



ANNUAL COMPREHENSIVE FINANCIAL REPORT

MAY 1, 2021 - APRIL 30, 2022

**VILLAGE OF MONTGOMERY,
ILLINOIS**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2022**

Prepared by:
Jennifer Milewski, 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)

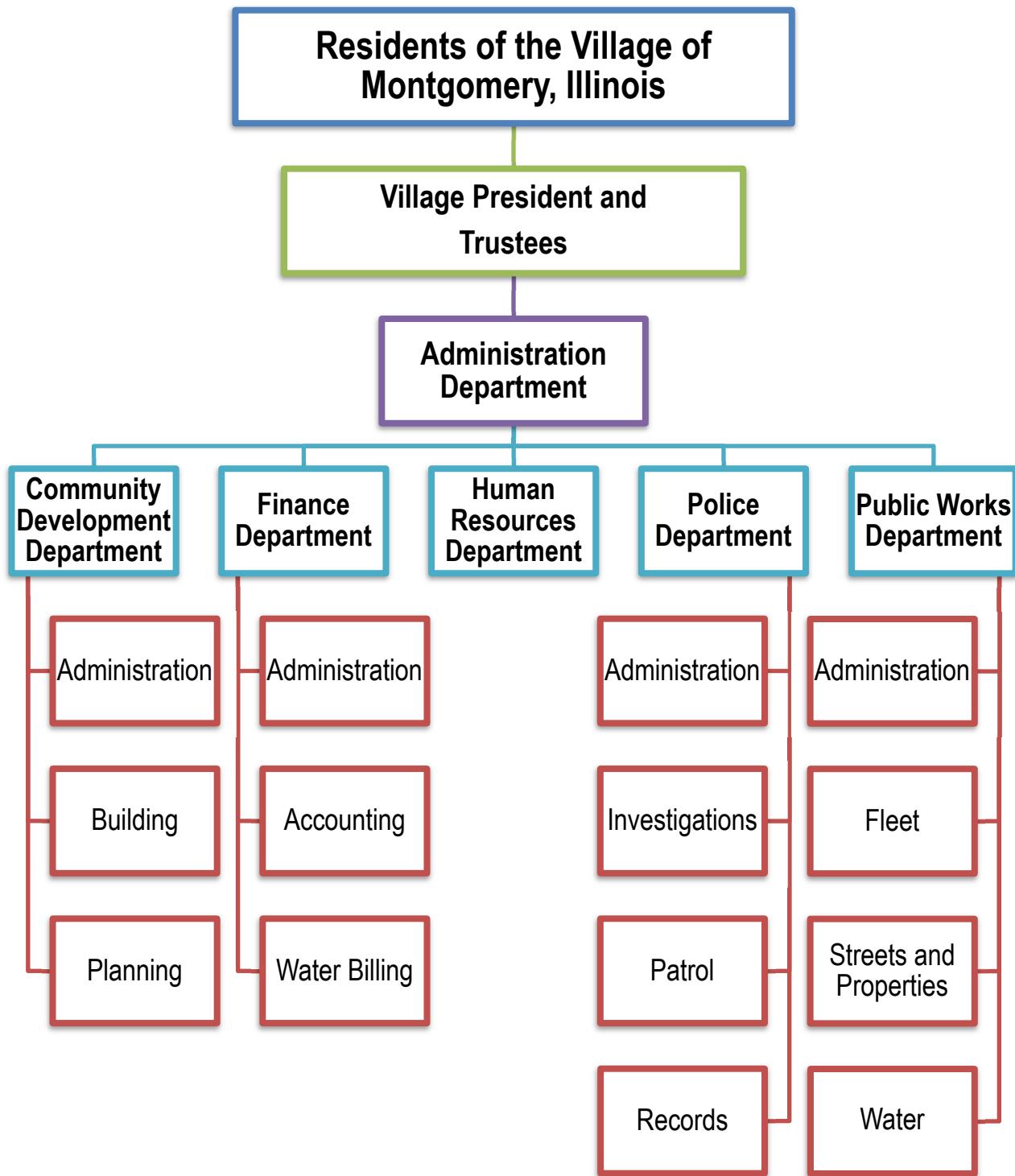
Doug Marecek
(Term Expires April 2023)

Theresa Sperling
(Term Expires April 2025)

Village Clerk
Debbie Buchanan
(Term Expires April 2025)

Management Staff

Jeff Zoephel	Village Administrator
Phil Smith	Chief of Police
Mark Wolf	Director of Public Works
Jennifer Milewski	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).



November 9, 2022

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

Village President
MATT BROLLEY

Village Clerk
DEBBIE BUCHANAN

Trustees
MATT BAUMAN
THOMAS K. BETSINGER
DAN GIER
STEVE JUNGERMANN
DOUG MARECEK
THERESA SPERLING

Village Administrator
JEFF ZOEPHEL

Chief of Police
PHIL SMITH

Director of Public Works
MARK WOLF

Director of Finance
JENNIFER MILEWSKI

Director of Community Development
SONYA ABT

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 Annual Comprehensive Financial Report (ACFR) of the Village of Montgomery, Illinois (Village) for the fiscal year ended April 30, 2022, 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, 2022, 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, 2022, 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 management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

Profile of the Village of Montgomery

The Village of Montgomery is a growing community, 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.

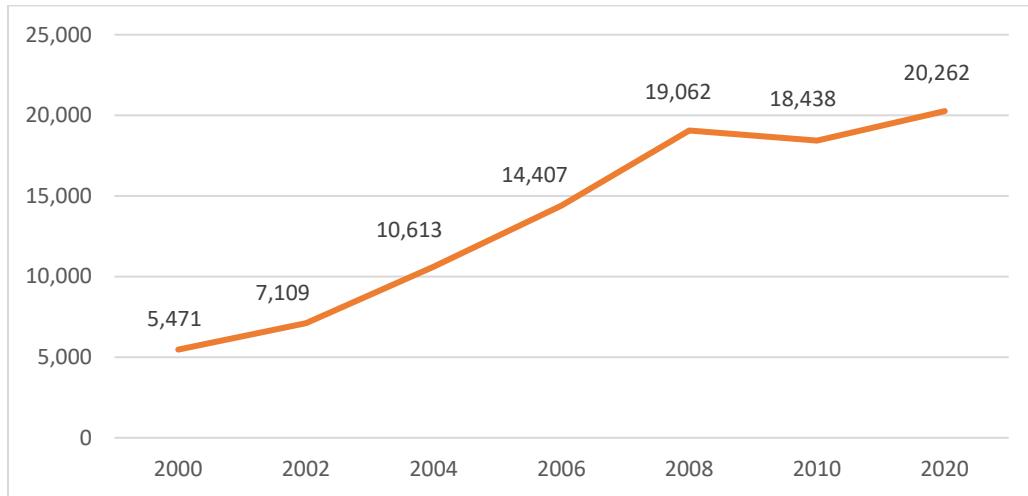
The Village sits at a strategic nexus of multiple regional transportation routes. One of its primary assets is its access to major transportation corridors, including U.S. Routes 30 and 34 (east-west roads) and Illinois Routes 25, 31, 47, and Orchard Road (north-south roads). The north-south corridors 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 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 71 full-time employees and 33 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 aids with building, permitting, zoning, and code enforcement throughout the Village. The Finance Department oversees 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 clear 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 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 of 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, Starbuck's, Jimmy John's, Binny's, Farm & Fleet, 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, Coffman Trucks, Aurora Metals, Aurora Bearing, Hormann GADCO, Eby-Brown, United Facilities (General Mills), Yellow Transportation, Home Depot, Central State Bus Sales, US Medical Glove, Tangent Materials, 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, inflation rates, 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.

On April 30, 2022, the Village's unemployment rates dropped to 5.3% and 2.9% for Kane and Kendall Counties, respectively, while the State of Illinois employment rate is 4.6%. At the height of the COVID-19 pandemic unemployment rates reached 16.4% for Kane County while Kendall County reached 16.5%. Both counties fair better than the State of Illinois historical high of 17.4% reached in April of 2020.

Rising inflation rates, the prices consumers pay for a broad range of goods and services, have become the next obstacle to overcome for global economies alike. Supply and demand imbalances, created by the Covid-19 lockdowns, stimulus funds and war in Ukraine, have contributed to the economic volatility. Consumer price index, a key inflation barometer, has risen to 8.2% making the purchase of commodities costlier than just one year ago. The Village will re-examine several budgeting methods including the useful life and maintenance schedules of the Village assets and recommend modifications to ensure current rates adequately cover operating and capital costs.

The housing market within the Village of Montgomery remained stable throughout the pandemic era. The Village recognized a 6.5% increase in residential equalized assessed value for levy year 2021 while seeing a decrease in the direct tax rate to .4340 per \$100 of equalized assessed valuation.

Residential development within the Village started to steadily climb 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. We anticipated a decline in single family homes permits as Lennar Homes and Ryan Homes completed building vacant lots within their respective subdivisions with 45 single-family home permits issued in 2021 and only 2 thus far in 2022. 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 in 2021. The Village foresees a decline in the residential housing development trend as existing projects near completion and new developments are commercial or industrial based.

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, Doggie Daycare, and Gas and Wash. 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 completed construction in 2021 with its first tenant occupancy in December of 2021. Lastly, there are several

businesses who the Village expects to start construction in 2022 including Aucutt Road LLC Truck Terminals, Belle Tire and Strickland Brothers 10 Minute Oil Change.

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 with the enacting the "Leveling the Playing Field" legislation requiring remote retailers to collect and remit the state and local retailer's occupation tax. The Village portion of state sales tax has grown from \$2.7 million to \$5.6 million in the last 10 years, while non-home rules sales has grown from \$2.7 million to \$3.8 million in just the last 6 years.

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 \$840,000 of tax increment in fiscal year 2022. 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 2 years. 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. Despite the State's increase in credit rating to a BBB+ from Standard & Poor's Global Rating, the State remains amongst the lowest credit rated in the country. Additionally, the State continues to struggle with raising debt and pension obligations after receiving more than \$8 billion in budgetary relief from the federal government in addition to federal funding passed along to states for the pandemic-related expenses.

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the Village. The last five State fiscal year budgets have included a service fee for collection and processing of locally imposed sales taxes. The fee was reduced to 1.5% of locally imposed sales taxes for State Fiscal Years 2019, 2020, 2021, and 2022. 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 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 additional changes in applicable law modifying the way local revenue sharing is allocated by the State, nor can the Village predict the effect the State's financial problems, including the various governmental or private actions in reaction thereto, may have on the Village's future finances.

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, 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 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 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 laddered 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 Annual Comprehensive Financial Report for the fiscal year ended April 30, 2021. This was the eighteenth consecutive year the Village has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive 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 Annual Comprehensive 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 twentieth 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 2022 budget document. This was the tenth 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 Village Administrator, Jeff Zoephel, and 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,



Jennifer Milewski
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Montgomery
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

April 30, 2021

Christopher P. Monill

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 AUDITOR'S REPORT

November 9, 2022

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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and GASB-required pension and other post-employment benefit (OPEB) reporting, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Montgomery
Management's Discussion and Analysis

April 30, 2022

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, 2022. 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's net position as of April 30, 2022 was \$66,019. Of this amount, \$6,720 (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 \$1,654 and reflects approximately \$2,579 increase and \$925 decrease attributable to the governmental and business-type operations of the Village, respectively. The increase in governmental operations is due to increases in regular sales taxes, non-home rule sales taxes, and state-shared income taxes; offset by debt issuance, depreciation and liabilities for pensions and other postemployment benefits. The decrease in business-type operations is mainly due to depreciation, liabilities for pensions and other postemployment benefits.
- As of April 30, 2022, the Village's governmental funds reported combined ending fund balances of \$32,511, an increase of \$17,516 from the prior year. Approximately 14.4% of this total amount, \$4,696, 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 \$19,272, a decrease of \$925 from the prior year. Approximately 27.4% of this total amount, \$5,288, 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 is 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-six 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 among the Village's various functions. The Village uses an internal service fund to account for providing insurance to Village employees. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements

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

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

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 \$66,019 as of April 30, 2022.

