1,050,000
Unamortized Bond Premium	24,385	-	8,219	16,166	6,955
	20,470,668	43,044	5,171,512	15,342,200	1,140,336
Business-Type Activities					
Compensated Absences	58,509	16,970	-	75,479	7,548
Net Pension Liability/(Asset)					
IMRF	77,804	-	253,989	(176,185)	-
Total OPEB Liability - RBP	972,490	-	595,151	377,339	-
General Obligation Bonds Payable	7,050,000	-	285,000	6,765,000	285,000
Unamortized Bond Premium	224,750	-	20,157	204,593	19,454
IEPA Loans Payable	4,995,551	-	401,480	4,594,071	408,379
Asset Retirement Obligation	-	535,000	-	535,000	-
	13,379,104	551,970	1,555,777	12,375,297	720,381

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liabilities/(asset), 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/(asset), the total OPEB liability, the general obligation bonds payable, the IEPA loans payable, and the asset retirement obligation are being liquidated by the Water Fund.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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
2022	\$ 1,050,000	136,734	285,000	244,986	408,379	71,743
2023	1,085,000	106,753	295,000	236,436	415,409	64,713
2024	1,120,000	75,253	305,000	227,588	347,284	58,048
2025	1,160,000	38,913	315,000	218,438	352,559	52,773
2026	-	-	325,000	207,388	357,916	47,416
2027	-	-	340,000	195,988	363,360	41,972
2028	-	-	350,000	184,038	368,891	36,441
2029	-	-	365,000	171,738	374,511	30,821
2030	-	-	375,000	158,888	380,221	25,111
2031	-	-	390,000	145,688	386,024	19,308
2032	-	-	400,000	131,938	391,922	13,410
2033	-	-	415,000	117,838	146,248	8,204
2034	-	-	430,000	102,700	149,180	5,272
2035	-	-	450,000	87,000	152,167	2,285
2036	-	-	460,000	69,000	-	-
2037	-	-	480,000	50,600	-	-
2038	-	-	505,000	31,400	-	-
2039	-	-	280,000	11,200	-	-
Totals	4,415,000	357,653	6,765,000	2,592,852	4,594,071	477,517

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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 - 2020		<u>\$ 503,085,892</u>
Legal Debt Limit - 8.625% of Assessed Value		<u>43,391,158</u>
Amount of Debt Applicable to Limit		
General Obligation ARS Refunding Bonds of 2011	\$ 1,710,000	
General Obligation ARS Bonds of 2013	3,670,000	
Taxable General Obligation ARS Refunding Bonds of 2014	2,705,000	
General Obligation ARS Bonds of 2017	<u>3,095,000</u>	
	11,180,000	
Less: Alternate Revenue Source Bonds	<u>(11,180,000)</u>	
Total Applicable Debt		<u>-</u>
Legal Debt Margin		<u>43,391,158</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, 2021, \$19,888 of the Special Service Area No. 17 bonds are outstanding.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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, 2021, \$6,038,000 of the special assessment bonds are outstanding.

Pledged Revenues

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 \$1,839,133 with the bonds maturing December 1, 2024. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$454,168 was approximately 7.63% 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 \$5,208,700, with the bonds maturing December 1, 2038. During the current fiscal year, the pledge of water revenues of \$291,650 was approximately 5.31% 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 \$2,933,520 with the bonds maturing December 1, 2024. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$736,340 was approximately 12.37% of total sales, telecommunication and use tax.

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 \$4,149,152, with the bonds maturing December 1, 2037. During the current fiscal year, the pledge of water revenues of \$246,886 was approximately 4.50% of total water operating revenues.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2021:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 46,343,595
Plus: Unamortized Loss on Refunding	48,629
Less Capital Related Debt:	
General Obligation ARS Refunding Bonds of 2011	(1,710,000)
General Obligation ARS Refunding Bonds of 2014	(2,705,000)
Unamortized Bond Premium	<u>(16,166)</u>
Net Investment in Capital Assets	<u><u>41,961,058</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	26,235,600
Plus: Unspent Bond Proceeds	589,618
Less Capital Related Debt:	
General Obligation ARS Refunding Bonds of 2013	(3,670,000)
General Obligation ARS Bonds of 2017	(3,095,000)
IEPA Loan Payable of 2002	(144,709)
IEPA Loan Payable of 2011	(2,570,868)
IEPA Loan Payable of 2014	(1,878,494)
Unamortized Bond Premium	<u>(204,593)</u>
Net Investment in Capital Assets	<u><u>15,261,554</u></u>

FUND BALANCE CLASSIFICATIONS

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

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

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

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

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

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

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

	General	Special Revenue Tax Increment Financing District #2	Debt Service	Capital Projects		Nonmajor	Totals
				Capital Improvements	Infrastructure Improvement		
Fund Balances							
Nonspendable							
Advances from Other Funds	\$ 207,460	-	-	-	-	-	207,460
Prepays	382,959	-	-	-	-	-	382,959
	590,419	-	-	-	-	-	590,419
Restricted							
Public Safety	-	-	-	-	-	7,245	7,245
Highways and Streets	-	-	-	-	-	1,764,224	1,764,224
Subdivision Maintenance	-	-	-	-	-	753,489	753,489
Subdivision Improvements	-	2,249,584	-	-	-	114,276	2,363,860
Debt Service	-	-	47,458	-	-	-	47,458
	-	2,249,584	47,458	-	-	2,639,234	4,936,276
Assigned							
Economic Development	-	-	-	-	-	2,052,602	2,052,602
Capital	-	-	-	337,674	1,653,515	1,021,588	3,012,777
	-	-	-	337,674	1,653,515	3,074,190	5,065,379
Unassigned	4,404,648	-	-	-	-	(1,980)	4,402,668
Total Fund Balances	4,995,067	2,249,584	47,458	337,674	1,653,515	5,711,444	14,994,742

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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, 2021, for the current or prior claim years. In addition, the Village provides health insurance to its employees through a third party indemnity policy. The Village pays an annual premium to the insurance company for its coverage. Settled claims have not exceeded the coverage in the current or preceding two fiscal years.

Intergovernmental Personnel Benefit Cooperative (IPBC)

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

COMMITMENTS AND CONTINGENCIES

Economic Incentive

The Village has entered into economic development agreements with various companies in Montgomery to provide sales tax rebates. The agreements require the Village to rebate to the companies' different levels of additional sales tax generated by the facilities. The total expenditures paid during the year ended April 30, 2021 were \$1,067,931, and the total cumulative expenditures incurred to date in rebates of current development agreements was \$6,790,193.

CONTINGENT LIABILITIES

Litigation

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Grants

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

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.

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 are:

	Net Pension Liabilities/ (Assets)	Deferred Outflows	Deferred Inflows	Pension Expense/ (Revenue)
IMRF	\$ (737,038)	373,258	1,317,088	(233,372)
Police Pension	6,992,087	3,161,937	2,550,246	1,058,869
	6,255,049	3,535,195	3,867,334	825,497

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

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.

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.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2020, 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	52
Active Plan Members	<u>38</u>
Total	<u>133</u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.50% 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, 2021, the Village's contribution was 10.00% of covered payroll.

Net Pension (Asset). The Village's net pension (asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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. For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	1.30%
Domestic Equities	37.00%	5.00%
International Equities	18.00%	6.00%
Real Estate	9.00%	6.20%
Blended	7.00%	2.85% - 6.95%
Cash and Cash Equivalents	1.00%	0.70%

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.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Net Pension Liability/(Asset)	\$ 1,055,558	(737,038)	(2,136,632)

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at December 31, 2019	\$ 14,390,524	14,055,003	335,521
Changes for the Year:			
Service Cost	242,225	-	242,225
Interest on the Total Pension Liability	1,025,787	-	1,025,787
Changes of Benefit Terms			
Difference Between Expected and Actual			
Experience of the Total Pension Liability	323,985	-	323,985
Changes of Assumptions	(119,988)	-	(119,988)
Contributions - Employer	-	277,716	(277,716)
Contributions - Employees	-	113,519	(113,519)
Net Investment Income	-	2,010,237	(2,010,237)
Benefit Payments, including Refunds			
of Employee Contributions	(725,693)	(725,693)	-
Other (Net Transfer)	-	143,096	(143,096)
Net Changes	746,316	1,818,875	(1,072,559)
Balances at December 31, 2020	15,136,840	15,873,878	(737,038)

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended April 30, 2021, the Village recognized pension revenue of \$233,372. At April 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 244,617	(11,700)	232,917
Change in Assumptions	38,336	(85,753)	(47,417)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(1,219,635)	(1,219,635)
	282,953	(1,317,088)	(1,034,135)
Pension Contributions Made Subsequent to the Measurement Date	90,305	-	90,305
Total Deferred Amounts Related to IMRF	373,258	(1,317,088)	(943,830)

\$90,305 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, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (280,161)
2023	(101,358)
2024	(452,978)
2025	(199,638)
2026	-
Thereafter	-
Total	(1,034,135)

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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, 2021, 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	4
Active Plan Members	<u>32</u>
Total	<u><u>45</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, 2021

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 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 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 of $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2021, the Village's contribution was 29.43% 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, 2021

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, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.25%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates were based on PubS-2010(A) adjusted for plan status, collar, and Illinois Public Pension data, as appropriate.

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, 2021

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	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Net Pension Liability	\$ 10,665,436	6,992,087	4,081,018

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2020	\$ 19,347,262	10,929,899	8,417,363
Changes for the Year:			
Service Cost	755,021	-	755,021
Interest on the Total Pension Liability	1,328,329	-	1,328,329
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	256,954	-	256,954
Changes of Assumptions	(112,691)	-	(112,691)
Contributions - Employer	-	850,278	(850,278)
Contributions - Employees	-	293,685	(293,685)
Net Investment Income	-	2,508,926	(2,508,926)
Benefit Payments, including Refunds of Employee Contributions	(719,601)	(719,601)	-
Administrative Expense	(14,902)	(14,902)	-
Net Changes	1,493,110	2,918,386	(1,425,276)
Balances at April 30, 2021	20,840,372	13,848,285	6,992,087

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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, 2021, the Village recognized pension expense of \$1,058,869. At April 30, 2021, 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	\$ 712,337	(1,496,360)	(784,023)
Change in Assumptions	2,449,600	(102,436)	2,347,164
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(951,450)	(951,450)
Total Deferred Amounts Related to Police Pension	3,161,937	(2,550,246)	611,691

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
2022	\$ 50,469
2023	14,418
2024	(1,171)
2025	(122,510)
2026	187,471
Thereafter	483,014
Total	611,691

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	70
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>9</u>
Total	<u><u>81</u></u>

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2021, and was determined by an actuarial valuation as of April 30, 2021.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2021 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	3.50%
Discount Rate	2.12%
Healthcare Cost Trend Rates	7.00% Decreasing to an Ultimate Rate of 4.00% 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, 2021

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-2020 Improvement Rates.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at April 30, 2020	<u>\$ 6,674,890</u>
Changes for the Year:	
Service Cost	281,333
Interest on the Total Pension Liability	169,073
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(783,416)
Changes of Assumptions or Other Inputs	(2,015,612)
Benefit Payments	<u>(140,976)</u>
Net Changes	<u>(2,489,598)</u>
Balance at April 30, 2021	<u><u>4,185,292</u></u>

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 2.12%, while the prior valuation used 2.56%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB Liability	\$ 4,871,216	4,185,292	3,635,965

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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	\$ 3,560,479	4,185,292	4,978,906

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

For the year ended April 30, 2021, the Village recognized OPEB revenue of \$35,508. At April 30, 2021, 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	\$ -	(726,329)	(726,329)
Change in Assumptions	-	(1,868,737)	(1,868,737)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	-	(2,595,066)	(2,595,066)

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2021

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 – Continued

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 (Inflows) of Resources
2022	\$ (203,962)
2023	(203,962)
2024	(203,962)
2025	(203,962)
2026	(203,962)
Thereafter	<u>(1,575,256)</u>
Total	<u><u>(2,595,066)</u></u>

SUBSEQUENT EVENTS

American Rescue Plan Act

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$2,669,672 to be received in two installments. On September 22, 2021, the Village received their first installment of \$1,334,836.