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 43,147	\$ 22,394	\$ 7,072	\$ 7,245	\$ 50,219	\$ 29,639
Capital assets	46,587	46,343	24,835	26,236	71,422	72,579
Total assets	89,734	68,737	31,907	33,481	121,641	102,218
Deferred outflows						
Unamortized loss	30	49	-	-	30	49
Deferred items	3,224	3,446	621	624	3,845	4,070
Total deferred outflows	3,254	3,495	621	624	3,875	4,119
Liabilities						
Long-term liabilities	31,189	15,903	11,745	12,552	42,934	28,455
Other liabilities	3,399	2,395	741	807	4,140	3,202
Total liabilities	34,588	18,298	12,486	13,359	47,074	31,657
Deferred inflows						
Deferred taxes	4,000	3,852	-	-	4,000	3,852
Deferred items	7,653	5,914	770	549	8,423	6,463
Total deferred inflows	11,653	9,766	770	549	12,423	10,315
Net position						
Net investment in capital assets	40,033	41,961	13,984	15,262	54,017	57,223
Restricted	5,282	4,889	-	-	5,282	4,889
Unrestricted (Deficit)	1,432	(2,682)	5,288	4,935	6,720	2,253
Total net position	\$ 46,747	\$ 44,168	\$ 19,272	\$ 20,197	\$ 66,019	\$ 64,365

The largest portion of the Village's net position (81.8%) 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 (8.0%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (10.2%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of April 30, 2022, the Village was able to report positive balances in all three categories of net position, for the government as a whole. Governmental activities and business-type activities report positive balance in all three categories. 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, 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 \$1,654 from the prior year. The increase of \$1,654 reflects approximately \$2,579 increase and \$925 decrease attributable to the governmental and business-type operations of the Village, respectively. The increase in governmental operations is due to the increases in regular sales taxes, non-home rule sales taxes, and state-shared income taxes; offset by debt issuance, 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; offset by depreciation, and liabilities for pensions and other postemployment benefits.

The Village's unrestricted net position increased by \$4,467 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 \$3,205 during the current fiscal year. The Village added \$3,154 of new capital assets, had depreciation of \$4,895 during the year, and reduced long-term debt related to capital assets by \$3,081 which include refunding of General Obligation Alternative Revenues Source Refunding Bonds Series 2011.

Table 2
Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 2,487	\$ 2,147	\$ 7,196	\$ 6,790	\$ 9,683	\$ 8,937
Operating grants and contributions	1,395	2,377	-	-	1,395	2,377
Capital grants and contributions	-	-	-	672	-	672
General revenues:						
Property taxes	3,911	3,841	-	-	3,911	3,841
Other taxes	1,597	1,327	-	-	1,597	1,327
Intergovernmental	13,531	11,490	-	-	13,531	11,490
Other	164	474	540	458	704	932
Total revenues	23,085	21,656	7,736	7,920	30,821	29,576
Expenses:						
General government	4,490	5,011	-	-	4,490	5,011
Public safety	6,967	6,727	-	-	6,967	6,727
Highways and streets	8,240	7,896	-	-	8,240	7,896
Sanitation	-	-	1,356	1,293	1,356	1,293
Interest	809	169	313	328	1,122	497
Water and sewer	-	-	6,992	6,616	6,992	6,616
Total expenses	20,506	19,803	8,661	8,237	29,167	28,040
Change in net position	2,579	1,853	(925)	(317)	1,654	1,536
Net position, May 1	44,168	42,315	20,197	20,514	64,365	62,829
Net position, April 30	\$ 46,747	\$ 44,168	\$ 19,272	\$ 20,197	\$ 66,019	\$ 64,365

Governmental activities. Governmental activities increased the Village's net position by \$2,579. Key elements of this increase are as follows:

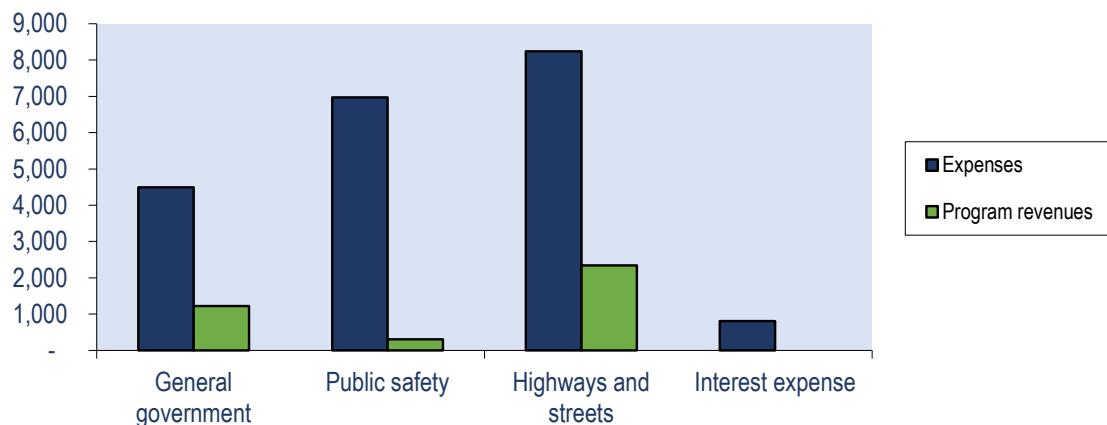
Governmental revenues increased by \$1,429 (6.6%). Components of this increase are as follows:

- Charges for services increased by \$340 (15.8%) due to an increase of \$53 Police Special Duty reimbursements, \$26 in credit card fee reimbursements, \$185 capital contributions.
- Intergovernmental revenue increased by \$2,041 (17.8%) due to an increase of \$728 in regular sales taxes, \$449 in non-home rule sales taxes, and \$861 in state-shared income taxes.
- Other revenue decreased by \$310 (65.4%) due loss of interest income.

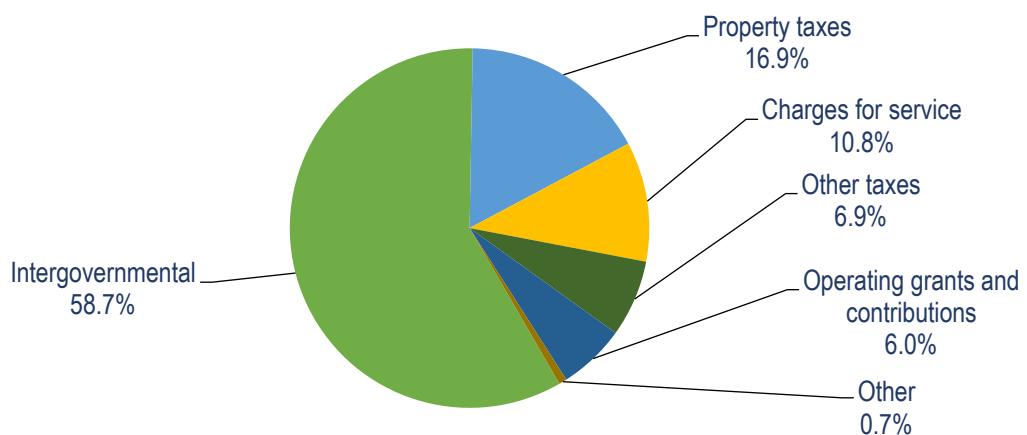
Governmental expenses increased by \$703 (3.5%). Components of this increase are as follows:

- General government expense decreased by \$521 (10.4%) due to decreases in the IMRF Net Pension and OPEB liabilities.
- Public safety expenses increased by \$240 (3.6%) due to an increase in the Police Net Pension and OPEB liabilities.
- Highways and streets expenses increased by \$344 (4.4%) mainly due to a increase in the number and value of road projects completed during the year.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type activities. Business-type activities decreased the Village's net position by \$925. Key elements of this decrease are as follows:

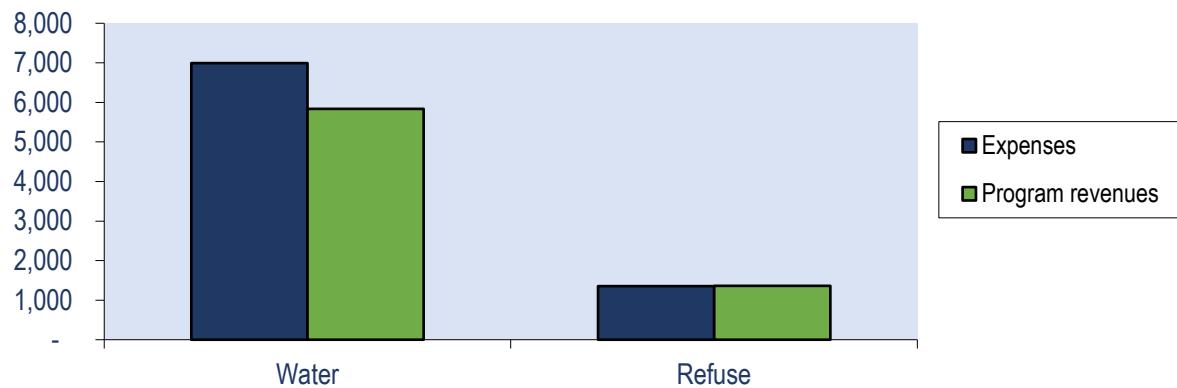
Business-type revenues decreased by \$184 (5.8%). Components of this increase are as follows:

- Charges for services increased by \$406 (6.0%) due to an increase of 5.5% and 3.0% in the water and refuse rates, respectively.
- Capital grants and contributions decreased by \$672 (100.0%) due to a grant funding received from the Illinois EPA in the prior year.
- Other revenue increased by \$82 (17.9%) due to an increase in water connection fees.

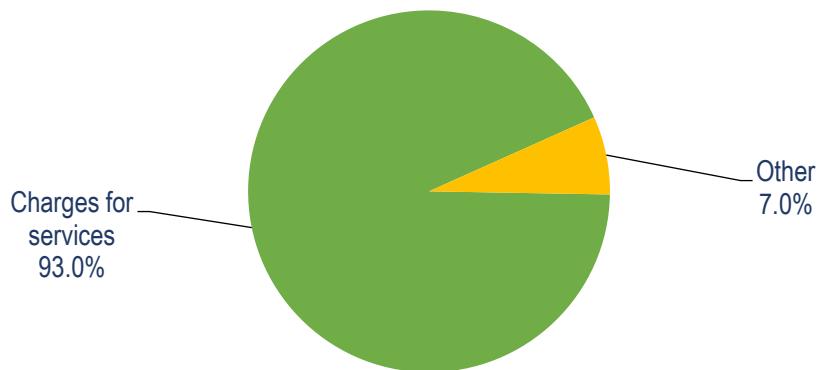
Business-type expenses increased by \$424 (5.1%). Components of this increase are as follows:

- Sanitation increased by \$63 (4.9%) 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 \$376 (5.7%) due to completion of the water meter replacement program beginning in fiscal year 2022.

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. 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, 2022, the Village's governmental funds reported combined ending fund balances of \$32,511, an increase of \$17,516 from the prior year. Approximately 14.4% of this total amount, \$4,696, 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 (\$633), 2) restricted for particular purposes (\$18,551), or 3) assigned for particular purposes (\$8,631).

The General Fund is the chief operating fund of the Village. As of April 30, 2022, unassigned fund balance of the General Fund was \$4,708. 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 39.5% (4.7 months) of the total General Fund expenditures, while total fund balance represents 44.9% (5.4 months) of total General Fund expenditures.

The fund balance of the General Fund increased slightly and remained at a total of \$5,341 of fund balance at the end of the current fiscal year. The key factors are an increase in regular sales, state-shared income, and video gaming taxes from the economic recovery.

The fund balance of the Tax Increment Financing District #2 increased by \$577 to a total of \$2,827 of balance at the end of the current fiscal year. The key factors are an increase in the property tax increment combined with construction timeline of existing projects within project area.

The fund balance of the Debt Service Fund decreased by \$10 to a total of \$37 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 \$15,212 to a total of \$15,550 of fund balance at the end of the current fiscal year. The increase in fund balance is due to debt issuance for the construction of a new Public Works Facility.

The fund balance of the Infrastructure Improvement Fund increased by \$1,077 to a total of \$2,731 of fund balance at the end of the current fiscal year. The increase in fund balance is due to an increase in non-home rule sales 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 \$928 to a total of \$19,259 of net position at the end of the current fiscal year. Approximately 27.4% 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 \$4 to a total of \$14 of net position at the end of the current fiscal year.

The Employee Insurance Fund had a decrease in net position of \$20 to a total of \$627 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 \$1,583 or 13.0%. The most significant differences between budgeted and actual revenues included: 1) regular sales taxes were \$564 higher than budget; 2) state-shared income increased \$881 higher than budget; and 3) an increase of video gaming taxes of \$63 or 37.5%. All of these increases can be attributed to the economic recovery of the Covid-19 pandemic.

The General Fund expenditures were less than the budget by \$223 or 1.8%. The most significant difference between budgeted and actual expenditures can be found in the reduction of the Public Safety Patrol personnel service budget as filling department vacancy continues to be a challenge.