General Obligation Bonds Issuance

On June 14, 2021, the Village authorized the issuance of \$16,240,000 General Obligation Bonds (Alternate Revenue Source) of 2021, due in annual installments of \$760,000 to \$1,210,000 plus interest at 2.00% to 5.00% through December 1, 2040.

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/(Asset)
 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 Schedules
 General Fund
 Tax Increment Financing District #2 – Special Revenue 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, 2021

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%
2021	278,822	278,822	-	2,788,608	10.00%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015)

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, 2021

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%
2021	850,278	850,278	-	2,889,254	29.43%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.25%
Investment Rate of Return	7.00%
Mortality	PubS-2010(A) Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

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/(Asset)

April 30, 2021

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 231,852
Interest	891,008
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(308,800)
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(433,918)</u>
Net Change in Total Pension Liability	380,142
Total Pension Liability - Beginning	<u>12,012,911</u>
Total Pension Liability - Ending	<u><u>12,393,053</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 298,271
Contributions - Members	100,919
Net Investment Income	52,165
Benefit Payments, Including Refunds of Member Contributions	(433,918)
Other (Net Transfer)	<u>(10,193)</u>
Net Change in Plan Fiduciary Net Position	7,244
Plan Net Position - Beginning	<u>10,450,285</u>
Plan Net Position - Ending	<u><u>10,457,529</u></u>
Employer's Net Pension Liability/(Asset)	<u><u>\$ 1,935,524</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.38%
Covered Payroll	\$ 2,242,641
Employer's Net Pension Liability/(Asset) 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	12/31/2020
242,720	232,978	229,595	216,197	242,225
917,636	949,180	960,197	997,777	1,025,787
-	-	-	-	-
(233,085)	(91,234)	132,196	(32,006)	323,985
(33,076)	(390,097)	387,680	-	(119,988)
(493,110)	(509,785)	(594,711)	(891,581)	(725,693)
401,085	191,042	1,114,957	290,387	746,316
12,393,053	12,794,138	12,985,180	14,100,137	14,390,524
12,794,138	12,985,180	14,100,137	14,390,524	15,136,840
299,313	271,330	260,328	235,164	277,716
99,846	103,737	104,971	106,016	113,519
718,169	1,936,009	(659,593)	2,281,458	2,010,237
(493,110)	(509,785)	(594,711)	(891,581)	(725,693)
104,625	(158,186)	226,689	156,785	143,096
728,843	1,643,105	(662,316)	1,887,842	1,818,875
10,457,529	11,186,372	12,829,477	12,167,161	14,055,003
11,186,372	12,829,477	12,167,161	14,055,003	15,873,878
1,607,766	155,703	1,932,976	335,521	(737,038)
87.43%	98.80%	86.29%	97.67%	104.87%
2,218,784	2,305,270	2,332,691	2,355,898	2,355,898
72.46%	6.75%	82.86%	14.24%	(31.28%)

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2021

	<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	(431,684)
Administrative Expense	<u>-</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	4/30/2021
400,101	426,069	460,254	489,408	560,887	755,021
837,341	1,000,049	1,026,665	1,118,508	1,191,866	1,328,329
-	-	-	-	241,594	-
(589,343)	(874,635)	429,887	(986,862)	228,114	256,954
2,189,746	370,109	-	1,149,405	484,368	(112,691)
(481,164)	(545,717)	(537,009)	(672,519)	(772,450)	(719,601)
-	-	-	-	-	(14,902)
2,356,681	375,875	1,379,797	1,097,940	1,934,379	1,493,110
12,202,590	14,559,271	14,935,146	16,314,943	17,412,883	19,347,262
14,559,271	14,935,146	16,314,943	17,412,883	19,347,262	20,840,372
452,282	520,987	580,602	557,590	636,733	850,278
216,533	205,654	223,418	327,795	268,740	293,685
(25,628)	593,998	466,740	617,818	143,908	2,508,926
(481,164)	(545,717)	(537,009)	(672,519)	(772,450)	(719,601)
(18,226)	(10,627)	(11,237)	(8,143)	(6,775)	(14,902)
143,797	764,295	722,514	822,541	270,156	2,918,386
8,206,596	8,350,393	9,114,688	9,837,202	10,659,743	10,929,899
8,350,393	9,114,688	9,837,202	10,659,743	10,929,899	13,848,285
6,208,878	5,820,458	6,477,741	6,753,140	8,417,363	6,992,087
57.35%	61.03%	60.30%	61.22%	56.49%	66.45%
1,951,463	2,070,191	2,226,229	2,376,298	2,680,466	2,889,254
318.17%	281.16%	290.97%	284.19%	314.03%	242.00%

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2021

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%)
2021	1.98%

Note:

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

VILLAGE OF MONTGOMERY, ILLINOIS

Retiree Benefits Plan

Required Supplementary Information

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2021

	4/30/2019	4/30/2020	4/30/2021
Total OPEB Liability			
Service Cost	\$ 102,680	109,371	281,333
Interest	197,188	193,829	169,073
Change of Assumptions or Other Inputs	103,474	1,372,531	(2,015,612)
Differences Between Expected and Actual Experience	-	-	(783,416)
Benefit Payments	(279,432)	(231,540)	(140,976)
Net Change in Total OPEB Liability	123,910	1,444,191	(2,489,598)
Total OPEB Liability - Beginning	5,106,789	5,230,699	6,674,890
Total OPEB Liability - Ending	5,230,699	6,674,890	4,185,292
Covered Payroll	\$ 4,556,870	4,693,576	5,429,643
Total OPEB Liability as a Percentage of Covered Payroll	114.79%	142.21%	77.08%

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 to 2021.

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, 2021

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 2,322,450	2,283,756
Other Taxes	205,548	178,661
Licenses, Permits and Fees	549,035	548,234
Intergovernmental	7,774,807	9,008,944
Fines and Forfeitures	276,500	258,355
Charges for Services	452,086	398,982
Investment Earnings	82,500	70,545
Miscellaneous	130,790	170,813
Total Revenues	11,793,716	12,918,290
Expenditures		
Current		
General Government	3,591,025	3,383,809
Public Safety	5,979,092	5,993,524
Highways and Streets	2,082,826	2,175,928
Total Expenditures	11,652,943	11,553,261
Excess (Deficiency) of Revenues Over Expenditures	140,773	1,365,029
Other Financing (Uses)		
Transfers Out	-	(1,365,000)
Net Change in Fund Balance	140,773	29
Fund Balance - Beginning		4,995,038
Fund Balance - Ending		4,995,067

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, 2021

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 1,196,419	1,194,315
Investment Earnings	13,000	4,057
Total Revenues	<u>1,209,419</u>	<u>1,198,372</u>
Expenditures		
Current		
General Government		
Contractual Services	185,424	204,687
Capital Outlay	901,000	61,926
Total Expenditures	<u>1,086,424</u>	<u>266,613</u>
Net Change in Fund Balance	<u>122,995</u>	931,759
Fund Balance - Beginning		<u>1,317,825</u>
Fund Balance - Ending		<u>2,249,584</u>

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 SCHEDULES

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.

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.

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.

INDIVIDUAL FUND SCHEDULES

SPECIAL REVENUE FUNDS – Continued

Ogden Hill Special Service Area Fund

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

Marquis Pointe Special Service Area Fund

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

Baltimore Special Service Area Fund

The Baltimore Special Service Area Fund is used to account for special service area tax that is restricted for the maintenance of common area in the Baltimore 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 #3 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.

INDIVIDUAL FUND SCHEDULES

SPECIAL REVENUE FUNDS – Continued

Saratoga Springs Special Service Area Fund

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

Orchard Prairie North Special Service Area Fund

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

Blackberry Crossing West Special Service Area Fund

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

Fieldstone Special Service Area Fund

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

DEBT SERVICE FUND

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 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).

INDIVIDUAL FUND SCHEDULES

CAPITAL PROJECTS FUNDS – Continued

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, rents on Village properties, and developer contributions.

Infrastructure Improvement Fund

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

Vehicle 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 SCHEDULES

INTERNAL SERVICE FUND

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 earnings.

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, 2021

	Original and Final Budget	Actual
Property Taxes		
Corporate	\$ 630,089	631,546
Police Pension	664,012	666,051
Social Security	219,052	219,724
IMRF	176,276	176,819
Insurance	257,820	258,611
Police Protection	271,385	272,220
Road and Bridge	103,816	58,785
Total Property Taxes	2,322,450	2,283,756
Other Taxes		
Utility Taxes	43,548	35,808
Video Gaming Taxes	162,000	126,539
Cannabis Taxes	-	16,314
Total Other Taxes	205,548	178,661
Licenses, Permits and Fees		
Licenses		
Liquor	31,800	31,510
Amusement Machine	-	375
Tobacco	350	300
Contractors	25,000	31,975
Other	970	893
Permits		
Building	239,550	255,699
Oversized Vehicle	15,000	4,575
Solicitor	3,000	-
Other	500	400
Fees		
Cable Franchise	232,865	222,507
Total Licenses, Permits, and Fees	549,035	548,234

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2021

	Original and Final Budget	Actual
Intergovernmental		
Sales Taxes	\$ 5,085,366	4,893,652
State Income Taxes	1,935,990	2,238,047
Corporate Replacement Taxes	59,680	76,023
Road and Bridge Replacement Taxes	7,460	10,026
Local Use Taxes	654,549	845,150
TIF Surplus	9,152	9,339
State Grant - ILCC Tobacco (Police)	2,090	(1,155)
Federal Grant - Body Armor (Police)	2,280	3,492
Federal Grant - Traffic Safety (Police)	18,240	13,533
Federal Grant - DCEO Local Cure	-	435,921
Federal Grant - Kane County - CRF	-	484,916
Total Intergovernmental	7,774,807	9,008,944
Fines and Forfeitures		
Tow Impoundment Fee	\$ 105,000	54,000
Court Fines - Village	29,000	18,811
Court Fines - Kane County	115,000	165,716
Court Fines - Kendall County	11,000	16,095
Patrol Car Maintenance Fines - Kane County	10,000	1,710
Patrol Car Maintenance Fines - Kendall County	1,500	344
Code Enforcement Fines	5,000	1,050
Other - Federal Forfeiture		529
Other - State Forfeiture	-	100
Total Fines and Forfeitures	276,500	258,355
Charges for Services		
Plumbing Inspections	41,750	41,660
Engineering Inspections	24,100	31,500
Reinspections	1,000	-
Elevator Inspections	1,600	1,500
Planning - Plan Commission Applications	8,000	3,600
Recycling Income	2,000	4,515
Lawn Services	8,734	5,541
Professional Services Reimbursements - Engineering Service	181,440	78,416

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2021

	Original and Final Budget	Actual
Charges for Services - Continued		
Professional Services Reimbursements - Legal Service	\$ 42,000	32,108
Professional Services Reimbursements - Planning Service	23,625	8,259
Professional Services Reimbursements - Printing and Publishing	500	-
Police Reimbursements - Training	6,000	-
Police Reimbursements - Special Duty	2,700	29,705
Police Reimbursements - Other	3,500	7,949
Police Reimbursements - Firing Range	500	1,346
Other Reimbursements - Streets	67,037	105,472
Other Reimbursements - Credit Card Fees	28,800	33,043
Other Reimbursements - Miscellaneous	6,000	11,479
Rents and Royalties - Municipal Building Rental	2,800	2,889
Total Charges for Services	452,086	398,982
Investment Earnings	82,500	70,545
Miscellaneous		
Other Reimbursements - Insurance	30,000	10,843
Donations - Montgomery Fest	69,000	3,300
Donations - Beautification	6,000	3,660
Donations - River Run	12,340	-
Donations - Garage Sales	1,000	370
Donations - Settler's Cottage	500	200
Donations - HPC Brick Paver Program	500	555
Donations - Community Programs	2,000	-
Donations - Parkway Tree Program	2,000	750
Donations - Car Show	2,500	-
Donations - Safety Event	4,000	-
Salable Items - History Books	350	490
Salable Items - Miscellaneous	100	-
Change in Terminal Reserve (IPBC)	-	150,575
Miscellaneous	500	70
Total Miscellaneous	130,790	170,813
Total Revenues	11,793,716	12,918,290