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, 2022, amounts to \$71,422 (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 construction of its new Public Works Facility during fiscal year 2022 totaling \$2,726.
- The Village purchased land totaling \$244 for future development.
- A total of 3 vehicles were replaced during the year totaling \$183. The vehicles and equipment replaced included 3 Police squad cars.
- Depreciation of governmental and business-type activities capital assets totaling \$2,911 and \$1,985, 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	
	2022	2021	2022	2021	2022	2021
Land	\$ 18,346	\$ 18,101	\$ 17	\$ 17	\$ 18,363	\$ 18,118
Construction in progress	3,188	461	231	231	3,419	692
Land improvements	138	138	-	-	138	138
Buildings	22,311	22,311	-	-	22,311	22,311
Equipment	877	877	84	84	961	961
Vehicles	4,440	4,308	-	-	4,440	4,308
Infrastructure	33,856	33,856	53,019	52,436	86,875	86,292
Less:						
Accumulated depreciation	(36,569)	(33,709)	(28,516)	(26,532)	(65,085)	(60,241)
Total capital assets	\$ 46,587	\$ 46,343	\$ 24,835	\$ 26,236	\$ 71,422	\$ 72,579

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 \$30,666 (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. The Village combined the refunding of the 2011 general obligation bonds with a new issuance for the construction of a new Public Works Facility. The new 2021 general obligation alternative revenue source pledges water tower rental revenues for the re-payment of the debt. All 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 2013, Series 2014, Series 2017 and Series 2021 bonds. The remaining amount of debt outstanding is comprised of three Illinois Environmental Protection Agency (IEPA) loans backed by the net revenues of the water system. The Village's debt increased by \$14,671 (91.7%) during fiscal year 2022.

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

- The Village refunded the Series 2011 general obligation alternative revenue source bonds in the amount of \$1,485.
- The Village issued the Series 2021 general obligation alternative revenue source bonds for \$16,240.

The following schedule summarizes the Village's indebtedness.

Table 4
Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 19,815	\$ 4,431	\$ 6,665	\$ 6,970	\$ 26,480	\$ 11,401
IEPA loans	-	-	4,186	4,594	4,186	4,594
Total long-term debt	\$ 19,815	\$ 4,431	\$ 10,851	\$ 11,564	\$ 30,666	\$ 15,995

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, inflation, 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.

On April 30, 2022, the Village's unemployment rates dropped to 5.3% and 2.9% for Kane and Kendall Counties, respectively, while the State of Illinois employment rate is 4.6%. At the height of the COVID-19 pandemic unemployment rates reached 16.4% for Kane County while Kendall County reached 16.5%. Both counties fair better than the State of Illinois historical high of 17.4% reached in April of 2020.

Rising inflation rates, the prices consumers pay for a broad range of goods and services, have become the next obstacle to overcome for global economies alike. Supply and demand imbalances, created by the Covid-19 lockdowns, stimulus funds and war in Ukraine, have contributed to the economic volatility. Consumer price index, a key inflation barometer, has risen to 8.2% making the purchase of commodities costlier than just one year ago. The Village will re-examine several budgeting methods including the useful life and maintenance schedules of the Village assets and recommend modifications to ensure current rates adequately cover operating and capital costs.

The housing market within the Village of Montgomery remained stable throughout the pandemic era. The Village recognized a 6.5% increase in residential equalized assessed value for levy year 2021 while seeing a decrease in the direct tax rate to .4340 per \$100 of equalized assessed valuation.

Residential development within the Village started to steady climb 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. We anticipated a decline in single family homes permits as Lennar Homes and Ryan Homes completed building vacant lots within their respective subdivisions with 45 single-family home permits issued in 2021 and only 2 thus far in 2022. 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 in 2021. The Village foresees a decline in the residential housing development trend as existing projects near completion and new developments are commercial or industrial based.

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, Doggie Daycare, and Gas and Wash. 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 completed construction in 2021 with its first tenant occupancy in December of 2021. Lastly, there are several businesses who the Village expects to start construction in 2022 including Trans line truck depot, Belle Tire and Strickland Brothers 10 Minute Oil Change.

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 with the enacting the "Leveling the Playing Field" legislation requiring remote retailers to collect and remit the state and local retailer's occupation tax. The Village portion of state sales tax has grown from \$2.7 million to \$5.6 million in the last 10 years, while non-home rules sales has grown from \$2.7 million to \$3.8 million in just the last 6 years.

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 \$840,000 of tax increment in fiscal year 2022. 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 2 years. 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. Despite the State's increase in credit rating to a BBB+ from Standard & Poor's Global Rating, the State remains amongst the lowest credit rated in the country. Additionally, the State continues to struggle with raising debt and pension obligations after receiving more than \$8 billion in budgetary relief from the federal government in addition to federal funding passed along to states for the pandemic-related expenses.

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the Village. The last five State fiscal year budgets have included a service fee for collection and processing of locally imposed sales taxes. The fee was reduced to 1.5% of locally imposed sales taxes for State Fiscal Years 2019, 2020, 2021, and 2022. 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 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 additional changes in applicable law modifying the way local revenue sharing is allocated by the State, nor can the Village predict the effect the State's financial problems, including the various governmental or private actions in reaction thereto, may have on the Village's future finances.

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 2023 budget includes an increase in the water usage rates of 5.5% as of May 1, 2022. 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 2023, personal services expenditures are expected to total \$10,762,860 or 20.0% of total budgeted expenditures. This is an increase of 15.7% over the fiscal year 2022 budgeted expenditures of \$9,301,555. The increase is attributed to a cost of living increases effective May 1, 2022. Cost of living increases range from 2.5% to 3.0% and pay for performance increases range from 4.5% to 6.0%. 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. The fiscal year 2023 budget includes an additional 4.12 full-time equivalent employees (FTE). FTE equal the total hours of all employees divided by 2,080 working hours in a year. The new positions include a full-time building maintenance technician (Public Works), 2 full-time patrol officers (Police), a full-time service specialist (Police), and the transition from a part-time to a full-time Executive Assistant (Administration).

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. Jeff Zoephel, Village Administrator, 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, 2022

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Net Position

April 30, 2022

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 33,262,146	5,477,067	38,739,213
Receivables - Net	4,453,037	1,226,134	5,679,171
Due from Other Governments	3,257,219	-	3,257,219
Internal Balances	134,754	(134,754)	-
Prepays	494,977	-	494,977
Total Current Assets	41,602,133	6,568,447	48,170,580
Noncurrent Assets			
Capital Assets			
Nondepreciable	21,533,258	247,534	21,780,792
Depreciable	61,622,392	53,103,683	114,726,075
Accumulated Depreciation	(36,568,751)	(28,516,237)	(65,084,988)
Total Capital Assets	46,586,899	24,834,980	71,421,879
Other Assets			
Net Pension Asset - IMRF	1,508,606	503,535	2,012,141
Notes Receivable	36,906	-	36,906
Total Other Assets	1,545,512	503,535	2,049,047
Total Noncurrent Assets	48,132,411	25,338,515	73,470,926
Total Assets	89,734,544	31,906,962	121,641,506
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding	29,755	-	29,755
Deferred Items - IMRF	427,256	142,607	569,863
Deferred Items - Police Pension	2,796,593	-	2,796,593
Deferred Items - ARO	-	478,667	478,667
Total Deferred Outflows of Resources	3,253,604	621,274	3,874,878
Total Assets and Deferred Outflows of Resources	92,988,148	32,528,236	125,516,384

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	\$ 1,678,476	498,729	2,177,205
Accrued Payroll	126,857	17,275	144,132
Deposits Payable	1,366,186	2,153	1,368,339
Accrued Interest Payable	228,142	115,198	343,340
Other Payables	-	107,271	107,271
Current Portion of Long-Term Debt	738,801	738,059	1,476,860
Total Current Liabilities	<u>4,138,462</u>	<u>1,478,685</u>	<u>5,617,147</u>
Noncurrent Liabilities			
Compensated Absences Payable	601,617	73,764	675,381
Net Pension Liability - Police Pension	7,377,626	-	7,377,626
Total OPEB Liability - RBP	3,327,674	277,350	3,605,024
General Obligation Bonds Payable - Net	19,142,777	6,350,684	25,493,461
IEPA Loans Payable	-	3,770,283	3,770,283
Asset Retirement Obligation	-	535,000	535,000
Total Noncurrent Liabilities	<u>30,449,694</u>	<u>11,007,081</u>	<u>41,456,775</u>
Total Liabilities	<u>34,588,156</u>	<u>12,485,766</u>	<u>47,073,922</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	1,605,451	535,859	2,141,310
Deferred Items - Police Pension	1,905,436	-	1,905,436
Deferred Items - RBP	2,812,173	234,385	3,046,558
Grants	1,346,215	-	1,346,215
Property Taxes	3,983,384	-	3,983,384
Total Deferred Inflows of Resources	<u>11,652,659</u>	<u>770,244</u>	<u>12,422,903</u>
Total Liabilities and Deferred Inflows of Resources	<u>46,240,815</u>	<u>13,256,010</u>	<u>59,496,825</u>
NET POSITION			
Net Investment in Capital Assets	40,033,420	13,984,150	54,017,570
Restricted - Public Safety	8,245	-	8,245
Restricted - Highways and Streets	1,500,477	-	1,500,477
Restricted - Subdivision Maintenance	791,098	-	791,098
Restricted - Subdivision Improvements	2,980,408	-	2,980,408
Restricted - American Rescue Plan	1,452	-	1,452
Unrestricted	1,432,233	5,288,076	6,720,309
Total Net Position	<u>46,747,333</u>	<u>19,272,226</u>	<u>66,019,559</u>

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

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Activities For the Fiscal Year Ended April 30, 2022

		Program Revenues		
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 4,490,044	1,177,683	48,785	-
Public Safety	6,966,682	297,238	13,381	-
Highways and Streets	8,240,386	1,012,753	1,333,707	-
Interest on Long-Term Debt	809,417	-	-	-
Total Governmental Activities	20,506,529	2,487,674	1,395,873	-
Business-Type Activities				
Water	6,992,342	5,836,790	-	-
Refuse	1,355,620	1,359,618	-	-
Total Business-Type Activities	8,347,962	7,196,408	-	-
Total Primary Government	28,854,491	9,684,082	1,395,873	-
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
(3,263,576)	-	(3,263,576)
(6,656,063)	-	(6,656,063)
(5,893,926)	-	(5,893,926)
(809,417)	(312,603)	(1,122,020)
<u>(16,622,982)</u>	<u>(312,603)</u>	<u>(16,935,585)</u>
-	(1,155,552)	(1,155,552)
-	3,998	3,998
<u>-</u>	<u>(1,151,554)</u>	<u>(1,151,554)</u>
<u>(16,622,982)</u>	<u>(1,464,157)</u>	<u>(18,087,139)</u>
3,911,419	-	3,911,419
1,334,160	-	1,334,160
231,672	-	231,672
30,865	-	30,865
5,621,269	-	5,621,269
3,865,943	-	3,865,943
3,098,877	-	3,098,877
187,562	-	187,562
746,446	-	746,446
11,330	-	11,330
(127,604)	(32,143)	(159,747)
290,801	571,731	862,532
<u>19,202,740</u>	<u>539,588</u>	<u>19,742,328</u>
2,579,758	(924,569)	1,655,189
<u>44,167,575</u>	<u>20,196,795</u>	<u>64,364,370</u>
<u>46,747,333</u>	<u>19,272,226</u>	<u>66,019,559</u>

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

VILLAGE OF MONTGOMERY, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2022

	General	Special Revenue Tax Increment Financing District #2
ASSETS		
Cash and Investments	\$ 4,633,134	3,027,291
Receivables - Net of Allowances		
Property Taxes	2,337,471	1,265,706
Other Taxes	54,514	-
Accounts	188,550	-
Accrued Interest	19,314	-
Notes	-	-
Due from Other Governments	2,291,590	-
Due from Other Funds	112,223	-
Advances to Other Funds	138,307	-
Prepays	494,977	-
Total Assets	10,270,080	4,292,997
LIABILITIES		
Accounts Payable	656,436	200,151
Accrued Payroll	126,857	-
Deposits Payable	335,497	-
Due to Other Funds	1,472,935	-
Advances from Other Funds	-	-
Total Liabilities	2,591,725	200,151
DEFERRED INFLOWS OF RESOURCES		
Grants	-	-
Property Taxes	2,337,470	1,265,706
Total Deferred Inflows of Resources	2,337,470	1,265,706
FUND BALANCES		
Nonspendable	633,284	-
Restricted	-	2,827,140
Assigned	-	-
Unassigned	4,707,601	-
Total Fund Balances	5,340,885	2,827,140
Total Liabilities, Deferred Inflows of Resources and Fund Balances	10,270,080	4,292,997