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended April 30, 2021

	Original and Final Budget	Actual
General Government		
Elected Officials		
Personal Services	\$ 69,471	66,384
Contractual Services	136,333	39,961
Commodities	2,505	9,225
	<u>208,309</u>	<u>115,570</u>
Administration		
Personal Services	413,285	395,210
Contractual Services	126,408	109,149
Commodities	11,100	31,355
	<u>550,793</u>	<u>535,714</u>
Finance		
Accounting		
Personal Services	497,086	511,191
Contractual Services	353,831	322,919
Commodities	20,205	8,900
	<u>871,122</u>	<u>843,010</u>
Utility Billing		
Personal Services	124,232	122,270
Contractual Services	48,672	62,648
Commodities	30,690	31,355
	<u>203,594</u>	<u>216,273</u>
	1,074,716	1,059,283
Less: Internal Charges	<u>(552,043)</u>	<u>(553,477)</u>
Total Finance	<u>522,673</u>	<u>505,806</u>
Legal		
Contractual Services	213,600	173,549
Commodities	-	2,713
	<u>213,600</u>	<u>176,262</u>

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2021

	Original and Final Budget	Actual
General Government - Continued		
Engineering		
Contractual Services	\$ 245,000	149,686
Community Development		
Economic Development		
Contractual Services	101,500	90,000
Other	1,028,396	1,067,931
	1,129,896	1,157,931
Planning and Zoning		
Personal Services	299,021	303,909
Contractual Services	48,602	28,340
Commodities	4,950	4,524
	352,573	336,773
Code Enforcement and Inspections		
Personal Services	302,363	302,592
Contractual Services	62,723	101,294
Commodities	3,095	2,181
	368,181	406,067
Total Community Development	1,850,650	1,900,771
Total General Government	3,591,025	3,383,809
Public Safety		
Police		
Administration		
Personal Services	752,073	738,914
Contractual Services	160,192	169,804
Commodities	12,520	11,061
	924,785	919,779

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2021

	Original and Final Budget	Actual
Public Safety - Continued		
Police - Continued		
Records		
Personal Services	\$ 253,403	241,697
Contractual Services	294,792	288,924
Commodities	5,300	5,962
	<u>553,495</u>	<u>536,583</u>
Patrol		
Personal Services	3,717,897	3,812,173
Contractual Services	201,751	203,223
Commodities	57,050	55,794
	<u>3,976,698</u>	<u>4,071,190</u>
Investigations		
Personal Services	485,627	425,129
Contractual Services	15,530	12,144
Commodities	11,420	21,841
	<u>512,577</u>	<u>459,114</u>
Police Commission		
Personal Services	452	-
Contractual Services	7,435	4,599
Commodities	450	-
	<u>8,337</u>	<u>4,599</u>
ESDA		
Contractual Services	2,500	2,259
Commodities	700	-
	<u>3,200</u>	<u>2,259</u>
Total Public Safety	<u>5,979,092</u>	<u>5,993,524</u>

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended April 30, 2021

	Original and Final Budget	Actual
Highways and Streets		
Administration		
Personal Services	\$ 100,535	100,204
Contractual Services	42,112	40,690
Commodities	14,685	12,941
	<u>157,332</u>	<u>153,835</u>
Streets		
Personal Services	536,089	451,092
Contractual Services	580,931	549,162
Commodities	52,950	50,191
	<u>1,169,970</u>	<u>1,050,445</u>
Vehicle Maintenance		
Personal Services	206,064	203,798
Contractual Services	111,293	110,121
Commodities	163,200	152,819
	<u>480,557</u>	<u>466,738</u>
Buildings and Grounds		
Personal Services	287,709	271,882
Contractual Services	406,874	594,061
Commodities	23,200	57,721
	<u>717,783</u>	<u>923,664</u>
Stormwater Management		
Contractual Services	<u>30,456</u>	<u>41,066</u>
	2,556,098	2,635,748
Less: Internal Charges	<u>(473,272)</u>	<u>(459,820)</u>
Total Highways and Streets	<u>2,082,826</u>	<u>2,175,928</u>
Total Expenditures	<u>11,652,943</u>	<u>11,553,261</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, 2021

	Original and Final Budget	Actual
Revenues		
Investment Earnings	\$ 2,500	-
Expenditures		
Debt Service		
Principal Retirement	1,025,000	1,025,000
Interest and Fiscal Charges	166,309	166,351
Total Expenditures	1,191,309	1,191,351
Excess (Deficiency) of Revenues Over Expenditures	(1,188,809)	(1,191,351)
Other Financing Sources		
Transfers In	1,188,809	1,188,809
Net Change in Fund Balance	-	(2,542)
Fund Balance - Beginning		50,000
Fund Balance - Ending		47,458

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, 2021

	Original and Final Budget	Actual
Revenues		
Other Taxes		
Utility Taxes	\$ 1,172,297	1,148,746
Licenses, Permits and Fees	27,603	21,243
Intergovernmental		
Local Grants	-	7,000
Charges for Services	236,789	286,123
Investment Earnings	10,000	14,528
Total Revenues	1,446,689	1,477,640
Expenditures		
Capital Outlay	135,446	468,248
Debt Service		
Interest and Fiscal Charges	-	362
Total Expenditures	135,446	468,610
Excess (Deficiency) of Revenues Over Expenditures	1,311,243	1,009,030
Other Financing Sources (Uses)		
Transfers In	-	365,000
Transfers Out	(1,188,809)	(1,188,809)
	(1,188,809)	(823,809)
Net Change in Fund Balances	122,434	185,221
Fund Balances - Beginning		152,453
Fund Balances - Ending		337,674

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, 2021

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Non-Home Rule Sales Tax	\$ 3,395,653	3,417,233
Local Grant	75,600	-
Charges for Services	87,500	-
Investment Earnings	30,000	36,342
Total Revenues	<u>3,588,753</u>	<u>3,453,575</u>
Expenditures		
Current		
General Government		
Contractual Services	133,102	121,173
Highways and Streets		
Contractual Services	4,777,800	3,507,582
Total Expenditures	<u>4,910,902</u>	<u>3,628,755</u>
Net Change in Fund Balance	<u>(1,322,149)</u>	(175,180)
Fund Balance - Beginning		<u>1,828,695</u>
Fund Balance - Ending		<u>1,653,515</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2021

	Special Revenue	Capital Projects	Totals
ASSETS			
Cash and Investments	\$ 3,652,219	1,104,925	4,757,144
Receivables - Net of Allowances			
Property Taxes	371,128	-	371,128
Notes	36,906	-	36,906
Accrued Interest	93	2,098	2,191
Due from Other Funds	1,000,000	-	1,000,000
Due from Other Governments	60,740	-	60,740
Total Assets	5,121,086	1,107,023	6,228,109
LIABILITIES			
Accounts Payable	62,909	82,331	145,240
Due to Other Funds	297	-	297
Total Liabilities	63,206	82,331	145,537
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	371,128	-	371,128
Total Liabilities and Deferred Inflows of Resources	434,334	82,331	516,665
FUND BALANCES			
Restricted	2,636,130	3,104	2,639,234
Assigned	2,052,602	1,021,588	3,074,190
Unassigned	(1,980)	-	(1,980)
Total Fund Balances	4,686,752	1,024,692	5,711,444
Total Liabilities, Deferred Inflows of Resources and Fund Balances	5,121,086	1,107,023	6,228,109

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended April 30, 2021

	Special Revenue	Capital Projects	Totals
Revenues			
Property Taxes	\$ 363,350	-	363,350
Intergovernmental	1,412,750	-	1,412,750
Fines and Forfeitures	-	21,027	21,027
Charges for Services	-	682,834	682,834
Investment Earnings	8,504	8,314	16,818
Miscellaneous	200	21,213	21,413
Total Revenues	1,784,804	733,388	2,518,192
Expenditures			
Current			
General Government	442,329	59,227	501,556
Public Safety	696	-	696
Highways and Streets	405,688	-	405,688
Capital Outlay	29,819	469,822	499,641
Total Expenditures	878,532	529,049	1,407,581
Excess (Deficiency) of Revenues Over Expenditures	906,272	204,339	1,110,611
Other Financing Sources			
Disposal of Capital Assets	-	9,990	9,990
Transfers In	1,000,000	-	1,000,000
	1,000,000	9,990	1,009,990
Net Change in Fund Balances	1,906,272	214,329	2,120,601
Fund Balances - Beginning	2,780,480	810,363	3,590,843
Fund Balances - Ending	4,686,752	1,024,692	5,711,444

VILLAGE OF MONTGOMERY, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Balance Sheet****April 30, 2021**

	Montgomery Development	Motor Fuel Tax	Police Gift	Montgomery Crossing Special Service Area
ASSETS				
Cash and Investments	\$ 1,021,616	1,703,484	7,748	130,190
Receivables - Net of Allowances				
Property Taxes	-	-	-	56,001
Notes	36,906	-	-	-
Accrued Interest	-	-	-	23
Due from Other Funds	1,000,000	-	-	-
Due from Other Governments	-	60,740	-	-
Total Assets	2,058,522	1,764,224	7,748	186,214
LIABILITIES				
Accounts Payable	5,920	-	503	15,279
Due to Other Funds	-	-	-	-
Total Liabilities	5,920	-	503	15,279
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	-	56,001
Total Liabilities and Deferred Inflows of Resources	5,920	-	503	71,280
FUND BALANCES				
Restricted	-	1,764,224	7,245	114,934
Assigned	2,052,602	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	2,052,602	1,764,224	7,245	114,934
Total Liabilities and Fund Balances	2,058,522	1,764,224	7,748	186,214

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
57,942	58,102	40,185	52,695	36,536	95,284	84,696
19,002	18,034	12,034	26,001	25,000	30,000	58,000
-	-	-	-	-	-	-
-	-	-	-	-	25	13
-	-	-	-	-	-	-
-	-	-	-	-	-	-
76,944	76,136	52,219	78,696	61,536	125,309	142,709
2,768	3,963	2,327	8,839	406	1,448	2,604
-	-	-	-	-	-	-
2,768	3,963	2,327	8,839	406	1,448	2,604
19,002	18,034	12,034	26,001	25,000	30,000	58,000
21,770	21,997	14,361	34,840	25,406	31,448	60,604
55,174	54,139	37,858	43,856	36,130	93,861	82,105
-	-	-	-	-	-	-
-	-	-	-	-	-	-
55,174	54,139	37,858	43,856	36,130	93,861	82,105
76,944	76,136	52,219	78,696	61,536	125,309	142,709

VILLAGE OF MONTGOMERY, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Balance Sheet - Continued****April 30, 2021**

	Tax Increment Financing District #1	Tax Increment Financing District #3	Saratoga Springs Special Service Area	Orchard Prairie North Special Service Area
ASSETS				
Cash and Investments	\$ 111,172	-	44,175	51,005
Receivables - Net of Allowances				
Property Taxes	35,056	-	20,000	33,000
Notes	-	-	-	-
Accrued Interest	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
Total Assets	146,228	-	64,175	84,005
LIABILITIES				
Accounts Payable	-	1,683	3,254	4,011
Due to Other Funds	-	297	-	-
Total Liabilities	-	1,980	3,254	4,011
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	35,056	-	20,000	33,000
Total Liabilities and Deferred Inflows of Resources	35,056	1,980	23,254	37,011
FUND BALANCES				
Restricted	111,172	-	40,921	46,994
Assigned	-	-	-	-
Unassigned	-	(1,980)	-	-
Total Fund Balances	111,172	(1,980)	40,921	46,994
Total Liabilities and Fund Balances	146,228	-	64,175	84,005