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

Debt Service	Capital Projects			
	Capital Improvement	Infrastructure Improvement	Nonmajor	Totals
37,386	14,246,360	3,430,320	7,262,523	32,637,014
-	-	-	380,208	3,983,385
-	134,681	-	-	189,195
-	600	-	-	189,150
-	50,236	10,730	8,881	89,161
-	-	-	36,906	36,906
-	-	903,758	61,871	3,257,219
-	1,500,000	-	7,493	1,619,716
-	-	-	-	138,307
-	-	-	-	494,977
37,386	15,931,877	4,344,808	7,757,882	42,635,030
-	72,112	744,190	5,587	1,678,476
-	-	-	-	126,857
-	161,159	869,530	-	1,366,186
-	-	180	11,847	1,484,962
-	138,307	-	-	138,307
-	371,578	1,613,900	17,434	4,794,788
-	10,000	-	1,336,215	1,346,215
-	-	-	380,208	3,983,384
-	10,000	-	1,716,423	5,329,599
-	381,578	1,613,900	1,733,857	10,124,387
-	-	-	-	633,284
37,386	13,231,498	-	2,454,540	18,550,564
-	2,318,801	2,730,908	3,581,332	8,631,041
-	-	-	(11,847)	4,695,754
37,386	15,550,299	2,730,908	6,024,025	32,510,643
37,386	15,931,877	4,344,808	7,757,882	42,635,030

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, 2022

Total Governmental Fund Balances	\$ 32,510,643
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.	46,586,899
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds.	
Net Pension Asset - IMRF	1,508,606
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(1,178,195)
Deferred Items - Police Pension	891,157
Deferred Items - RBP	(2,812,173)
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.	627,278
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(668,463)
Net Pension Liability - Police Pension	(7,377,626)
Total OPEB Liability - RBP	(3,327,674)
General Obligation Bonds Payable - Net	(19,814,732)
Unamortized Loss on Refunding	29,755
Accrued Interest Payable	<u>(228,142)</u>
Net Position of Governmental Activities	<u>46,747,333</u>

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, 2022

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, 2022

	General	Special Revenue Tax Increment Financing District #2
Revenues		
Property Taxes	\$ 2,329,230	1,211,178
Other Taxes	293,386	-
Licenses, Permits and Fees	589,789	-
Intergovernmental	9,727,650	-
Fines and Forfeitures	208,679	-
Charges for Services	415,054	-
Investment Earnings (Losses)	(47,702)	(20,603)
Miscellaneous	234,489	-
Total Revenues	13,750,575	1,190,575
Expenditures		
General Government	3,591,701	613,019
Public Safety	6,213,185	-
Highways and Streets	2,099,871	-
Capital Outlay	-	-
Debt Service		
Principal Retirement	-	-
Interest and Fiscal Charges	-	-
Total Expenditures	11,904,757	613,019
Excess (Deficiency) of Revenues		
Over Expenditures	1,845,818	577,556
Other Financing Sources (Uses)		
Debt Issuance	-	-
Premium on Debt Issuance	-	-
Payment to Esrow Agent	-	-
Disposal of Capital Assets	-	-
Transfers In	-	-
Transfers Out	(1,500,000)	-
	(1,500,000)	-
Net Change in Fund Balances	345,818	577,556
Fund Balances - Beginning	4,995,067	2,249,584
Fund Balances - Ending	5,340,885	2,827,140

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

Debt Service	Capital Projects			Totals
	Capital Improvement	Infrastructure Improvement	Nonmajor	
-	-	-	371,011	3,911,419
-	1,303,311	-	-	1,596,697
-	22,443	-	-	612,232
-	-	3,980,054	1,219,596	14,927,300
-	-	-	37,441	246,120
-	230,315	113,405	887,567	1,646,341
166	(41,817)	(15,434)	890	(124,500)
-	-	-	56,312	290,801
166	1,514,252	4,078,025	2,572,817	23,106,410
-	2,607	65,072	86,973	4,359,372
-	-	-	-	6,213,185
-	-	2,935,560	1,783,834	6,819,265
-	2,573,451	-	396,922	2,970,373
870,000	-	-	-	870,000
341,331	283,759	-	-	625,090
1,211,331	2,859,817	3,000,632	2,267,729	21,857,285
(1,211,165)	(1,345,565)	1,077,393	305,088	1,249,125
1,240,000	15,000,000	-	-	16,240,000
281,368	1,230,026	-	-	1,511,394
(1,492,111)	-	-	-	(1,492,111)
-	-	-	7,493	7,493
1,171,836	1,500,000	-	-	2,671,836
-	(1,171,836)	-	-	(2,671,836)
1,201,093	16,558,190	-	7,493	16,266,776
(10,072)	15,212,625	1,077,393	312,581	17,515,901
47,458	337,674	1,653,515	5,711,444	14,994,742
37,386	15,550,299	2,730,908	6,024,025	32,510,643

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, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 17,515,901
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	3,153,784
Depreciation Expense	(2,910,480)
Disposals - Cost	(50,917)
Disposals - Accumulated Depreciation	50,917
An addition to a net pension asset is not considered to be an increase in a financial asset in the governmental funds.	
Change in Net Pension Asset - IMRF	947,753
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(459,983)
Change in Deferred Items - Police Pension	279,466
Change in Deferred Items - RBP	(451,074)
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.	
	(20,123)
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	3,384
Change in Net Pension Liability - Police Pension	(385,539)
Change in Total OPEB Liability - RBP	480,279
Issuance of Debt	(16,240,000)
Retirement of Debt	2,355,000
Issuance of Bond Premium	(1,511,394)
Amortization of Bond Premium	12,828
Amortization of Loss on Refunding	(18,874)
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.	
	(171,170)
Changes in Net Position of Governmental Activities	2,579,758

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, 2022

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Net Position - Proprietary Funds
April 30, 2022

	Business-Type Activities			Governmental Activities
	Water	Refuse	Totals	Internal Service
				Employee Insurance
ASSETS				
Current Assets				
Cash and Investments	\$ 5,477,067	-	5,477,067	625,132
Receivables - Net of Allowances				
Accounts	984,875	228,310	1,213,185	-
Accrued Interest	12,949	-	12,949	2,146
Due from Other Funds	180	-	180	-
Total Current Assets	6,475,071	228,310	6,703,381	627,278
Noncurrent Assets				
Capital Assets				
Nondepreciable	247,534	-	247,534	-
Depreciable	53,103,683	-	53,103,683	-
Accumulated Depreciation	(28,516,237)	-	(28,516,237)	-
Total Capital Assets	24,834,980	-	24,834,980	-
Other Assets				
Net Pension Asset - IMRF	503,535	-	503,535	-
Total Noncurrent Assets	25,338,515	-	25,338,515	-
Total Assets	31,813,586	228,310	32,041,896	627,278
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	142,607	-	142,607	-
Deferred Items - ARO	478,667	-	478,667	-
Total Deferred Outflows of Resources	621,274	-	621,274	-
Total Assets and Deferred Outflows of Resources	32,434,860	228,310	32,663,170	627,278

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	\$ 384,238	114,491	498,729	-
Accrued Payroll	17,275	-	17,275	-
Deposits Payable	2,153	-	2,153	-
Accrued Interest Payable	115,198	-	115,198	-
Due to Other Funds	34,742	100,192	134,934	-
Other Payables	107,271	-	107,271	-
Current Portion of Long-Term Debt	738,059	-	738,059	-
Total Current Liabilities	1,398,936	214,683	1,613,619	-

Noncurrent Liabilities

Compensated Absences Payable	73,764	-	73,764	-
Total OPEB Liability - RBP	277,350	-	277,350	-
General Obligation Bonds Payable - Net	6,350,684	-	6,350,684	-
IEPA Loans Payable	3,770,283	-	3,770,283	-
Asset Retirement Obligation	535,000	-	535,000	-
Total Noncurrent Liabilities	11,007,081	-	11,007,081	-
Total Liabilities	12,406,017	214,683	12,620,700	-

DEFERRED INFLOWS OF RESOURCES

Deferred Items - IMRF	535,859	-	535,859	-
Deferred Items - RBP	234,385	-	234,385	-
Total Deferred Inflows or Resources	770,244	-	770,244	-
Total Liabilities and Deferred Inflows of Resources	13,176,261	214,683	13,390,944	-

NET POSITION

Net Investment in Capital Assets	13,984,150	-	13,984,150	-
Unrestricted	5,274,449	13,627	5,288,076	627,278
Total Net Position	19,258,599	13,627	19,272,226	627,278

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, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Refuse	Totals	Internal Service
Operating Revenues				Employee Insurance
Charges for Services	\$ 5,836,790	1,359,618	7,196,408	-
Interfund Services	-	-	-	1,302,405
Total Operating Revenues	5,836,790	1,359,618	7,196,408	1,302,405
Operating Expenses				
Operations	4,970,925	1,355,620	6,326,545	1,319,424
Depreciation and Amortization	2,021,417	-	2,021,417	-
Total Operating Expenses	6,992,342	1,355,620	8,347,962	1,319,424
Operating Income (Loss)	(1,155,552)	3,998	(1,151,554)	(17,019)
Nonoperating Revenues (Expenses)				
Investment Earnings (Losses)	(32,143)	-	(32,143)	(3,104)
Other Income	571,731	-	571,731	-
Interest Expense	(312,603)	-	(312,603)	-
	226,985	-	226,985	(3,104)
Change in Net Position	(928,567)	3,998	(924,569)	(20,123)
Net Position - Beginning	20,187,166	9,629	20,196,795	647,401
Net Position - Ending	19,258,599	13,627	19,272,226	627,278

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, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Refuse	Totals	Internal Service
Cash Flows from Operating Activities				Employee Insurance
Receipts from Customers and Users	\$ 6,127,871	1,349,455	7,477,326	-
Receipts from Interfund Services	-	-	-	1,478,476
Payments to Employees	(727,433)	-	(727,433)	-
Payments to Suppliers	(4,180,094)	(1,349,455)	(5,529,549)	(1,319,424)
	<u>1,220,344</u>	-	<u>1,220,344</u>	<u>159,052</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(583,918)	-	(583,918)	-
Principal Paid on Debt	(693,379)	-	(693,379)	-
Interest Paid on Debt	(312,603)	-	(312,603)	-
	<u>(1,589,900)</u>	-	<u>(1,589,900)</u>	<u>-</u>
Cash Flows from Investing Activities				
Investment Earnings	(32,143)	-	(32,143)	(3,104)
Net Change in Cash and Cash Equivalents	(401,699)	-	(401,699)	155,948
Cash and Cash Equivalents - Beginning	<u>5,878,766</u>	-	<u>5,878,766</u>	<u>469,184</u>
Cash and Cash Equivalents - Ending	<u>5,477,067</u>	-	<u>5,477,067</u>	<u>625,132</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.				
Operating Income (Loss)	(1,155,552)	3,998	(1,151,554)	(17,019)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in)				
Depreciation and Amortization Expense	2,021,417	-	2,021,417	-
Other Income	571,731	-	571,731	-
(Increase) Decrease in Current Assets	(280,650)	(10,163)	(290,813)	176,071
Increase (Decrease) in Current Liabilities	63,398	6,165	69,563	-
Net Cash Provided by Operating Activities	<u>1,220,344</u>	-	<u>1,220,344</u>	<u>159,052</u>

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

VILLAGE OF MONTGOMERY, ILLINOIS**Statement of Fiduciary Net Position****April 30, 2022**

	Pension Trust	Police Pension	Custodial
ASSETS			
Cash and Cash Equivalents	\$ 584,986		1,193,047
Investments			
Illinois Police Pension Investment Fund	12,806,206		-
Receivables - Net of Allowance			
Property Taxes	-		3,934
Total Assets	13,391,192		1,196,981
LIABILITIES			
Accounts Payable	-		-
NET POSITION			
Restricted for Pensions	13,391,192		-
Restricted for Individuals, Organizations, and Other Governments	-		1,196,981
Total Net Position	13,391,192		1,196,981

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, 2022**

	Pension	Trust	Police	Pension	Custodial
Additions					
Contributions - Employer	\$ 856,162				-
Contributions - Plan Members	365,878				-
Total Contributions	<u>1,222,040</u>				-
Investment Income					
Investment Earnings	160,396				116
Net Change in Fair Value	(940,084)				-
	<u>(779,688)</u>				116
Less Investment Expenses	(25,803)				-
Net Investment Income	<u>(805,491)</u>				116
Property Taxes					
	-				3,934
Charges for Services					
	-				909,878
Total Additions	<u>416,549</u>				913,928
Deductions					
Administration	17,439				-
Benefits and Refunds	856,203				-
Contractual Services		-			55,312
Debt Service					
Principal Retirement	-				857,915
Interest and Fiscal Charges	-				<u>182,662</u>
	<u>873,642</u>				<u>1,095,889</u>
Change in Fiduciary Net Position	<u>(457,093)</u>				<u>(181,961)</u>
Net Position Restricted					
Beginning	<u>13,848,285</u>				<u>1,378,942</u>
Ending	<u>13,391,192</u>				<u>1,196,981</u>

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

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

Police Pension Employees Retirement System

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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, 2022**

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 20 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, 2022**

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, 2022**

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 two custodial funds. 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, 2022**

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, 2022**

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, 2022**

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, 2022

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 a consumption/acquisition of net assets 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, 2022

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, 2022

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	\$ 33,194
Montgomery Crossing Special Service Area	2,617
Ogden Hill Special Service Area	1,496
Marquis Pointe Special Service Area	878
Foxmoor Special Service Area	1,596
Tax Increment Financing District #1	8,003
Refuse	15,110
Police Pension	164,562

DEFICIT FUND BALANCE/NET POSITION

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

Fund	Deficit
Tax Increment Financing District #3	\$ 8,593
Tax Increment Financing District #4	3,254
Water - Water Improvement Account	100,197

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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, 2022

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

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$9,960,347 and the bank balances totaled \$11,429,322.

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	\$ 15,581,669	-	14,414,240	1,167,429	-
IMET	12,119,562	12,119,562	-	-	-
IPRIME	1,062,261	1,062,261	-	-	-
Illinois Trust	15,374	15,374	-	-	-
	<u>28,778,866</u>	<u>13,197,197</u>	<u>14,414,240</u>	<u>1,167,429</u>	<u>-</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village – Continued

The Village has the following recurring fair value measurements as of April 30, 2022:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable	Significant Unobservable Inputs
Totals	(Level 1)	(Level 2)	(Level 3)

Investments by Fair Value Level

Debt Securities			
Municipal Bonds	\$ 15,581,669	-	15,581,669

Investments Measured at the Net Asst Value (NAV)

IMET	12,119,562
IPRIME	1,062,261
Illinois Trust	15,374
Total Investment Measured at Fair Value	28,778,866

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, 2022**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village – 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, 2022, 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 Fund

The Illinois Police Officers Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2021. A copy of that report can be obtained from IFPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org. The Fund transferred all eligible assets to the Investment Fund on February 28, 2022.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Continued

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$584,986 and the bank balances totaled \$584,986.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires all bank balances to be covered by federal depository insurance. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

Investments. At year-end the Fund has \$12,806,206 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org.

Investment Policy. IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.26%. 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 2020 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.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NOTES RECEIVABLE

Montgomery Development

The Montgomery Development Fund (MDF) accounts for the Village's loan program established to provide financial support to new or expanding business in the Village; encourage economic development by supporting projects that create or retain jobs; encourage area financial institutions to work with the Village and to utilize MDF programs to better serve its customers; and support projects and investments that protect and expand the tax base. The MDF consists of 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 \$400,000. 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. No new forgivable loans were approved during fiscal year 2022. The outstanding balance of these loans as of April 30, 2022 was \$486,210 and the entire amount has been forgiven.
- 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, 2022 is \$36,906.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Advances

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

Receivable Fund	Payable Fund	Amount
General	Capital Improvement	\$ <u>138,307</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – Continued

Interfund Balances

The purpose of the significant interfund balances are as follows:

- \$11,847- due to the General Fund for reimbursement of deficit cash balance.
- \$100,192- due to the General Fund for reimbursement of deficit cash balance.
- \$1,472,935- due to Capital Improvement Fund for reimbursement of shared expenditures.
- \$27,065-due to Capital Improvement Fund for reimbursement of shared expenditures.
- \$7,493- due to the Vehicle Equipment Replacement Fund for reimbursement of expenditures.

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

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 11,847
General	Water - Water Account	184
General	Refuse	100,192
Capital Improvement	General	1,472,935
Capital Improvement	Water - Water Account	27,065
Nonmajor Governmental	Water - Water Account	7,493
Water - Water Account	Infrastructure Improvement	<u>180</u>
		<u>1,619,896</u>

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Capital Improvement	General	\$ 1,500,000 (2)
Debt Service	Capital Improvement	<u>1,171,836 (1)</u>
		<u>2,671,836</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, 2022

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	244,686	-	10,289,146
Land Right of Way	8,056,400	-	-	8,056,400
Construction in Progress	461,440	2,726,272	-	3,187,712
	<u>18,562,300</u>	<u>2,970,958</u>	-	<u>21,533,258</u>
Depreciable Capital Assets				
Land Improvements	138,448	-	-	138,448
Buildings	22,310,653	-	-	22,310,653
Equipment	877,382	-	-	877,382
Vehicles	4,307,891	182,826	50,917	4,439,800
Infrastructure	33,856,109	-	-	33,856,109
	<u>61,490,483</u>	<u>182,826</u>	<u>50,917</u>	<u>61,622,392</u>
Less Accumulated Depreciation				
Land Improvements	138,448	-	-	138,448
Buildings	14,862,381	1,110,144	-	15,972,525
Equipment	614,626	38,880	-	653,506
Vehicles	2,015,392	407,212	50,917	2,371,687
Infrastructure	16,078,341	1,354,244	-	17,432,585
	<u>33,709,188</u>	<u>2,910,480</u>	<u>50,917</u>	<u>36,568,751</u>
Total Net Depreciable Capital Assets	<u>27,781,295</u>	<u>(2,727,654)</u>	-	<u>25,053,641</u>
Total Net Capital Assets	<u>46,343,595</u>	<u>243,304</u>	-	<u>46,586,899</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 658,524
Public Safety	647,424
Highways and Streets	<u>1,604,532</u>
<u>2,910,480</u>	

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

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>247,534</u>
Depreciable Capital Assets				
Equipment	84,062	-	-	84,062
Infrastructure	52,435,703	583,918	-	53,019,621
	<u>52,519,765</u>	<u>583,918</u>	-	<u>53,103,683</u>
Less Accumulated Depreciation				
Equipment	84,062	-	-	84,062
Infrastructure	26,447,637	1,984,538	-	28,432,175
	<u>26,531,699</u>	<u>1,984,538</u>	-	<u>28,516,237</u>
Total Net Depreciable Capital Assets	<u>25,988,066</u>	<u>(1,400,620)</u>	-	<u>24,587,446</u>
Total Net Capital Assets	<u>26,235,600</u>	<u>(1,400,620)</u>	-	<u>24,834,980</u>

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

Water \$ 1,984,538

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

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,	Debt Service	\$ 1,710,000	-	1,485,000 * 225,000	-
\$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	3,670,000	-	145,000	3,525,000
\$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	2,705,000	-	645,000	2,060,000
\$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	3,095,000	-	140,000	2,955,000
\$16,240,000 General Obligation Alternate Revenue Source Bonds 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.	Debt Service	-	16,240,000	-	16,240,000
		11,180,000	16,240,000	2,640,000	24,780,000

*Refunded

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

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	\$ 144,709	-	71,393	73,316
IEPA Loan Payable of 2011, due in semi-annual installments of \$125,440, including interest of 1.25% through April 19, 2032.	Water	2,570,868	-	219,427	2,351,441
IEPA Loan Payable of 2014, due in semi-annual installments of \$77,226, including interest of 1.995% through December 7, 2034.	Water	1,878,494	-	117,559	1,760,935
		4,594,071	-	408,379	4,185,692

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, 2022

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	\$ 671,847	3,384	6,768	668,463	66,846
Net Pension Liability					
Police Pension	6,992,087	385,539	-	7,377,626	-
Total OPEB Liability - RBP	3,807,953	-	480,279	3,327,674	-
General Obligation Bonds Payable	4,415,000	16,240,000	2,355,000	18,300,000	665,000
Unamortized Bond Premium	16,166	1,511,394	12,828	1,514,732	6,955
	<u>15,903,053</u>	<u>18,140,317</u>	<u>2,854,875</u>	<u>31,188,495</u>	<u>738,801</u>
Business-Type Activities					
Compensated Absences	75,479	6,481	-	81,960	8,196
Total OPEB Liability - RBP	377,339	-	99,989	277,350	-
General Obligation Bonds Payable	6,765,000	-	285,000	6,480,000	295,000
Unamortized Bond Premium	204,593	-	19,455	185,138	19,454
IEPA Loans Payable	4,594,071	-	408,379	4,185,692	415,409
Asset Retirement Obligation	535,000	-	-	535,000	-
	<u>12,551,482</u>	<u>6,481</u>	<u>812,823</u>	<u>11,745,140</u>	<u>738,059</u>

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liability, 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 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, 2022

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	Principal	Bonds Payable	Principal	Loans Payable	Interest
2023	\$ 665,000	547,540	295,000	236,436	415,409	64,713
2024	685,000	527,590	305,000	227,588	347,284	58,048
2025	710,000	504,300	315,000	218,438	352,559	52,773
2026	760,000	479,450	325,000	207,388	357,916	47,416
2027	795,000	441,450	340,000	195,988	363,360	41,972
2028	840,000	401,700	350,000	184,038	368,891	36,441
2029	875,000	359,700	365,000	171,738	374,511	30,821
2030	920,000	315,950	375,000	158,888	380,221	25,111
2031	965,000	269,950	390,000	145,688	386,024	19,308
2032	1,010,000	221,700	400,000	131,938	391,922	13,410
2033	1,030,000	201,500	415,000	117,838	146,248	8,204
2034	1,055,000	180,900	430,000	102,700	149,180	5,272
2035	1,075,000	159,800	450,000	87,000	152,167	2,285
2036	1,095,000	138,300	460,000	69,000	-	-
2037	1,120,000	116,400	480,000	50,600	-	-
2038	1,140,000	94,000	505,000	31,400	-	-
2039	1,165,000	71,200	280,000	11,200	-	-
2040	1,185,000	47,900	-	-	-	-
2041	1,210,000	24,200	-	-	-	-
Totals	18,300,000	5,103,530	6,480,000	2,347,866	4,185,692	405,774

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."

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin – Continued

Assessed Valuation - 2021	<u>\$ 538,946,591</u>
Legal Debt Limit - 8.625% of Assessed Value	<u>46,484,143</u>
Amount of Debt Applicable to Limit	
General Obligation ARS Bonds of 2013	\$ 3,525,000
Taxable General Obligation ARS Refunding Bonds of 2014	2,060,000
General Obligation ARS Bonds of 2017	2,955,000
Taxable General Obligation ARS Refunding Bonds of 2021	<u>16,240,000</u>
	<u>24,780,000</u>
Less: Alternate Revenue Source Bonds	<u>(24,780,000)</u>
Total Applicable Debt	<u>-</u>
Legal Debt Margin	<u>46,484,143</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, 2022, \$16,973 of the Special Service Area No. 17 bonds are outstanding.

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, 2022, \$5,183,000 of the special assessment bonds are outstanding.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements **April 30, 2022**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Pledged Revenues

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 \$4,921,400, with the bonds maturing December 1, 2038. During the current fiscal year, the pledge of water revenues of \$287,300 was approximately 4.92% 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 \$2,201,080 with the bonds maturing December 1, 2024. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$732,440 was approximately 11.15% 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 \$3,906,466, with the bonds maturing December 1, 2037. During the current fiscal year, the pledge of water revenues of \$242,686 was approximately 4.16% of total water operating revenues.

The General Obligation Alternate Revenue Source Refunding Bonds of 2011, issued to refund the General Obligation Alternate Revenue Source Bonds of 2021, are payable from a pledge of sales tax, telecommunication and use tax, with a remaining total pledge of \$21,202,450 with the bonds maturing December 1, 2041. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$202,434 was approximately 3.08% of total sales, telecommunication and use tax.