Blackberry Crossing West Special Service Area	Fieldstone Special Service Area	Totals
136,811	20,578	3,652,219
36,000	3,000	371,128
-	-	36,906
32	-	93
-	-	1,000,000
-	-	60,740
172,843	23,578	5,121,086
9,904	-	62,909
-	-	297
9,904	-	63,206
36,000	3,000	371,128
45,904	3,000	434,334
126,939	20,578	2,636,130
-	-	2,052,602
-	-	(1,980)
126,939	20,578	4,686,752
172,843	23,578	5,121,086

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, 2021

	Montgomery Development	Motor Fuel Tax	Police Gift	Montgomery Crossing Special Service Area
Revenues				
Property Taxes	\$ -	-	-	54,839
Intergovernmental	30,000	1,382,750	-	-
Investment Earnings	3,122	2,480	-	724
Miscellaneous	-	-	200	-
Total Revenues	33,122	1,385,230	200	55,563
Expenditures				
Current				
General Government	439,794	-	-	-
Public Safety	-	-	696	-
Highways and Streets	-	65,881	-	57,597
Capital Outlay	29,819	-	-	-
Total Expenditures	469,613	65,881	696	57,597
Excess (Deficiency) of Revenues Over Expenditures	(436,491)	1,319,349	(496)	(2,034)
Other Financing Sources				
Transfers In	1,000,000	-	-	-
Net Change in Fund Balances	563,509	1,319,349	(496)	(2,034)
Fund Balances - Beginning	1,489,093	444,875	7,741	116,968
Fund Balances - Ending	2,052,602	1,764,224	7,245	114,934

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
18,989	20,033	13,304	26,000	23,739	26,983	54,827
-	-	-	-	-	-	-
-	-	-	-	-	785	401
-	-	-	-	-	-	-
18,989	20,033	13,304	26,000	23,739	27,768	55,228
-	-	-	-	-	-	-
-	-	-	-	-	-	-
16,330	19,869	11,670	24,490	19,847	43,590	54,232
-	-	-	-	-	-	-
16,330	19,869	11,670	24,490	19,847	43,590	54,232
2,659	164	1,634	1,510	3,892	(15,822)	996
-	-	-	-	-	-	-
2,659	164	1,634	1,510	3,892	(15,822)	996
52,515	53,975	36,224	42,346	32,238	109,683	81,109
55,174	54,139	37,858	43,856	36,130	93,861	82,105

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, 2021

	Tax Increment Financing District #1	Tax Increment Financing District #3	Saratoga Springs Special Service Area	Orchard Prairie North Special Service Area
Revenues				
Property Taxes	\$ 34,668	-	20,000	32,977
Intergovernmental	-	-	-	-
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	34,668	-	20,000	32,977
Expenditures				
Current				
General Government	555	1,980	-	-
Public Safety	-	-	-	-
Highways and Streets	-	-	16,349	26,708
Capital Outlay	-	-	-	-
Total Expenditures	555	1,980	16,349	26,708
Excess (Deficiency) of Revenues Over Expenditures	34,113	(1,980)	3,651	6,269
Other Financing Sources				
Transfers In	-	-	-	-
Net Change in Fund Balances	34,113	(1,980)	3,651	6,269
Fund Balances - Beginning	77,059	-	37,270	40,725
Fund Balances - Ending	111,172	(1,980)	40,921	46,994

Blackberry Crossing West Special Service Area	Fieldstone Special Service Area	Totals
33,995	2,996	363,350
-	-	1,412,750
992	-	8,504
-	-	200
34,987	2,996	1,784,804
-	-	442,329
-	-	696
45,425	3,700	405,688
-	-	29,819
45,425	3,700	878,532
(10,438)	(704)	906,272
-	-	1,000,000
(10,438)	(704)	1,906,272
137,377	21,282	2,780,480
126,939	20,578	4,686,752

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, 2021

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Federal Grants	\$ -	30,000
Charges for Services	1,000	-
Investment Earnings	25,000	3,122
Total Revenues	26,000	33,122
Expenditures		
Current		
General Government		
Contractual Services	24,000	439,794
Capital Outlay	130,000	29,819
Total Expenditures	154,000	469,613
Excess (Deficiency) of Revenues Over Expenditures	(128,000)	(436,491)
Other Financing Sources		
Transfers In	-	1,000,000
Net Change in Fund Balance	(128,000)	563,509
Fund Balance - Beginning		1,489,093
Fund Balance - Ending		2,052,602

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, 2021

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor Fuel Taxes	\$ 781,233	775,182
State Grants	-	607,568
Investment Earnings	6,000	2,480
Total Revenues	787,233	1,385,230
Expenditures		
Current		
Highways and Streets		
Commodities	181,000	65,881
Net Change in Fund Balance	606,233	1,319,349
Fund Balance - Beginning		444,875
Fund Balance - Ending		1,764,224

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, 2021

	Original and Final Budget	Actual
Revenues		
Miscellaneous	\$ 250	200
Expenditures		
Current		
Public Safety		
Commodities	1,000	696
Net Change in Fund Balance	<u>(750)</u>	(496)
Fund Balance - Beginning		<u>7,741</u>
Fund Balance - Ending		<u>7,245</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Montgomery 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, 2021

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 55,000	54,839
Investment Earnings	750	724
Total Revenues	55,750	55,563
Expenditures		
Current		
Highways and Streets		
Contractual Services	57,226	57,597
Net Change in Fund Balance	<u>(1,476)</u>	(2,034)
Fund Balance - Beginning		<u>116,968</u>
Fund Balance - Ending		<u>114,934</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Blackberry Crossing Special Service Area - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2021

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 19,000	18,989
Expenditures		
Current		
Highways and Streets		
Contractual Services	16,251	16,330
Net Change in Fund Balance	<u>2,749</u>	2,659
Fund Balance - Beginning		<u>52,515</u>
Fund Balance - Ending		<u>55,174</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, 2021

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 20,000	20,033
Expenditures		
Current		
Highways and Streets		
Contractual Services	19,017	19,869
Net Change in Fund Balance	983	164
Fund Balance - Beginning		53,975
Fund Balance - Ending		54,139

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, 2021**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 13,000	13,304
Expenditures		
Current		
Highways and Streets		
Contractual Services	11,168	11,670
Net Change in Fund Balance	1,832	1,634
Fund Balance - Beginning		36,224
Fund Balance - Ending		37,858

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, 2021

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 26,000	26,000
Expenditures		
Current		
Highways and Streets		
Contractual Services	24,722	24,490
Net Change in Fund Balance	1,278	1,510
Fund Balance - Beginning		42,346
Fund Balance - Ending		43,856

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, 2021

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 24,000	23,739
Expenditures		
Current		
Highways and Streets		
Contractual Services	16,141	19,847
Net Change in Fund Balance	<u>7,859</u>	3,892
Fund Balance - Beginning		<u>32,238</u>
Fund Balance - Ending		<u>36,130</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Fairfield Way Special Service Area - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2021

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 27,000	26,983
Investment Earnings	800	785
Total Revenues	27,800	27,768
Expenditures		
Current		
Highways and Streets		
Contractual Services	36,810	43,590
Net Change in Fund Balance	<u>(9,010)</u>	(15,822)
Fund Balance - Beginning		<u>109,683</u>
Fund Balance - Ending		<u>93,861</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, 2021

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 55,000	54,827
Investment Earnings	400	401
Total Revenues	55,400	55,228
Expenditures		
Current		
Highways and Streets		
Contractual Services	50,878	54,232
Net Change in Fund Balance	4,522	996
Fund Balance - Beginning		81,109
Fund Balance - Ending		82,105

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, 2021

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 35,000	34,668
Expenditures		
Current		
General Government		
Contractual Services	690	555
Net Change in Fund Balance	<u>34,310</u>	34,113
Fund Balance - Beginning		<u>77,059</u>
Fund Balance - Ending		<u>111,172</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Tax Increment Financing District #3 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended April 30, 2021

	Original and Final Budget	Actual
Revenues		
Investment Earnings	\$ -	-
Expenditures		
Current		
General Government		
Contractual Services	27,500	1,980
Net Change in Fund Balance	<u>(27,500)</u>	(1,980)
Fund Balance - Beginning		<u>-</u>
Fund Balance - Ending		<u>(1,980)</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, 2021**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 20,000	20,000
Expenditures		
Current		
Highways and Streets		
Contractual Services	16,272	16,349
Net Change in Fund Balance	<u>3,728</u>	3,651
Fund Balance - Beginning		<u>37,270</u>
Fund Balance - Ending		<u>40,921</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, 2021

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 33,000	32,977
Expenditures		
Current		
Highways and Streets		
Contractual Services	25,695	26,708
Net Change in Fund Balance	<u>7,305</u>	6,269
Fund Balance - Beginning		<u>40,725</u>
Fund Balance - Ending		<u>46,994</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, 2021**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 34,000	33,995
Investment Earnings	1,000	992
Total Revenues	35,000	34,987
Expenditures		
Current		
Highways and Streets		
Contractual Services	44,704	45,425
Net Change in Fund Balance	<u>(9,704)</u>	(10,438)
Fund Balance - Beginning		<u>137,377</u>
Fund Balance - Ending		<u>126,939</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, 2021

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 3,000	2,996
Expenditures		
Current		
Highways and Streets		
Contractual Services	3,756	3,700
Net Change in Fund Balance	<u>(756)</u>	(704)
Fund Balance - Beginning		<u>21,282</u>
Fund Balance - Ending		<u>20,578</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2021

	Vehicle and Equipment Replacement	Lakewood Creek Project	Totals
ASSETS			
Cash and Investments	\$ 1,101,821	3,104	1,104,925
Receivables - Net of Allowances			
Accrued Interest	2,098	-	2,098
Total Assets	1,103,919	3,104	1,107,023
LIABILITIES			
Accounts Payable	82,331	-	82,331
FUND BALANCES			
Restricted	-	3,104	3,104
Assigned	1,021,588	-	1,021,588
Total Fund Balances	1,021,588	3,104	1,024,692
Total Liabilities and Fund Balances	1,103,919	3,104	1,107,023

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, 2021

	Vehicle and Equipment Replacement	Lakewood Creek Project	Totals
Revenues			
Fines and Forfeitures	\$ 21,027	-	21,027
Charges for Services	682,834	-	682,834
Investment Earnings	8,312	2	8,314
Miscellaneous	-	21,213	21,213
Total Revenues	712,173	21,215	733,388
Expenditures			
Current			
General Government	-	59,227	59,227
Capital Outlay	469,822	-	469,822
Total Expenditures	469,822	59,227	529,049
Excess (Deficiency) of Revenues Over Expenditures	242,351	(38,012)	204,339
Other Financing Sources			
Disposal of Capital Assets	9,990	-	9,990
Net Change in Fund Balances	252,341	(38,012)	214,329
Fund Balances - Beginning	769,247	41,116	810,363
Fund Balances - Ending	1,021,588	3,104	1,024,692

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, 2021

	Original and Final Budget	Actual
Revenues		
Fines and Forfeitures	\$ 19,750	21,027
Charges for Services	682,834	682,834
Investment Earnings	10,000	8,312
Total Revenues	712,584	712,173
Expenditures		
Capital Outlay	450,795	469,822
Excess (Deficiency) of Revenues Over Expenditures	261,789	242,351
Other Financing Sources		
Disposal of Capital Assets	-	9,990
Net Change in Fund Balance	261,789	252,341
Fund Balance - Beginning		769,247
Fund Balance - Ending		1,021,588

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, 2021**

	Original and Final Budget	Actual
Revenues		
Investment Earnings	\$ 750	2
Miscellaneous	60,000	21,213
Total Revenues	60,750	21,215
Expenditures		
Current		
General Government		
Contractual Services	60,000	59,227
Net Change in Fund Balance	<u>750</u>	(38,012)
Fund Balance - Beginning		<u>41,116</u>
Fund Balance - Ending		<u>3,104</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Water - Enterprise Fund - by Account

Combining Schedule of Net Position

April 30, 2021

	Water Account	Water Improvement Account	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 5,289,148	589,618	5,878,766
Receivables - Net of Allowances			
Accounts	1,062,464	-	1,062,464
Accrued Interest	12,684	-	12,684
Due from Other Funds	22,938	-	22,938
Total Current Assets	6,387,234	589,618	6,976,852
Noncurrent Assets			
Capital Assets			
Nondepreciable	247,534	-	247,534
Depreciable	52,519,765	-	52,519,765
Accumulated Depreciation	(26,531,699)	-	(26,531,699)
Total Capital Assets	26,235,600	-	26,235,600
Other Assets			
Net Pension Asset - IMRF	176,185	-	176,185
Total Noncurrent Assets	26,411,785	-	26,411,785
Total Assets	32,799,019	589,618	33,388,637
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	89,225	-	89,225
Deferred Items - ARO	535,000	-	535,000
Total Deferred Outflows of Resources	624,225	-	624,225
Total Assets and Deferred Outflows of Resources	33,423,244	589,618	34,012,862

	Water Account	Water Improvement Account	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 359,683	80,436	440,119
Accrued Payroll	18,258	-	18,258
Deposits Payable	29,950	33,800	63,750
Accrued Interest Payable	120,199	-	120,199
Due to Other Funds	26,797	-	26,797
Other Payables	56,281	-	56,281
Current Portion of Long-Term Debt	720,381	-	720,381
Total Current Liabilities	1,331,549	114,236	1,445,785
Noncurrent Liabilities			
Compensated Absences Payable	67,931	-	67,931
Total OPEB Liability - RBP	377,339	-	377,339
General Obligation Bonds Payable - Net	6,665,139	-	6,665,139
IEPA Loans Payable	4,185,692	-	4,185,692
Asset Retirement Obligation	535,000	-	535,000
Total Noncurrent Liabilities	11,831,101	-	11,831,101
Total Liabilities	13,162,650	114,236	13,276,886
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	314,843	-	314,843
Deferred Items - RBP	233,967	-	233,967
Total Deferred Inflows or Resources	548,810	-	548,810
Total Liabilities and Deferred Inflows of Resources	13,711,460	114,236	13,825,696
NET POSITION			
Net Investment in Capital Assets	15,261,554	-	15,261,554
Unrestricted	4,450,230	475,382	4,925,612
Total Net Position	19,711,784	475,382	20,187,166

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, 2021

	Water Account	Water Improvement Account	Totals
Operating Revenues			
Charges for Services	\$ 5,489,568	-	5,489,568
Operating Expenses			
Operations	4,507,324	167,872	4,675,196
Depreciation and Amortization	1,941,024	-	1,941,024
Total Operating Expenses	6,448,348	167,872	6,616,220
Operating (Loss)	(958,780)	(167,872)	(1,126,652)
Nonoperating Revenues (Expenses)			
Investment Earnings	51,368	1,553	52,921
Other Income	43,686	361,406	405,092
Interest Expense	(327,684)	-	(327,684)
	(232,630)	362,959	130,329
Income (Loss) Before Contributions and Transfers	(1,191,410)	195,087	(996,323)
Capital Contributions - IEPA Grant	672,298	-	672,298
Intrafund Transfers	476,274	(476,274)	-
Change in Net Position	(42,838)	(281,187)	(324,025)
Net Position - Beginning	19,754,622	756,569	20,511,191
Net Position - Ending	19,711,784	475,382	20,187,166

VILLAGE OF MONTGOMERY, ILLINOIS

Water - Enterprise Fund - by Account

Combining Schedule of Cash Flows For the Fiscal Year Ended April 30, 2021

	Water Account	Water Improvement Account	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 5,105,741	361,406	5,467,147
Payments to Employees	(668,979)	-	(668,979)
Payments to Suppliers	(3,596,213)	(90,443)	(3,686,656)
	840,549	270,963	1,111,512
Cash Flows from Non-Capital Financing Activities			
Intrafund Transfers	476,274	(476,274)	-
Cash Flows from Capital and Related Financing Activities			
IEPA Grant	672,298	-	672,298
Principal Paid on Debt	(686,480)	-	(686,480)
Interest Paid on Debt	(327,684)	-	(327,684)
	(341,866)	-	(341,866)
Cash Flows from Investing Activities			
Investment Earnings	51,368	1,553	52,921
Net Change in Cash and Cash Equivalents	1,026,325	(203,758)	822,567
Cash and Cash Equivalents - Beginning	4,262,823	793,376	5,056,199
Cash and Cash Equivalents - Ending	5,289,148	589,618	5,878,766
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.			
Operating Income (Loss)	(958,780)	(167,872)	(1,126,652)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization Expense	1,941,024	-	1,941,024
Other Income (Expense)	(434,149)	361,406	(72,743)
(Increase) Decrease in Current Assets	50,322	-	50,322
Increase (Decrease) in Current Liabilities	242,132	77,429	319,561
Net Cash Provided by Operating Activities	840,549	270,963	1,111,512

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, 2021

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Water Sales	\$ 4,182,885	4,299,540
Late Charges	139,017	105,141
Water Service Charges	357,894	360,242
Delinquent Fees	67,100	25,443
Sewer Maintenance Charges	154,500	156,127
BH Infrastructure Fee	508,500	510,131
Fox Metro Reading Fee	28,073	32,944
Total Operating Revenues	5,437,969	5,489,568
Operating Expenses		
Operations		
Water Administration	273,853	205,408
Water Plant Operations	5,494,727	4,301,916
Depreciation and Amortization	-	1,941,024
Total Operating Expenses	5,768,580	6,448,348
Operating (Loss)	(330,611)	(958,780)
Nonoperating Revenues (Expenses)		
Investment Earnings	40,000	51,368
Other Income	29,807	43,686
Interest Expense	(333,055)	(327,684)
	(263,248)	(232,630)
Income (Loss) Before Contributions and Transfers	(593,859)	(1,191,410)
Capital Contributions - IEPA Grant	672,298	672,298
Intrafund Transfers	(20,116)	476,274
Change in Net Position	58,323	(42,838)
Net Position - Beginning		19,754,622
Net Position - Ending		19,711,784

VILLAGE OF MONTGOMERY, ILLINOIS

Water Account - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual For the Fiscal Year Ended April 30, 2021

	Original and Final Budget	Actual
Water Administration		
Personal Services	\$ 147,078	145,113
Contractual Services	124,275	59,154
Commodities	2,500	1,141
Debt Service		
Principal Retirement	1,686,479	-
Interest and Fiscal Charges	333,055	327,684
	2,293,387	533,092
Less Nonoperating Items		
Debt Service	(2,019,534)	(327,684)
Total Water Administration	273,853	205,408
Water Plant Operations		
Personal Services	791,345	287,468
Contractual Services	4,081,282	3,331,941
Commodities	622,100	682,507
Total Water Plant Operations	5,494,727	4,301,916
Depreciation and Amortization	-	1,941,024
Total Operating Expenses	5,768,580	6,448,348

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, 2021

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 33,800	-
Operating Expenses		
Operations	1,226,603	167,872
Operating (Loss)	(1,192,803)	(167,872)
Nonoperating Revenues		
Investment Earnings	-	1,553
Other Income	494,552	361,406
	494,552	362,959
Income (Loss) Before Transfers	(698,251)	195,087
Intrafund Transfers	20,116	(476,274)
Change in Net Position	(678,135)	(281,187)
Net Position - Beginning		756,569
Net Position - Ending		475,382

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, 2021

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Refuse Removal	\$ 1,287,617	1,299,690
Operating Expenses		
Operations		
Solid Waste Disposal	1,287,617	1,292,619
Change in Net Position	-	7,071
Net Position - Beginning		2,558
Net Position - Ending		9,629

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, 2021

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 1,424,178	1,434,679
Operating Expenses		
Operations		
Insurance	1,424,178	1,352,861
Operating Income (Loss)	-	81,818
Nonoperating Revenues		
Investment Earnings	6,000	7,444
Change in Net Position	6,000	89,262
Net Position - Beginning		558,139
Net Position - Ending		647,401

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, 2021

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 664,012	850,278
Contributions - Plan Members	251,933	293,685
Total Contributions	915,945	1,143,963
Investment Income		
Investment Earnings	850,700	399,231
Net Change in Fair Value	-	2,135,701
	850,700	2,534,932
Less Investment Expenses	(30,400)	(26,006)
Net Investment Income	820,300	2,508,926
Total Additions	1,736,245	3,652,889
Deductions		
Administration	16,355	14,902
Benefits and Refunds	663,116	719,601
Total Deductions	679,471	734,503
Change in Fiduciary Net Position	1,056,774	2,918,386
Net Position Restricted for Pensions		
Beginning		10,929,899
Ending		13,848,285

VILLAGE OF MONTGOMERY, ILLINOIS

Custodial Funds

Combining Statement of Fiduciary Net Position

April 30, 2021

	Flexible Benefits	Lakewood Creek Special Assessment	Cornell Special Service Area	Totals
ASSETS				
Cash and Cash Equivalents	\$ 545	1,375,000	8	1,375,553
Receivables - Net of Allowance Property Taxes	-	-	3,934	3,934
Total Assets	545	1,375,000	3,942	1,379,487
LIABILITIES				
Accounts Payable	545	-	-	545
NET POSITION				
Restricted for Individuals, Organizations, and Other Governments	-	1,375,000	3,942	1,378,942

VILLAGE OF MONTGOMERY, ILLINOIS

Custodial Funds

Combining Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended April 30, 2021

	Flexible Benefits	Lakewood Creek Special Assessment	Cornell Special Service Area	Totals
Additions				
Property Taxes	\$ -	-	3,934	3,934
Charges for Services	-	995,891	-	995,891
Investment Earnings	-	231	-	231
Total Additions	-	996,122	3,934	1,000,056
Deductions				
Contractual Services	-	21,212	-	21,212
Debt Service				
Principal Retirement	-	827,000	2,773	829,773
Interest and Fiscal Charges	-	203,568	1,161	204,729
Total Deductions	-	1,051,780	3,934	1,055,714
Change in Fiduciary Net Position	-	(55,658)	-	(55,658)
Net Position Restricted for Individuals, Organizations, and Other Governments				
Beginning	-	1,430,658	3,942	1,434,600
Ending	-	1,375,000	3,942	1,378,942

VILLAGE OF MONTGOMERY, ILLINOIS

Consolidated Year-End Financial Report April 30, 2021

CSFA #	Program Name	State	Federal	Other	Totals
420-00-2433	Local Coronavirus Urgent Remediation Emergency and Economic Support Payments Grant Program	\$ -	465,921	-	465,921
494-00-1488	Motor Fuel Tax	65,881	-	-	65,881
494-10-0343	State and Community Highway Safety/National Priority Safety	-	13,533	-	13,533
532-60-0379	USEPA Capitalization Grants for Drinking Water State Revolving Funds	627,198	-	-	627,198
	Other Grant Programs and Activities	-	488,408	7,000	495,408
	All Other Costs Not Allocated	-	-	26,371,575	26,371,575
	Totals	693,079	967,862	26,378,575	28,039,516

SUPPLEMENTAL SCHEDULES

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Refunding Bonds of 2011

April 30, 2021

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
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
	<u>1,710,000</u>	<u>129,133</u>	<u>1,839,133</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds of 2013

April 30, 2021

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
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
	3,670,000	1,538,700	5,208,700