Defeased Debt

On June 29, 2021 the Village issued \$16,240,000 par value Alternative Revenue Refunding Bond, Series of 2021 to refund \$1,485,000 of the Alternate Revenue Bond Series of 2001. The Village defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the Village reduced its total debt service by \$8,353,000 and obtained an economic gain of \$52,856.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

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, 2022:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 46,586,899
Plus:	
Unspent Bond Proceeds	13,231,498
Unamortized Loss on Refunding	29,755
Less Capital Related Debt:	
General Obligation ARS Refunding Bonds of 2014	(2,060,000)
General Obligation ARS Refunding Bonds of 2021	(16,240,000)
Unamortized Bond Premium	<u>(1,514,732)</u>
Net Investment in Capital Assets	<u>40,033,420</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	24,834,980
Less Capital Related Debt:	
General Obligation ARS Refunding Bonds of 2013	(3,525,000)
General Obligation ARS Bonds of 2017	(2,955,000)
IEPA Loan Payable of 2002	(73,316)
IEPA Loan Payable of 2011	(2,351,441)
IEPA Loan Payable of 2014	(1,760,935)
Unamortized Bond Premium	<u>(185,138)</u>
Net Investment in Capital Assets	<u>13,984,150</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, 2022

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:

	Special Revenue		Debt Service	Capital Projects			Nonmajor	Totals							
	General	Tax Increment Financing District #2		Capital Improvements	Infrastructure										
					Capital Improvement	Infrastructure									
Fund Balances															
Nonspendable															
Advances from Other Funds	\$ 138,307	-	-	-	-	-	-	138,307							
Prepays	494,977	-	-	-	-	-	-	494,977							
	633,284	-	-	-	-	-	-	633,284							
Restricted															
Public Safety	-	-	-	-	-	8,245	8,245								
Highways and Streets	-	-	-	-	-	1,500,477	1,500,477								
Subdivision Maintenance	-	-	-	-	-	791,098	791,098								
Subdivision Improvements	-	2,827,140	-	-	-	153,268	2,980,408								
American Rescue Plan	-	-	-	-	-	1,452	1,452								
Capital Projects	-	-	-	13,231,498	-	-	13,231,498								
Debt Service	-	-	37,386	-	-	-	37,386								
	-	2,827,140	37,386	13,231,498	-	2,454,540	18,550,564								
Assigned															
Economic Development	-	-	-	-	-	1,835,741	1,835,741								
Capital	-	-	-	2,318,801	2,730,908	1,745,591	6,795,300								
	-	-	-	2,318,801	2,730,908	3,581,332	8,631,041								
Unassigned															
	4,707,601	-	-	-	-	(11,847)	4,695,754								
Total Fund Balances	5,340,885	2,827,140	37,386	15,550,299	2,730,908	6,024,025	32,510,643								

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

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, 2022, 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

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, 2022 were \$1,117,110, and the total cumulative expenditures incurred to date in rebates of current development agreements was \$7,907,303.

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, 2022

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. Separate reports are issued for the Police Pension Plans and may be obtained by writing to the Village. 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	\$ (2,012,141)	569,863	2,141,310	487,770
Police Pension	7,377,626	2,796,593	1,905,436	(962,235)
	<u>5,365,485</u>	<u>3,366,456</u>	<u>4,046,746</u>	<u>(474,465)</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

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, 2022

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

Inactive Plan Members Currently Receiving Benefits	47
Inactive Plan Members Entitled to but not yet Receiving Benefits	56
Active Plan Members	<u>39</u>
 Total	 <u>142</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, 2022, the Village's contribution was 8.28% of covered payroll.

Net Pension (Asset). The Village's net pension (asset) was measured as of December 31, 2021. 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, 2021, 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	3.25%
Inflation	2.25%

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

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	25.00%	(0.60%)
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	(0.90%)

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, 2022

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

	1% Decrease 6.25%	Current		1% Increase 8.25%
		Discount Rate 7.25%		
Net Pension Liability	\$ (94,027)		(2,012,141)	(3,513,539)

Changes in the Net Pension (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 15,136,840	15,873,878	(737,038)
Changes for the Year:			
Service Cost	253,148	-	253,148
Interest on the Total Pension Liability	1,079,206	-	1,079,206
Changes of Benefit Terms			
Difference Between Expected and Actual			
Experience of the Total Pension Liability	493,103	-	493,103
Changes of Assumptions	-	-	-
Contributions - Employer	-	253,331	(253,331)
Contributions - Employees	-	127,945	(127,945)
Net Investment Income	-	2,698,334	(2,698,334)
Benefit Payments, including Refunds			
of Employee Contributions	(755,591)	(755,591)	-
Other (Net Transfer)	-	20,950	(20,950)
Net Changes	1,069,866	2,344,969	(1,275,103)
Balances at December 31, 2021	16,206,706	18,218,847	(2,012,141)

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

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, 2022, the Village recognized pension revenue of \$487,770. At April 30, 2022, 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	\$ 494,785	(1,547)	493,238
Change in Assumptions	-	(51,518)	(51,518)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	-	(2,088,245)	(2,088,245)
	494,785	(2,141,310)	(1,646,525)
Pension Contributions Made Subsequent to the Measurement Date	75,078	-	75,078
Total Deferred Amounts Related to IMRF	569,863	(2,141,310)	(1,571,447)

\$75,078 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, 2023. 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
2023	\$ (275,992)
2024	(627,612)
2025	(430,861)
2026	(312,059)
2027	-
Thereafter	-
Total	<u>(1,646,524)</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

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, 2022, 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>45</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, 2022**

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, 2022, the Village's contribution was 28.11% 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, 2022**

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, 2022, 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, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	\$ 10,796,015	7,377,626	4,625,515

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2021	\$ 20,840,372	13,848,285	6,992,087
Changes for the Year:			
Service Cost	681,364	-	681,364
Interest on the Total Pension Liability	1,327,688	-	1,327,688
Changes of Benefit Terms	-		-
Difference Between Expected and Actual			
Experience of the Total Pension Liability	(1,314,368)	-	(1,314,368)
Changes of Assumptions	89,965	-	89,965
Contributions - Employer	-	856,162	(856,162)
Contributions - Employees	-	365,878	(365,878)
Net Investment Income	-	(805,491)	805,491
Benefit Payments, including Refunds			
of Employee Contributions	(856,203)	(856,203)	-
Administrative Expense	-	(17,439)	17,439
Net Changes	(71,554)	(457,093)	385,539
Balances at April 30, 2022	20,768,818	13,391,192	7,377,626

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

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, 2022, the Village recognized pension expense of \$962,235. At April 30, 2022, 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	\$ 635,221	(2,464,153)	(1,828,932)
Change in Assumptions	2,161,372	(92,181)	2,069,191
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	<u>-</u>	650,898	650,898
Total Deferred Amounts Related to Police Pension	<u>2,796,593</u>	<u>(1,905,436)</u>	<u>891,157</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2023	\$ 247,145
2024	231,556
2025	110,221
2026	420,199
2027	(50,257)
Thereafter	<u>(67,707)</u>
Total	<u>891,157</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

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, 2022, 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	9
	<hr/>
Total	<u>81</u>

Total OPEB Liability

The Village's total OPEB liability was measured as of April 30, 2022, and was determined by an actuarial valuation as of April 30, 2022.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2022 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	3.42%
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, 2022

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

	<u>Total OPEB Liability</u>
Balance at April 30, 2021	<u>\$ 4,185,292</u>
Changes for the Year:	
Service Cost	190,417
Interest on the Total Pension Liability	87,129
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(706,970)
Benefit Payments	(150,844)
Net Changes	<u>(580,268)</u>
Balance at April 30, 2022	<u>3,605,024</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 3.42%, while the prior valuation used 2.12%. 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:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(2.42%)	(3.42%)	(4.42%)
Total OPEB Liability	\$ 4,137,100	3,605,024	3,170,739

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

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	\$ 3,110,712	3,605,024	4,222,286

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

For the year ended April 30, 2022, the Village recognized OPEB expense of \$22,068. At April 30, 2022, 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	\$ -	(669,242)	(669,242)
Change in Assumptions	-	(2,377,316)	(2,377,316)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	<u><u>\$ -</u></u>	<u><u>(3,046,558)</u></u>	<u><u>(3,046,558)</u></u>

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

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
2023	\$ (255,478)
2024	(255,478)
2025	(255,478)
2026	(255,478)
2027	(255,478)
Thereafter	<u>(1,769,168)</u>
Total	<u><u>(3,046,558)</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 \$2,671,051 to be received in two installments. On September 22, 2021, the Village received their first installment of \$1,334,836 and September 16, 2022 their second installment of \$1,336,215.

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, 2022

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%
2022	238,104	238,104	-	2,875,169	8.28%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 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, 2022

Fiscal Year	Contributions in Relation to the Actuarially Determined Contribution		Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Contribution			
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%
2022	856,162	856,162	-	3,046,217	28.11%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 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, 2022

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS**Illinois Municipal Retirement Fund****Required Supplementary Information****Schedule of Changes in the Employer's Net Pension Liability/(Asset)****April 30, 2022**12/31/2015

Total Pension Liability	
Service Cost	\$ 231,852
Interest	891,008
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(308,800)
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(433,918)</u>
Net Change in Total Pension Liability	380,142
Total Pension Liability - Beginning	<u>12,012,911</u>
Total Pension Liability - Ending	<u>12,393,053</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 298,271
Contributions - Members	100,919
Net Investment Income	52,165
Benefit Payments, Including Refunds of Member Contributions	(433,918)
Other (Net Transfer)	<u>(10,193)</u>
Net Change in Plan Fiduciary Net Position	7,244
Plan Net Position - Beginning	<u>10,450,285</u>
Plan Net Position - Ending	<u>10,457,529</u>
Employer's Net Pension Liability/(Asset)	<u>\$ 1,935,524</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.38%
Covered Payroll	\$ 2,242,641
Employer's Net Pension Liability/(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	12/31/2021
242,720	232,978	229,595	216,197	242,225	253,148
917,636	949,180	960,197	997,777	1,025,787	1,079,206
-	-	-	-	-	-
(233,085)	(91,234)	132,196	(32,006)	323,985	493,103
(33,076)	(390,097)	387,680	-	(119,988)	-
(493,110)	(509,785)	(594,711)	(891,581)	(725,693)	(755,591)
401,085	191,042	1,114,957	290,387	746,316	1,069,866
12,393,053	12,794,138	12,985,180	14,100,137	14,390,524	15,136,840
12,794,138	12,985,180	14,100,137	14,390,524	15,136,840	16,206,706
299,313	271,330	260,328	235,164	277,716	253,331
99,846	103,737	104,971	106,016	113,519	127,945
718,169	1,936,009	(659,593)	2,281,458	2,010,237	2,698,334
(493,110)	(509,785)	(594,711)	(891,581)	(725,693)	(755,591)
104,625	(158,186)	226,689	156,785	143,096	20,950
728,843	1,643,105	(662,316)	1,887,842	1,818,875	2,344,969
10,457,529	11,186,372	12,829,477	12,167,161	14,055,003	15,873,878
11,186,372	12,829,477	12,167,161	14,055,003	15,873,878	18,218,847
1,607,766	155,703	1,932,976	335,521	(737,038)	(2,012,141)
87.43%	98.80%	86.29%	97.67%	104.87%	112.42%
2,218,784	2,305,270	2,332,691	2,355,898	2,355,898	2,843,218
72.46%	6.75%	82.86%	14.24%	(31.28%)	(70.77%)

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2022

4/30/2015

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

Note:

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

4/30/2016	4/30/2017	4/30/2018	4/30/2019	4/30/2020	4/30/2021	4/30/2022
400,101	426,069	460,254	489,408	560,887	755,021	681,364
837,341	1,000,049	1,026,665	1,118,508	1,191,866	1,328,329	1,327,688
-	-	-	-	241,594	-	-
(589,343)	(874,635)	429,887	(986,862)	228,114	256,954	(1,314,368)
2,189,746	370,109	-	1,149,405	484,368	(112,691)	89,965
(481,164)	(545,717)	(537,009)	(672,519)	(772,450)	(719,601)	(856,203)
-	-	-	-	-	(14,902)	-
2,356,681	375,875	1,379,797	1,097,940	1,934,379	1,493,110	(71,554)
12,202,590	14,559,271	14,935,146	16,314,943	17,412,883	19,347,262	20,840,372
<u>14,559,271</u>	<u>14,935,146</u>	<u>16,314,943</u>	<u>17,412,883</u>	<u>19,347,262</u>	<u>20,840,372</u>	<u>20,768,818</u>
452,282	520,987	580,602	557,590	636,733	850,278	856,162
216,533	205,654	223,418	327,795	268,740	293,685	365,878
(25,628)	593,998	466,740	617,818	143,908	2,508,926	(805,491)
(481,164)	(545,717)	(537,009)	(672,519)	(772,450)	(719,601)	(856,203)
(18,226)	(10,627)	(11,237)	(8,143)	(6,775)	(14,902)	(17,439)
143,797	764,295	722,514	822,541	270,156	2,918,386	(457,093)
8,206,596	8,350,393	9,114,688	9,837,202	10,659,743	10,929,899	13,848,285
<u>8,350,393</u>	<u>9,114,688</u>	<u>9,837,202</u>	<u>10,659,743</u>	<u>10,929,899</u>	<u>13,848,285</u>	<u>13,391,192</u>
<u>6,208,878</u>	<u>5,820,458</u>	<u>6,477,741</u>	<u>6,753,140</u>	<u>8,417,363</u>	<u>6,992,087</u>	<u>7,377,626</u>
57.35%	61.03%	60.30%	61.22%	56.49%	66.45%	64.48%
1,951,463	2,070,191	2,226,229	2,376,298	2,680,466	2,889,254	3,046,217
318.17%	281.16%	290.97%	284.19%	314.03%	242.00%	242.19%

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2022

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%
2022	2.26%

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, 2022

	4/30/2019	4/30/2020	4/30/2021	4/30/2022
Total OPEB Liability				
Service Cost	\$ 102,680	109,371	281,333	190,417
Interest	197,188	193,829	169,073	87,129
Change of Assumptions or Other Inputs	103,474	1,372,531	(2,015,612)	(706,970)
Differences Between Expected and Actual Experience	-	-	(783,416)	(150,844)
Benefit Payments	(279,432)	(231,540)	(140,976)	-
Net Change in Total OPEB Liability	123,910	1,444,191	(2,489,598)	(580,268)
Total OPEB Liability - Beginning	5,106,789	5,230,699	6,674,890	4,185,292
 Total OPEB Liability - Ending	 5,230,699	 6,674,890	 4,185,292	 3,605,024
 Covered-Employee Payroll	 \$ 4,556,870	 4,693,576	 5,429,643	 5,676,242
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 114.79%	 142.21%	 77.08%	 63.51%

Notes:

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2019 to 2022.