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

Taxable General Obligation Alternate Revenue Source Refunding Bonds of 2014

April 30, 2021

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
2022	\$ 645,000	87,440	732,440
2023	665,000	68,090	733,090
2024	685,000	48,140	733,140
2025	710,000	24,850	734,850
	<u>2,705,000</u>	<u>228,520</u>	<u>2,933,520</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds of 2017

April 30, 2021

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
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
	3,095,000	1,054,152	4,149,152

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2002

April 30, 2021

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
2022	\$ 71,393	3,397	74,790
2023	73,316	1,474	74,790
	144,709	4,871	149,580

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2011

April 30, 2021

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
2022	\$ 219,427	31,453	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	248,549	2,331	250,880
	2,570,868	188,812	2,759,680

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2014

April 30, 2021

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
2022	\$ 117,559	36,893	154,452
2023	119,915	34,537	154,452
2024	122,319	32,133	154,452
2025	124,773	29,679	154,452
2026	127,274	27,178	154,452
2027	129,826	24,626	154,452
2028	132,429	22,023	154,452
2029	135,084	19,368	154,452
2030	137,792	16,660	154,452
2031	140,555	13,897	154,452
2032	143,373	11,079	154,452
2033	146,248	8,204	154,452
2034	149,180	5,272	154,452
2035	152,167	2,285	154,452
	1,878,494	283,834	2,162,328

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, 2021 (Unaudited)

	2012	2013	2014
Governmental Activities			
Net Investment in			
Capital Assets	\$ 47,292,952	51,636,819	50,229,557
Restricted	3,313,822	3,379,946	3,332,376
Unrestricted	2,419,305	2,487,065	3,083,037
Total Governmental Activities Net Position	53,026,079	57,503,830	56,644,970
Business-Type Activities			
Net Investment in			
Capital Assets	27,255,898	28,096,145	26,974,755
Unrestricted	1,842,862	2,183,680	2,224,460
Total Business-Type Activities Net Position	29,098,760	30,279,825	29,199,215
Total Net Position			
Net Investment in			
Capital Assets	74,548,850	79,732,964	77,204,312
Restricted	3,313,822	3,379,946	3,332,376
Unrestricted	4,262,167	4,670,745	5,307,497
Total Primary Government Net Position	82,124,839	87,783,655	85,844,185

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.

2015	2016	2017*	2018	2019**	2020	2021
48,714,620	46,661,769	45,991,729	44,692,893	43,943,173	42,946,474	41,961,058
3,094,319	3,113,629	1,662,150	1,284,243	2,023,667	2,650,328	4,888,818
3,583,910	249,053	2,739,824	3,079,607	(1,222,705)	(3,281,565)	(2,682,301)
55,392,849	50,024,451	50,393,703	49,056,743	44,744,135	42,315,237	44,167,575
25,650,151	20,879,292	20,383,154	19,146,577	18,355,971	16,719,681	15,261,554
2,596,797	2,957,829	3,302,664	3,179,608	2,176,430	3,794,068	4,935,241
28,246,948	23,837,121	23,685,818	22,326,185	20,532,401	20,513,749	20,196,795
74,364,771	67,541,061	66,374,883	63,839,470	62,299,144	59,666,155	57,222,612
3,094,319	3,113,629	1,662,150	1,284,243	2,023,667	2,650,328	4,888,818
6,180,707	3,206,882	6,042,488	6,259,215	953,725	512,503	2,252,940
83,639,797	73,861,572	74,079,521	71,382,928	65,276,536	62,828,986	64,364,370

VILLAGE OF MONTGOMERY, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years
April 30, 2021 (Unaudited)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
General Government	\$ 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	5,011,178
Public Safety	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	6,726,856
Highways and Streets	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	7,895,794
Sanitation *	1,062,656	1,159,173	1,265,497	64,954	-	-	-	-	-	-
Interest on Long-Term Debt	502,037	496,752	466,594	358,069	344,003	318,881	296,284	261,329	208,114	169,165
Total Governmental Activities Expenses	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	19,802,993
Business-Type Activities										
Water	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	6,943,904
Refuse *	-	-	-	1,235,387	1,293,243	1,332,282	1,213,171	1,198,372	1,237,572	1,292,619
Total Business-Type Activities Expenses	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	8,236,523
Total Primary Government Expenses	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	28,039,516
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	520,260	479,102	749,477	560,053	488,315	603,044	676,638	691,978	966,971	943,663
Public Safety	837,875	737,683	478,482	314,769	509,588	271,302	235,286	334,673	295,685	297,355
Highways and Streets	74,715	281,136	607,452	648,251	713,056	621,374	640,824	618,241	659,160	682,834
Sanitation *	1,050,053	1,133,823	1,190,325	7,852	-	-	-	-	-	-
Operating Grants/Contributions	620,940	601,387	605,838	673,299	1,319,509	681,547	655,684	526,178	770,589	2,377,050
Capital Grants/Contributions	3,154,115	5,634,735	195,711	6,783	-	403,637	-	-	-	-
Total Governmental Activities Program Revenue	6,257,958	8,867,866	3,827,285	2,211,007	3,030,468	2,580,904	2,208,432	2,171,070	2,692,405	4,300,902
Business-Type Activities										
Charges for Services	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	6,789,258
Capital Grants/Contributions	2,025,506	2,268,670	39,361	117,713	-	587,125	-	-	327,702	672,298
Total Business-Type Activities Program Revenue	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	7,461,556
Total Primary Government Program Revenue	11,897,623	15,144,702	7,981,152	8,018,263	8,894,836	9,373,837	8,138,980	8,285,059	9,374,348	11,762,458

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense) Revenue										
Governmental Activities	\$ (6,347,332)	(4,744,592)	(10,729,899)	(11,081,096)	(12,206,089)	(13,380,607)	(15,801,422)	(15,902,394)	(18,938,474)	(15,502,091)
Business-Type Activities	505,344	1,179,078	(1,081,983)	(957,012)	(935,893)	(403,749)	(1,507,072)	(1,280,619)	(1,043,768)	(774,967)
Total Net Revenue (Expense)	(5,841,988)	(3,565,514)	(11,811,882)	(12,038,108)	(13,141,982)	(13,784,356)	(17,308,494)	(17,183,013)	(19,982,242)	(16,277,058)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	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	3,841,421
Utility Taxes	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	1,184,554
Video Gaming Taxes	-	-	17,477	48,392	60,261	69,783	110,129	131,568	135,367	126,539
Cannabis Taxes	-	-	-	-	-	-	-	-	3,886	16,314
Intergovernmental - Unrestricted										
Sales Taxes	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	8,310,885
Income Taxes	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	2,238,047
Replacement Taxes	57,776	56,957	76,855	66,610	56,272	68,467	64,221	61,977	67,840	86,049
Local Use Taxes	1,350,780	303,898	316,541	370,691	436,512	456,796	487,302	566,143	652,788	845,150
TIF Surplus	-	-	-	-	-	-	15,785	11,307	14,392	9,339
Franchise Fees	186,217	229,121	218,343	237,577	258,965	261,152	246,034	250,229	241,068	222,507
Investment Earnings	66,329	42,991	16,143	25,919	44,614	44,830	112,229	220,896	246,982	149,734
Miscellaneous	12,937	366,025	269,258	129,626	288,798	377,165	301,864	321,695	539,535	323,890
Total Governmental Activities	8,370,382	9,222,343	9,561,098	9,828,975	13,015,599	13,749,859	14,217,339	15,786,836	16,509,576	17,354,429
Business-Type Activities										
Investment Earnings	891	1,987	1,373	4,745	19,148	24,775	59,077	104,802	84,921	52,921
Miscellaneous	75,780	-	-	-	71,058	227,671	88,362	122,744	940,195	405,092
Total Business-Type Activities	76,671	1,987	1,373	4,745	90,206	252,446	147,439	227,546	1,025,116	458,013
Total Primary Government	8,447,053	9,224,330	9,562,471	9,833,720	13,105,805	14,002,305	14,364,778	16,014,382	17,534,692	17,812,442
Changes in Net Position										
Governmental Activities	2,023,050	4,477,751	(1,168,801)	(1,252,121)	809,510	369,252	(1,584,083)	(115,558)	(2,428,898)	1,852,338
Business-Type Activities	582,015	1,181,065	(1,080,610)	(952,267)	(845,687)	(151,303)	(1,359,633)	(1,053,073)	(18,652)	(316,954)
Total Primary Government	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)	1,535,384

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, 2021 (Unaudited)

	2012	2013	2014
General Fund			
Nonspendable	\$ 691,533	691,533	754,783
Unassigned	2,484,493	2,860,573	2,799,352
Total General Fund	3,176,026	3,552,106	3,554,135
All Other Governmental Funds			
Restricted	3,226,351	3,379,946	3,332,376
Assigned	165,255	56,089	388,966
Unassigned	(59,234)	(565,377)	(360,486)
Total All Other Governmental Funds	6,508,398	6,422,764	6,914,991
Total Governmental Funds	9,684,424	9,974,870	10,469,126

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.

2015	2016	2017*	2018	2019	2020	2021
686,895	617,742	549,233	481,703	377,270	483,486	590,419
2,972,861	3,394,156	3,488,826	3,625,645	4,440,049	4,511,552	4,404,648
3,659,756	4,011,898	4,038,059	4,107,348	4,817,319	4,995,038	4,995,067
3,094,319	3,169,718	1,712,350	1,335,443	2,073,534	2,700,328	4,936,276
585,659	2,221,199	4,819,428	5,170,063	4,532,941	4,239,488	5,065,379
(129,852)	(30,090)	-	-	-	-	(1,980)
7,209,882	5,360,827	6,531,778	6,505,506	6,606,475	6,939,816	9,999,675
10,869,638	9,372,725	10,569,837	10,612,854	11,423,794	11,934,854	14,994,742

VILLAGE OF MONTGOMERY, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years April 30, 2021 (Unaudited)

	2012	2013*	2014
Revenues			
Property Taxes	\$ 2,258,978	2,570,184	2,607,364
Other Taxes	6,342,355	4,838,011	5,231,904
Licenses, Permits and Fees	337,287	331,004	401,960
Intergovernmental	147,133	1,789,227	2,011,067
Fines and Forfeitures	416,324	435,958	301,446
Charges for Services	1,771,386	1,890,891	2,293,343
Investment Earnings	66,329	42,991	16,143
Miscellaneous	147,006	316,079	738,124
Total Revenues	11,486,798	12,214,345	13,601,351
Expenditures			
General Government	2,939,574	2,475,369	2,674,004
Public Safety	3,961,199	4,533,205	4,342,408
Highways and Streets	1,802,261	2,350,369	3,012,767
Sanitation **	1,062,656	1,159,173	1,265,497
Capital Outlay	53,213	117,786	483,766
Debt Service			
Principal Retirement	915,000	1,080,000	1,297,966
Interest and Fiscal Charges	561,575	435,339	474,225
Total Expenditures	11,295,478	12,151,241	13,550,633
Excess (Deficiency) of Revenues Over Expenditures	191,320	63,104	50,718
Other Financing Sources (Uses)			
Capital Lease Issuance	-	-	309,433
Bonds Issued	4,410,000	-	3,335,000
Premium on Bonds Issued	2,857	-	21,989
Payment to Escrow Agent	(4,412,857)	-	(3,289,345)
Disposal of Capital Assets	9,853	10,302	31,176
Transfer In	1,584,100	1,612,150	1,681,117
Transfer Out	(1,584,100)	(1,612,150)	(1,681,117)
	9,853	10,302	408,253
Net Change in Fund Balances	201,173	73,406	458,971
Debt Service as a Percentage of Noncapital Expenditures	13.21%	12.81%	13.65%

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.

2015**	2016	2017	2018	2019	2020	2021
2,650,814	2,681,695	2,833,737	2,811,662	3,447,801	3,743,444	3,841,421
5,628,806	1,316,334	1,399,794	1,358,593	1,412,254	1,333,182	1,327,407
394,959	447,653	525,473	427,199	460,164	672,228	569,477
1,830,460	9,744,702	9,514,728	10,042,641	10,660,139	11,175,954	13,845,927
308,703	341,152	255,857	216,061	282,892	275,223	279,382
944,616	1,158,907	1,016,400	1,044,839	1,148,011	1,337,013	1,367,939
25,919	44,614	44,824	110,396	212,669	237,228	142,290
249,051	288,798	377,165	301,244	244,525	283,664	192,226
12,033,328	16,023,855	15,967,978	16,312,635	17,868,455	19,057,936	21,566,069
2,908,916	3,099,920	3,621,280	3,582,411	3,602,701	3,811,506	4,211,225
4,329,070	4,434,450	4,837,851	5,279,814	5,263,236	5,640,813	5,994,220
2,891,627	3,678,986	4,129,972	5,577,214	5,604,072	6,831,874	6,089,198
64,954	-	-	-	-	-	-
471,361	1,368,627	1,251,522	1,129,429	927,016	748,288	1,029,815
738,396	828,071	755,000	810,000	1,375,000	1,385,000	1,025,000
340,767	364,061	334,965	312,015	285,490	225,453	166,713
11,745,091	13,774,115	14,930,590	16,690,883	17,057,515	18,642,934	18,516,171
288,237	2,249,740	1,037,388	(378,248)	810,940	415,002	3,049,898
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,654	68,650	159,724	174,142	-	96,058	9,990
968,253	1,492,113	1,084,076	1,162,439	1,656,790	1,608,278	2,553,809
(968,253)	(1,492,113)	(1,084,076)	(1,162,439)	(1,656,790)	(1,608,278)	(2,553,809)
6,654	68,650	159,724	174,142	-	96,058	9,990
294,891	2,318,390	1,197,112	(204,106)	810,940	511,060	3,059,888
9.54%	9.44%	7.86%	7.06%	10.24%	8.87%	6.77%

VILLAGE OF MONTGOMERY, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years April 30, 2021 (Unaudited)

Tax Levy Year		Residential Property	Commercial Property	Industrial Property
2011	Kane County Kendall County	\$ 115,406,949 200,255,016	\$ 21,077,188 33,611,185	\$ 46,500,648 2,800,573
2012	Kane County Kendall County	105,322,142 183,611,931	20,071,750 31,452,582	43,379,949 2,828,579
2013	Kane County Kendall County	95,690,557 173,665,059	15,832,182 30,805,075	42,166,350 2,773,279
2014	Kane County Kendall County	93,950,487 171,747,048	15,891,731 31,054,702	40,619,798 2,773,279
2015	Kane County Kendall County	98,338,791 176,394,904	15,564,174 32,053,647	41,358,775 2,773,279
2016	Kane County Kendall County	108,568,782 198,500,016	16,037,793 31,838,517	42,098,691 2,773,279
2017	Kane County Kendall County	116,542,473 210,473,440	16,680,893 32,512,305	42,863,804 2,773,279
2018	Kane County Kendall County	124,172,746 226,660,110	19,251,029 33,337,544	47,928,447 2,773,279
2019	Kane County Kendall County	131,975,374 238,717,322	20,052,122 36,043,368	47,563,340 2,993,873
2020	Kane County Kendall County	139,057,427 251,810,811	20,623,242 36,202,110	49,421,934 2,993,873

Data Source: Village and County Records (Rate Setting EAV)

Railroad Property	Farm Property	Total Equalized Assessed Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Actual Value	Direct Tax Rate
\$ 907,720 10,056	\$ 553,817 128,645	\$ 184,446,322 236,805,475 <u>421,251,797</u>	\$ 553,338,966 710,416,425 <u>1,263,755,391</u>	33.33%	\$ 0.4747 0.4746
970,041 10,056	424,227 139,612	170,168,109 218,042,760 <u>388,210,869</u>	510,504,327 654,128,280 <u>1,164,632,607</u>	33.33%	0.5305 0.5305
1,054,188 10,056	399,615 150,992	155,142,892 207,404,461 <u>362,547,353</u>	465,428,676 622,213,383 <u>1,087,642,059</u>	33.33%	0.5726 0.5824
1,062,546 10,056	396,287 163,392	151,920,849 205,748,477 <u>357,669,326</u>	455,762,547 617,245,431 <u>1,073,007,978</u>	33.33%	0.5989 0.5937
1,114,199 10,056	417,234 180,852	156,793,173 211,412,738 <u>368,205,911</u>	470,379,519 634,238,214 <u>1,104,617,733</u>	33.33%	0.5883 0.5804
1,263,415 10,056	426,791 189,322	168,395,472 233,311,190 <u>401,706,662</u>	505,186,416 699,933,570 <u>1,205,119,986</u>	33.33%	0.5387 0.5391
1,408,869 10,056	424,682 198,652	177,920,721 245,967,732 <u>423,888,453</u>	533,762,163 737,903,196 <u>1,271,665,359</u>	33.33%	0.5136 0.5125
1,513,472 34,962	503,549 208,952	193,369,243 263,014,847 <u>456,384,090</u>	580,107,729 789,044,541 <u>1,369,152,270</u>	33.33%	0.4951 0.4851
1,755,043 51,654	539,472 220,299	201,885,351 278,026,516 <u>479,911,867</u>	605,656,053 834,079,548 <u>1,439,735,601</u>	33.33%	0.4770 0.4549
2,122,285 44,025	577,506 232,679	211,802,394 291,283,498 <u>503,085,892</u>	635,407,182 873,850,494 <u>1,509,257,676</u>	33.33%	0.4389 0.4602

VILLAGE OF MONTGOMERY, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years April 30, 2021 (Unaudited)

	2011 (2)	2012 (2)	2013 (2)
Village of Montgomery			
General Corporate	\$ 0.2283	0.2459	0.2573
IMRF	0.0527	0.0580	0.0606
Liability Insurance	0.0527	0.0682	0.0714
Social Security	0.0621	0.0580	0.0606
Police Pension	0.0789	0.1104	0.1227
Police Protection	-	-	-
Prior Year Adjustment	-	-	-
Total Direct Tax Rates	0.4747	0.5405	0.5726
Overlapping			
Kane County	0.3990	0.4336	0.4623
Kane County Forest Preserve District	0.2609	0.2710	0.3039
Kendall County	-	-	-
Kendall County Forest Preserve District	-	-	-
Aurora Township	0.1882	0.2162	0.2517
Aurora Township Road District	0.0860	0.0978	0.1104
Oswego Township	-	-	-
Oswego Township Road District	-	-	-
Montgomery Fire Protection District	0.7000	0.7000	0.8000
Oswego Fire Protection District	-	-	-
Oswego Library District	0.2453	0.2726	0.2999
Fox Valley Park District	0.5286	0.5863	0.6280
Oswegoland Park District	-	-	-
Unit School District Number 129	5.1603	5.8896	6.6667
Unit School District Number 308	-	-	-
Community College District Number 516	0.4710	0.5312	0.5807
Total Overlapping Tax Rates	8.0393	8.9983	10.1036
Total All Rates (Representative)	8.5140	9.5388	10.6762

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 2011 to 2013 and 2017 to 2020 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

2014 (3)	2015 (3)	2016 (3)	2017 (2)	2018 (2)	2019 (2)	2020 (2)
0.2667	0.2607	0.1384	0.1376	0.1246	0.1355	0.1173
0.0629	0.0615	0.0571	0.0542	0.0514	0.0379	0.0350
0.0740	0.0724	0.0733	0.0696	0.0660	0.0555	0.0389
0.0629	0.0615	0.0593	0.0563	0.0534	0.0471	0.0427
0.1272	0.1243	0.1451	0.1315	0.1306	0.1428	0.1652
-	-	0.0659	0.0625	0.0593	0.0584	0.0486
-	-	-	0.0019	0.0098	(0.0002)	(0.0088)
0.5937	0.5804	0.5391	0.5136	0.4951	0.4770	0.4389
-	-	-	0.4025	0.3877	0.3739	0.3618
-	-	-	0.1658	0.1607	0.1549	0.1477
0.8085	0.7909	0.7477	-	-	-	-
0.1826	0.1787	0.1755	-	-	-	-
-	-	-	0.2163	0.2210	0.2107	0.2002
-	-	-	0.0961	0.0917	0.0887	0.0858
0.0947	0.0904	0.0855	-	-	-	-
0.2124	0.2027	0.1917	-	-	-	-
-	-	-	0.7460	0.7099	0.7055	0.6786
0.8045	0.7871	0.7524	-	-	-	-
0.3058	0.2996	0.2864	0.2816	0.2724	0.2782	0.2518
-	-	-	0.5322	0.4903	0.4916	0.4557
0.5103	0.4973	0.4764	-	-	-	-
-	-	-	5.9882	5.8301	5.6274	5.4393
7.8803	7.3176	6.9712	-	-	-	-
0.5973	0.5885	0.5601	0.5533	0.5414	0.5377	0.4286
11.3964	10.7528	10.2469	8.9820	8.7052	8.4686	8.0495
11.9901	11.3332	10.7860	9.4956	9.2003	8.9456	8.4884

VILLAGE OF MONTGOMERY, ILLINOIS

Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago April 30, 2021 (Unaudited)

		2020 Tax Levy				2011 Tax Levy			
		Taxable Assessed		Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed		Rank	Percentage of Total Village Taxable Assessed Value
Taxpayer		Value				Value			
United Facilities, Inc.	\$	9,586,328		1	1.91%				
American Crystal Sugar Co.		6,712,445		2	1.33%	8,795,779	\$	1	2.09%
Wal-Mart Stores, Inc.		4,505,391		3	0.90%	5,441,216		2	1.29%
Allsteel 900 Knell LLC		4,272,731		4	0.85%	3,220,707		3	0.76%
Hawthorn-Woodridge LP		3,646,010		5	0.72%	2,824,718		4	0.67%
Montgomery Investors LLC		3,182,900		6	0.63%	2,766,114		5	0.66%
Performance Food Service		2,957,741		7	0.59%	2,437,116		6	0.58%
IP Eat Five		2,931,730		8	0.58%	2,430,214		7	0.58%
Stag Montgomery LLC		2,925,285		9	0.58%	2,400,230		8	0.57%
Carl Buddig & Co.		2,756,582		10	0.55%	2,211,519		9	0.52%
						2,116,822		10	0.50%
		43,477,143			8.64%	34,644,435			8.22%
2020 EAV	\$	503,085,892				421,251,797	\$		
						2011 EAV			

Data Source: Kane and Kendall Counties Assessors (The 2020 EAV is the most current)

VILLAGE OF MONTGOMERY, ILLINOIS

Property Tax Levies and Collections - Last Ten Tax Levy Years April 30, 2021 (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
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	2,224,971	99.87%	-	2,224,971	99.87%
2020		2,270,093	*	*	*	*	*

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, 2021 (Unaudited)

	2011	2012	2013
General Merchandise	\$ 624,501	751,216	731,581
Food	172,562	186,712	179,076
Drinking and Eating Places	166,753	177,489	174,763
Apparel	4,210	14,541	14,019
Furniture & H.H. & Radio	17,684	2,374	22,547
Lumber, Building Hardware	293,067	337,541	381,898
Automobile and Filling Stations	427,877	371,747	439,511
Drugs and Miscellaneous Retail	287,564	299,006	329,801
Agriculture and All Others	375,008	376,804	385,633
Manufacturers	131,142	138,385	170,761
Censored (1)	150,838	24,506	8,346
Totals	2,651,206	2,680,321	2,837,936
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

2014	2015 (2)	2016	2017	2018	2019	2020
884,321	1,489,844	1,190,970	1,237,033	1,254,109	1,290,509	1,195,077
161,385	245,183	1,048,995	1,208,296	1,736,738	1,820,355	1,917,507
171,217	327,968	450,668	501,084	518,035	497,951	491,359
15,067	24,467	32,781	37,558	41,964	38,410	-
9,446	33,435	28,547	29,595	17,397	56,064	41,412
424,927	652,700	878,745	883,918	925,284	978,447	1,190,904
416,930	526,431	677,443	742,106	777,910	760,091	690,846
354,712	449,040	578,138	728,736	724,141	731,524	801,553
360,361	927,918	1,066,314	1,050,707	1,102,859	1,145,558	1,172,402
208,833	330,015	509,575	550,425	416,946	477,130	390,417
18,700	12,132	14,538	23,887	35,699	13,520	39,290
3,025,899	5,019,133	6,476,714	6,993,345	7,551,082	7,809,559	7,930,767
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%	2.00%

VILLAGE OF MONTGOMERY, ILLINOIS

Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years April 30, 2021 (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)
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%
2021	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, 2021 (Unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities			Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Alternate Revenue Source Bonds	Capital Lease Payable		General Obligation Alternate Revenue Source Bonds	IEPA Loans	Total Primary Government		
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	3.28%	961.86
2021	4,431,166	-		6,969,593	4,594,071	15,994,830	2.50%	789.40

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 Demographic and Economic Statistics for personal income and population data.