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, 2022**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 2,311,159	2,329,230
Other Taxes	223,606	293,386
Licenses, Permits and Fees	565,107	589,789
Intergovernmental	8,266,811	9,727,650
Fines and Forfeitures	297,500	208,679
Charges for Services	350,684	415,054
Investment Earnings (Losses)	66,000	(47,702)
Miscellaneous	86,790	234,489
Total Revenues	12,167,657	13,750,575
Expenditures		
General Government	3,591,467	3,591,701
Public Safety	6,383,958	6,213,185
Highways and Streets	2,151,940	2,099,871
Total Expenditures	12,127,365	11,904,757
Excess (Deficiency) of Revenues		
Over Expenditures	40,292	1,845,818
Other Financing (Uses)		
Transfers Out	-	(1,500,000)
Net Change in Fund Balance	40,292	345,818
Fund Balance - Beginning		4,995,067
Fund Balance - Ending		5,340,885

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, 2022**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 1,232,312	1,211,178
Investment Earnings (Losses)	2,100	(20,603)
Total Revenues	<u>1,234,412</u>	<u>1,190,575</u>
Expenditures		
General Government		
Contractual Services	1,162,425	613,019
Other	550,000	-
Total Expenditures	<u>1,712,425</u>	<u>613,019</u>
Net Change in Fund Balance	<u>(478,013)</u>	<u>577,556</u>
Fund Balance - Beginning		<u>2,249,584</u>
Fund Balance - Ending		<u>2,827,140</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.

Balmorea Special Service Area Fund

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

Arbor Ridge Special Service Area Fund

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

Fairfield Way Special Service Area Fund

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

Foxmoor Special Service Area Fund

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

Tax Increment Financing District #1 Fund

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

Tax Increment Financing District #3 Fund

The Tax Increment Financing (TIF) District #3 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

Tax Increment Financing District #4 Fund

The Tax Increment Financing (TIF) District #4 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.

American Rescue Plan Fund

The American Rescue Fund is used to account for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program funding to local governments to support their response to and recovery from the COVID-19 public health emergency.

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.

INDIVIDUAL FUND SCHEDULES

CAPITAL PROJECTS FUNDS

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

Capital Improvement Fund

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

INDIVIDUAL FUND SCHEDULES

ENTERPRISE FUNDS – Continued

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.

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

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, 2022**

	Original and Final Budget	Actual
Property Taxes		
Corporate	\$ 590,365	608,136
Police Pension	830,887	830,754
Social Security	215,055	215,026
IMRF	175,956	175,940
Insurance	195,506	195,497
Police Protection	244,375	244,348
Road and Bridge	59,015	59,529
	<hr/>	<hr/>
Total Property Taxes	2,311,159	2,329,230
Other Taxes		
Utility Taxes	37,006	30,849
Video Gaming Taxes	168,000	231,672
Cannabis Taxes	18,600	30,865
	<hr/>	<hr/>
Total Other Taxes	223,606	293,386
Licenses, Permits and Fees		
Licenses		
Liquor	31,800	38,655
Amusement Machine	-	150
Tobacco	350	350
Contractors	25,000	36,462
Other	970	724
Permits		
Building	276,010	279,027
Oversized Vehicle	7,500	11,525
Solicitor	1,500	690
Other	500	700
Fees		
Cable Franchise	221,477	221,506
	<hr/>	<hr/>
Total Licenses, Permits, and Fees	565,107	589,789

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2022

	Original and Final Budget	Actual
Intergovernmental		
Sales Taxes	\$ 5,057,325	5,621,269
State Income Taxes	2,218,000	3,098,877
Corporate Replacement Taxes	61,733	165,709
Road and Bridge Replacement Taxes	7,717	21,853
Local Use Taxes	890,000	746,446
TIF Surplus	9,426	11,330
State Grant - ILCC Tobacco (Police)	2,090	880
Federal Grant - Body Armor (Police)	2,280	1,812
Federal Grant - Traffic Safety (Police)	18,240	10,689
Fema Covid-19 - Grant	-	46,285
ComEd - Grant	-	2,500
 Total Intergovernmental	 8,266,811	 9,727,650
Fines and Forfeitures		
Tow Impoundment Fee	\$ 105,000	46,000
Court Fines - Village	16,000	19,590
Court Fines - Kane County	150,000	121,442
Court Fines - Kendall County	18,000	14,214
Patrol Car Maintenance Fines - Kane County	2,500	527
Patrol Car Maintenance Fines - Kendall County	1,000	105
Code Enforcement Fines	5,000	6,800
Other - State Forfeiture	-	1
 Total Fines and Forfeitures	 297,500	 208,679
Charges for Services		
Plumbing Inspections	57,150	40,580
Engineering Inspections	42,100	18,015
Reinspections	1,000	75
Elevator Inspections	1,600	2,101
Planning - Plan Commission Applications	8,000	14,500
Recycling Income	3,000	10,875
Lawn Services	5,989	3,869
Professional Services Reimbursements - Engineering Service	124,740	110,199

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2022

	Original and Final Budget	Actual
Charges for Services - Continued		
Professional Services Reimbursements - Legal Service	\$ 21,000	21,919
Professional Services Reimbursements - Planning Service	23,625	15,543
Professional Services Reimbursements - Printing and Publishing	500	67
Police Reimbursements - Training	6,000	225
Police Reimbursements - Special Duty	2,700	83,128
Police Reimbursements - Other	3,500	5,086
Police Reimbursements - Firing Range	500	120
Other Reimbursements - Streets	11,680	20,808
Other Reimbursements - Credit Card Fees	28,800	59,402
Other Reimbursements - Miscellaneous	6,000	5,058
Rents and Royalties - Municipal Building Rental	2,800	3,484
 Total Charges for Services	 350,684	 415,054
 Investment Earnings (Losses)	 66,000	 (47,702)
 Miscellaneous		
Other Reimbursements - Insurance	30,000	34,360
Donations - Montgomery Fest	25,000	60,603
Donations - Beautification	6,000	2,920
Donations - River Run	12,340	11,717
Donations - Garage Sales	1,000	120
Donations - Settler's Cottage	500	220
Donations - HPC Brick Paver Program	500	200
Donations - Community Programs	2,000	1,750
Donations - Parkway Tree Program	2,000	-
Donations - Car Show	2,500	2,686
Donations - Safety Event	4,000	4,100
Salable Items - History Books	350	35
Salable Items - Miscellaneous	100	-
Change in Terminal Reserve (IPBC)	-	111,386
Miscellaneous	500	4,392
 Total Miscellaneous	 86,790	 234,489
 Total Revenues	 12,167,657	 13,750,575

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Original and Final Budget	Actual
General Government		
Elected Officials		
Personal Services	\$ 69,471	63,922
Contractual Services	127,834	119,744
Commodities	2,515	1,904
	<hr/> 199,820	<hr/> 185,570
Administration		
Personal Services	416,400	438,549
Contractual Services	118,244	122,994
Commodities	7,600	3,840
	<hr/> 542,244	<hr/> 565,383
Finance		
Accounting		
Personal Services	527,561	523,473
Contractual Services	371,061	367,799
Commodities	6,450	5,498
	<hr/> 905,072	<hr/> 896,770
Utility Billing		
Personal Services	126,036	109,757
Contractual Services	61,402	90,853
Commodities	29,290	36,081
	<hr/> 216,728	<hr/> 236,691
	1,121,800	1,133,461
Less: Internal Charges	<hr/> (578,757)	<hr/> (595,716)
	543,043	537,745
Legal		
Contractual Services	<hr/> 207,200	<hr/> 219,104

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2022

	Original and Final Budget	Actual
General Government - Continued		
Engineering		
Contractual Services	\$ 185,000	194,697
Community Development		
Economic Development		
Contractual Services	97,700	90,601
Other	<u>1,100,873</u>	<u>1,117,110</u>
	<u>1,198,573</u>	<u>1,207,711</u>
Planning and Zoning		
Personal Services	284,406	254,833
Contractual Services	31,399	20,281
Commodities	<u>3,050</u>	<u>1,368</u>
	<u>318,855</u>	<u>276,482</u>
Code Enforcement and Inspections		
Personal Services	312,744	312,302
Contractual Services	80,633	88,396
Commodities	<u>3,355</u>	<u>4,311</u>
	<u>396,732</u>	<u>405,009</u>
Total Community Development	<u>1,914,160</u>	<u>1,889,202</u>
Total General Government	<u>3,591,467</u>	<u>3,591,701</u>
Public Safety		
Police		
Administration		
Personal Services	764,819	761,530
Contractual Services	148,449	130,753
Commodities	<u>37,720</u>	<u>20,518</u>
	<u>950,988</u>	<u>912,801</u>

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2022

	Original and Final Budget	Actual
Public Safety - Continued		
Police - Continued		
Records		
Personal Services	\$ 246,652	239,178
Contractual Services	298,627	296,834
Commodities	1,670	1,279
	<hr/> 546,949	<hr/> 537,291
Patrol		
Personal Services	3,858,064	3,740,974
Contractual Services	279,322	273,746
Commodities	69,840	50,055
	<hr/> 4,207,226	<hr/> 4,064,775
Investigations		
Personal Services	637,153	665,562
Contractual Services	16,384	11,605
Commodities	15,893	15,533
	<hr/> 669,430	<hr/> 692,700
Police Commission		
Contractual Services	6,051	3,486
ESDA		
Contractual Services	2,500	2,132
Commodities	814	-
	<hr/> 3,314	<hr/> 2,132
Total Public Safety	6,383,958	6,213,185

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2022

	Original and Final Budget	Actual
Highways and Streets		
Administration		
Personal Services	\$ 101,754	100,153
Contractual Services	42,016	35,753
Commodities	14,785	13,187
	<hr/> 158,555	<hr/> 149,093
Streets		
Personal Services	504,377	476,990
Contractual Services	629,923	626,917
Commodities	56,250	45,673
	<hr/> 1,190,550	<hr/> 1,149,580
Vehicle Maintenance		
Personal Services	190,798	190,769
Contractual Services	116,111	116,218
Commodities	171,100	232,785
	<hr/> 478,009	<hr/> 539,772
Buildings and Grounds		
Personal Services	294,240	297,603
Contractual Services	437,612	406,264
Commodities	42,995	39,408
	<hr/> 774,847	<hr/> 743,275
Stormwater Management		
Contractual Services	40,432	26,202
Less: Internal Charges	2,642,393	2,607,922
	<hr/> (490,453)	<hr/> (508,051)
Total Highways and Streets	2,151,940	2,099,871
Total Expenditures	<hr/> 12,127,365	<hr/> 11,904,757