VILLAGE OF MONTGOMERY, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years April 30, 2021 (Unaudited)

Fiscal Year	Gross General Obligation Bonds	Debt Payable From Other Sources	Net General Obligation Bonds	Total Estimated Actual Value of Taxable Property	Percentage of Estimated Actual Value of Taxable Property (1)	Per Capita (2)
2012	\$ 15,360,000	\$ 33,063	\$ 15,326,937	\$ 1,263,755,391	1.21%	\$ 831.27
2013	14,299,209	56,089	14,243,120	1,164,632,607	1.22%	772.49
2014	17,768,194	59,033	17,709,161	1,087,642,059	1.63%	960.47
2015	16,651,327	56,089	16,595,238	1,073,007,978	1.55%	900.06
2016	15,431,229	-	15,431,229	1,104,617,733	1.40%	836.93
2017	14,171,635	-	14,171,635	1,205,119,986	1.18%	768.61
2018	16,358,177	-	16,358,177	1,271,665,359	1.29%	887.20
2019	14,435,357	-	14,435,357	1,369,152,270	1.05%	782.91
2020	12,739,135	-	12,739,135	1,439,735,601	0.88%	690.92
2021	11,400,759	-	11,400,759	1,509,257,676	0.76%	562.67

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, 2021 (Unaudited)

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Montgomery	\$ 4,431,166	100.00 %	\$ 4,431,166
Less: Self-Supported Debt	(4,431,166)	100.00 %	(4,431,166)
Net Direct Bonded Debt	-		-
School Districts:			
School District #115	60,803,589	9.20 %	5,596,719
School District #129	122,543,000	5.74 %	7,038,927
School District #131	133,350,000	4.04 %	5,387,716
School District #302	63,610,517	4.25 %	2,700,576
School District #308	254,440,411	10.81 %	27,493,115
Community College District #516	4,430,000	4.87 %	2,018,373
Total School Districts	639,177,517		50,235,426
Other Agencies:			
Kane County	19,040,000	1.35 %	257,764
Kendall County	21,205,000	8.13 %	1,722,999
Kane County Forest Preserve District	133,215,000	1.35 %	1,803,471
Kendall County Forest Preserve District	29,530,000	8.13 %	2,399,441
Fox Valley Park District	20,869,385	8.73 %	1,820,989
Oswegoland Park District	2,645,000	3.33 %	88,085
Oswego Library District	4,570,000	20.60 %	941,240
Sugar Grove Library District	2,300,000	12.85 %	295,514
Total Other Agencies	233,374,385		9,329,503
Total Overlapping Debt	872,551,902		59,564,929
Total Direct and Overlapping Debt	872,551,902		59,564,929

Data Source: Kane and Kendall Clerks

Note: Overlapping and bonded debt percentages based on 2020 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, 2021 (Unaudited)

	2012	2013	2014	2015
Assessed Value of Property	\$ 421,251,797	388,210,869	362,547,353	357,669,326
Debt Limit 8.625% of Assessed Value	36,332,967	33,483,187	31,269,709	30,848,979
Total Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	36,332,967	33,483,187	31,269,709	30,848,979
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

2016	2017	2018	2019	2020	2021
368,205,911	401,706,662	423,888,453	456,384,090	479,911,867	503,085,892
31,757,760	34,647,200	36,560,379	39,363,128	41,392,399	43,391,158
-	-	-	-	-	-
31,757,760	34,647,200	36,560,379	39,363,128	41,392,399	43,391,158
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, 2021 (Unaudited)

Fiscal Year	General Obligation Alternate Revenue Source Bonds and IEPA Loans						
	Water Charges and Other	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
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	
2021	5,947,562	4,675,196	1,272,366	706,637	327,684	1.2301	

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, 2021 (Unaudited)

Calendar Year	Population	Personal Income (in Thousands)	Per Capita Personal Income (1)	Unemployment Rate (2)
2012	18,438	\$ 448,319,970	\$ 25,371	8.70%
2013	18,438	477,212,316	25,882	8.50%
2014	18,438	477,783,894	25,913	6.70%
2015	18,438	483,296,856	26,212	5.55%
2016	18,438	481,342,428	26,106	5.35%
2017	18,438	512,816,094	27,813	4.60%
2018	18,438	533,171,646	28,917	4.25%
2019	18,438	540,362,466	29,307	3.90%
2020	18,438	549,692,094	29,813	8.75%
2021 (3)	20,262	640,096,842	31,591	6.10%

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 2021

VILLAGE OF MONTGOMERY, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago April 30, 2021 (Unaudited)

Employer	2021			2012		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
School District #308	3,296	1	17.88%			
Carl Buddig & Co.	550	2	2.98%			
Performance Food Service	379	3	2.06%	300	4	1.63%
Eby-Brown Co., LLC	329	4	1.78%	400	1	2.17%
Lyon LLC	300	5	1.63%	400	2	2.17%
Wal-Mart Stores, Inc.	250	6	1.36%			
Aurora Bearing Co.	246	7	1.33%	250	5	1.36%
Hormann, LLC	200	8	1.09%	200	6	1.08%
Sams Club	170	9	0.92%			
Aurora Metals Division, LLC	137	10	0.74%	135	8	0.73%
VVF Illinois Services				400	3	2.17%
International Paper				150	7	0.81%
The Lakone Co.				85	9	0.46%
Gusto Packing				70	10	0.38%
	<u>5,857</u>		<u>31.77%</u>	<u>2,390</u>		<u>12.96%</u>

Data Source:

Montgomery Economic Development Corporation

2021 Illinois Manufacturers Directory, 2020 Illinois Services Directory, Selective Telephone Survey

2012 Illinois Manufacturers Directory, 2011 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, 2021 (Unaudited)

Function/Program	2012	2013	2014	2015
General Government				
Administration	3.00	3.88	2.38	1.88
Finance	4.50	5.50	5.50	6.00
Community Development	3.50	3.50	4.70	5.00
Public Safety				
Police				
Sworn Officers	23.00	23.00	25.00	25.00
Civilians/Other	11.00	3.00	3.00	3.00
Highways and Streets				
Administration	2.00	2.00	2.00	2.00
Street Maintenance	8.00	7.00	8.50	9.00
Water Operations	2.00	3.00	3.00	3.00
Building Maintenance	-	1.00	1.00	1.00
Fleet Maintenance	1.00	1.00	1.00	1.00
Totals	58.00	52.88	56.08	56.88

Data Source: Village Records

2016	2017	2018	2019	2020	2021
1.88	1.88	2.88	2.88	3.88	3.88
6.00	6.00	5.00	5.00	5.00	5.00
5.00	5.00	5.00	5.00	5.00	5.00
25.00	28.00	30.00	31.00	32.00	33.00
3.00	3.75	3.75	4.38	4.38	4.38
2.00	2.00	2.00	2.00	2.00	2.00
9.00	10.50	11.00	7.00	7.50	9.00
3.00	3.00	4.00	8.00	9.00	9.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.50	1.50	1.50	1.50	2.00
56.88	62.63	66.13	67.76	71.26	74.26

VILLAGE OF MONTGOMERY, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years April 30, 2021 (Unaudited)

Function/Program	2012	2013	2014
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	-	-	-
Public Safety			
Physical Arrests	912	2,221	994
Parking Violations	786	1,316	1,273
Traffic Violations	4,023	4,141	2,474
Truck Overweight Violations	-	-	-
Highways and Streets			
Reconstruction (Miles)	-	-	-
Resurfacing (Miles)	1.5	0.6	1.1
Sidewalk Replacement (Sq. Ft.)	-	-	3,100
Sidewalk New (Sq. Ft.)	-	-	-
Parkway Tree Planting	-	-	142
Parkway Tree Removal	-	-	152
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	4,200,590	3,907,000	3,563,800
Average Daily Consumption	2,721,750	2,441,000	2,156,394
Water Main Breaks	57	53	56
Water Main Breaks Spoils Removal (Sq. Yd.)	-	-	-
Fire Hydrant Maintenance and Painting	-	-	300
New Connections	63	62	30

Data Source: Village Records

N/A - Not Available

2015	2016	2017	2018	2019	2020	2021
2,455	4,206	4,916	5,186	4,926	4,782	4,806
58	65	113	227	245	228	481
2.3%	1.5%	2.2%	4.2%	4.7%	4.6%	9.1%
23	23	57	69	18	27	37
0.9%	0.5%	1.1%	1.3%	0.3%	0.5%	0.7%
1,506	1,477	1,600	1,710	1,955	1,997	2,107
402	334	326	271	173	97	37
78.9%	81.6%	83.1%	86.3%	91.3%	95.4%	98.3%
AA	AA	AA	AA	AA	AA	AA
1,505	993	821	778	838	857	829
1,184	984	866	1,579	1,329	1,126	619
2,758	2,884	2,135	3,807	3,515	3,329	2,706
-	77	32	N/A	N/A	N/A	N/A
-	-	-	-	-	-	-
0.9	6.7	5.4	5.2	5.17	10.45	8.06
4,475	1,480	13,716	40,106	39,459	57,648	45,573
-	-	1,800	-	471	2,065	1,149
174	282	300	341	389	406	335
749	475	286	213	115	113	125
9,114	9,111	9,145	9,196	9,241	9,319	9,425
\$ 68.85	\$ 70.30	\$ 75.49	\$ 72.39	\$ 75.34	\$ 79.13	\$ 85.16
-	26.0%	31.1%	26.4%	30.1%	N/A	N/A
-	27.6%	25.2%	29.8%	26.7%	N/A	N/A
-	11.8%	14.2%	16.9%	16.9%	N/A	N/A
-	5.5%	5.5%	2.5%	2.2%	N/A	N/A
-	4.4%	4.5%	6.2%	5.8%	N/A	N/A
-	24.7%	19.5%	18.2%	18.3%	N/A	N/A
3,732,300	3,384,000	3,923,000	3,417,000	3,899,000	3,484,000	3,815,000
2,443,000	2,243,917	2,328,000	2,306,000	2,130,000	2,357,000	2,840,000
44	19	33	51	44	43	25
1,428	1,580	2,250	N/A	896	880	490
300	325	180	120	133	75	115
50	22	19	2	16	70	N/A

VILLAGE OF MONTGOMERY, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Calendar Years April 30, 2021 (Unaudited)

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	19	19	19	19	19	19	19	19	19
Highways and Streets										
Residential Streets (Miles)	76	76	76	76	76	76.5	76.5	76.5	76.5	76.5
Water										
Water Mains (Miles)	114	114	117	117	117	118	118	133	133	133
Fire Hydrants	1,372	1,372	1,680	1,680	1,680	1,700	1,700	1,747	1,747	1,747
Storage Capacity (Millions of Gallons)	4.8	4.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8

Data Source: Village Records