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, 2022**

	Original and Final Budget	Actual
Revenues		
Investment Earnings	\$ 500	166
Expenditures		
Debt Service		
Principal Retirement	800,000	870,000
Interest and Fiscal Charges	378,137	341,331
Total Expenditures	<u>1,178,137</u>	<u>1,211,331</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,177,637)</u>	<u>(1,211,165)</u>
Other Financing Sources (Uses)		
Debt Issuance	-	1,240,000
Premium on Bond	-	281,368
Payment to Escrow Agent	-	(1,492,111)
Transfers In	<u>1,177,637</u>	<u>1,171,836</u>
	<u>1,177,637</u>	<u>1,201,093</u>
Net Change in Fund Balance	<u><u>-</u></u>	<u><u>(10,072)</u></u>
Fund Balance - Beginning		<u>47,458</u>
Fund Balance - Ending		<u>37,386</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Capital Improvement - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Original and Final Budget	Actual
Revenues		
Other Taxes		
Utility Taxes	\$ 1,170,485	1,303,311
Licenses, Permits and Fees	29,662	22,443
Charges for Services	362,989	230,315
Investment Earnings (Losses)	<u>10,000</u>	<u>(41,817)</u>
Total Revenues	<u>1,573,136</u>	<u>1,514,252</u>
Expenditures		
General Government		
Contractual Services	-	2,607
Capital Outlay	10,854,179	2,573,451
Debt Service		
Interest and Fiscal Charges	-	283,759
Total Expenditures	<u>10,854,179</u>	<u>2,859,817</u>
Excess (Deficiency) of Revenues		
Over Expenditures	<u>(9,281,043)</u>	<u>(1,345,565)</u>
Other Financing Sources (Uses)		
Debt Issuance	-	15,000,000
Premium on Bond	-	1,230,026
Transfers In	-	1,500,000
Transfers Out	<u>(1,177,637)</u>	<u>(1,171,836)</u>
	<u>(1,177,637)</u>	<u>16,558,190</u>
Net Change in Fund Balances	<u>(10,458,680)</u>	<u>15,212,625</u>
Fund Balances - Beginning		<u>337,674</u>
Fund Balances - Ending		<u>15,550,299</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Infrastructure Improvement - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Non-Home Rule Sales Tax	\$ 3,516,836	3,865,943
Local Grant	75,600	114,111
Charges for Services	95,030	113,405
Investment Earnings (Losses)	30,000	(15,434)
Total Revenues	<u>3,717,466</u>	<u>4,078,025</u>
Expenditures		
General Government		
Contractual Services	133,102	65,072
Highways and Streets		
Contractual Services	3,466,988	2,935,560
Total Expenditures	<u>3,600,090</u>	<u>3,000,632</u>
Net Change in Fund Balance	<u>117,376</u>	1,077,393
Fund Balance - Beginning		<u>1,653,515</u>
Fund Balance - Ending		<u>2,730,908</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2022

	Special Revenue	Capital Projects	Totals
ASSETS			
Cash and Investments	\$ 5,510,475	1,752,048	7,262,523
Receivables - Net of Allowances			
Property Taxes	380,208	-	380,208
Notes	36,906	-	36,906
Accrued Interest	6,736	2,145	8,881
Due from Other Funds	-	7,493	7,493
Due from Other Governments	61,871	-	61,871
 Total Assets	 5,996,196	 1,761,686	 7,757,882
LIABILITIES			
Accounts Payable	5,122	465	5,587
Due to Other Funds	11,847	-	11,847
 Total Liabilities	 16,969	 465	 17,434
DEFERRED INFLOWS OF RESOURCES			
Grants	1,336,215	-	1,336,215
Property Taxes	380,208	-	380,208
 Total Deferred Inflows of Resources	 1,716,423	 -	 1,716,423
Total Liabilities and Deferred Inflows of Resources	1,733,392	465	1,733,857
FUND BALANCES			
Restricted	2,438,910	15,630	2,454,540
Assigned	1,835,741	1,745,591	3,581,332
Unassigned	(11,847)	-	(11,847)
 Total Fund Balances	 4,262,804	 1,761,221	 6,024,025
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 5,996,196	 1,761,686	 7,757,882

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2022**

	Special Revenue	Capital Projects	Totals
Revenues			
Property Taxes	\$ 371,011	-	371,011
Intergovernmental	1,219,596	-	1,219,596
Fines and Forfeitures	-	37,441	37,441
Charges for Services	19,902	867,665	887,567
Investment Earnings (Losses)	6,194	(5,304)	890
Miscellaneous	1,000	55,312	56,312
Total Revenues	1,617,703	955,114	2,572,817
Expenditures			
General Government	44,186	42,787	86,973
Highways and Streets	1,783,834	-	1,783,834
Capital Outlay	213,631	183,291	396,922
Total Expenditures	2,041,651	226,078	2,267,729
Excess (Deficiency) of Revenues Over Expenditures	(423,948)	729,036	305,088
Other Financing Sources			
Disposal of Capital Assets	-	7,493	7,493
Net Change in Fund Balances	(423,948)	736,529	312,581
Fund Balances - Beginning	4,686,752	1,024,692	5,711,444
Fund Balances - Ending	4,262,804	1,761,221	6,024,025

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2022

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2022

	Montgomery Development	Motor Fuel Tax	Police Gift	Montgomery Crossing Special Service Area
ASSETS				
Cash and Investments	\$ 1,802,298	1,431,943	8,245	117,095
Receivables - Net of Allowances				
Property Taxes	-	-	-	56,503
Notes	36,906	-	-	-
Accrued Interest	-	6,663	-	18
Due from Other Governments	-	61,871	-	-
Total Assets	1,839,204	1,500,477	8,245	173,616
LIABILITIES				
Accounts Payable	3,463	-	-	426
Due to Other Funds	-	-	-	-
Total Liabilities	3,463	-	-	426
DEFERRED INFLOWS OF RESOURCES				
Grants	-	-	-	-
Property Taxes	-	-	-	56,503
Total Deferred Inflows of Resources	-	-	-	56,503
FUND BALANCES				
Restricted	-	1,500,477	8,245	116,687
Assigned	1,835,741	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,835,741	1,500,477	8,245	116,687
Total Liabilities and Fund Balances	1,839,204	1,500,477	8,245	173,616

Blackberry Crossing Special Service Area	Ogden Hill Special Service Area	Marquis Pointe Special Service Area	Balmorea Special Service Area	Arbor Ridge Special Service Area	Fairfield Way Special Service Area	Foxmoor Special Service Area
58,436	57,483	41,264	53,507	42,726	89,205	84,223
19,002	18,036	12,035	26,002	25,000	33,000	61,000
-	-	-	-	-	-	-
-	-	-	-	-	20	10
-	-	-	-	-	-	-
77,438	75,519	53,299	79,509	67,726	122,225	145,233
16	203	119	212	285	250	60
-	-	-	-	-	-	-
16	203	119	212	285	250	60
-	-	-	-	-	-	-
19,002	18,036	12,035	26,002	25,000	33,000	61,000
19,002	18,036	12,035	26,002	25,000	33,000	61,000
19,018	18,239	12,154	26,214	25,285	33,250	61,060
58,420	57,280	41,145	53,295	42,441	88,975	84,173
-	-	-	-	-	-	-
-	-	-	-	-	-	-
58,420	57,280	41,145	53,295	42,441	88,975	84,173
77,438	75,519	53,299	79,509	67,726	122,225	145,233

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet - Continued

April 30, 2022

	Tax Increment Financing District #1	Tax Increment Financing District #3	Tax Increment Financing District #4	American Rescue Plan
ASSETS				
Cash and Investments	\$ 137,638	-	-	1,337,667
Receivables - Net of Allowances				
Property Taxes	35,628	-	-	-
Notes	-	-	-	-
Accrued Interest	-	-	-	-
Due from Other Governments	-	-	-	-
Total Assets	173,266	-	-	1,337,667
LIABILITIES				
Accounts Payable	-	-	-	-
Due to Other Funds	-	8,593	3,254	-
Total Liabilities	-	8,593	3,254	-
DEFERRED INFLOWS OF RESOURCES				
Grants	-	-	-	1,336,215
Property Taxes	35,628	-	-	-
Total Deferred Inflows of Resources	35,628	-	-	1,336,215
FUND BALANCES				
Restricted	137,638	-	-	1,452
Assigned	-	-	-	-
Unassigned	-	(8,593)	(3,254)	-
Total Fund Balances	137,638	(8,593)	(3,254)	1,452
Total Liabilities and Fund Balances	173,266	-	-	1,337,667

Saratoga Springs Special Service Area	Orchard Prairie North Special Service Area	Blackberry Crossing West Special Service Area	Fieldstone Special Service Area	Totals
45,937	55,469	126,110	21,229	5,510,475
20,000	33,000	38,002	3,000	380,208
-	-	-	-	36,906
-	-	25	-	6,736
-	-	-	-	61,871
65,937	88,469	164,137	24,229	5,996,196
8	80	-	-	5,122
-	-	-	-	11,847
8	80	-	-	16,969
-	-	-	-	1,336,215
20,000	33,000	38,002	3,000	380,208
20,000	33,000	38,002	3,000	1,716,423
20,008	33,080	38,002	3,000	1,733,392
45,929	55,389	126,135	21,229	2,438,910
-	-	-	-	1,835,741
-	-	-	-	(11,847)
45,929	55,389	126,135	21,229	4,262,804
65,937	88,469	164,137	24,229	5,996,196

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, 2022**

	Montgomery Development	Motor Fuel Tax	Police Gift	Montgomery Crossing Special Service Area
Revenues				
Property Taxes	\$ -	-	-	55,991
Intergovernmental	-	1,219,596	-	-
Charges for Services	250	-	-	-
Investment Earnings	2,484	45	-	525
Miscellaneous	-	-	1,000	-
Total Revenues	2,734	1,219,641	1,000	56,516
Expenditures				
General Government	5,964	-	-	-
Highways and Streets	-	1,483,388	-	54,763
Capital Outlay	213,631	-	-	-
Total Expenditures	219,595	1,483,388	-	54,763
Net Change in Fund Balances	(216,861)	(263,747)	1,000	1,753
Fund Balances - Beginning	2,052,602	1,764,224	7,245	114,934
Fund Balances - Ending	1,835,741	1,500,477	8,245	116,687

Blackberry Crossing Special Service Area	Ogden Hill Special Service Area	Marquis Pointe Special Service Area	Balmorea Special Service Area	Arbor Ridge Special Service Area	Fairfield Way Special Service Area	Foxmoor Special Service Area
18,933	18,034	12,034	25,976	25,000	29,996	57,957
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	570	288
-	-	-	-	-	-	-
18,933	18,034	12,034	25,976	25,000	30,566	58,245
<hr/>						
15,687	14,893	8,747	16,537	18,689	35,452	56,177
-	-	-	-	-	-	-
15,687	14,893	8,747	16,537	18,689	35,452	56,177
<hr/>						
3,246	3,141	3,287	9,439	6,311	(4,886)	2,068
55,174	54,139	37,858	43,856	36,130	93,861	82,105
58,420	57,280	41,145	53,295	42,441	88,975	84,173

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, 2022**

	Tax Increment Financing District #1	Tax Increment Financing District #3	Tax Increment Financing District #4	American Rescue Plan
Revenues				
Property Taxes	\$ 35,056	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	17,620	2,032	-
Investment Earnings	113	-	-	1,452
Miscellaneous	-	-	-	-
Total Revenues	35,169	17,620	2,032	1,452
Expenditures				
General Government	8,703	24,233	5,286	-
Highways and Streets	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	8,703	24,233	5,286	-
Net Change in Fund Balances	26,466	(6,613)	(3,254)	1,452
Fund Balances - Beginning	111,172	(1,980)	-	-
Fund Balances - Ending	137,638	(8,593)	(3,254)	1,452

Saratoga Springs Special Service	Orchard Prairie North Special Service	Blackberry Crossing West Special Service	Fieldstone Special Service	Totals
Area	Area	Area	Area	
20,000	32,990	36,044	3,000	371,011
-	-	-	-	1,219,596
-	-	-	-	19,902
-	-	717	-	6,194
-	-	-	-	1,000
20,000	32,990	36,761	3,000	1,617,703
-	-	-	-	44,186
14,992	24,595	37,565	2,349	1,783,834
-	-	-	-	213,631
14,992	24,595	37,565	2,349	2,041,651
5,008	8,395	(804)	651	(423,948)
40,921	46,994	126,939	20,578	4,686,752
45,929	55,389	126,135	21,229	4,262,804

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, 2022**

	Original and Final Budget	Actual
Revenues		
Charges for Services	\$ 1,000	250
Investment Earnings	2,400	2,484
Total Revenues	3,400	2,734
Expenditures		
General Government		
Contractual Services	24,000	5,964
Capital Outlay	355,000	213,631
Total Expenditures	379,000	219,595
Net Change in Fund Balance	(375,600)	(216,861)
Fund Balance - Beginning		<u>2,052,602</u>
Fund Balance - Ending		<u>1,835,741</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor Fuel Taxes	\$ 827,000	814,550
State Grants	405,046	405,046
Investment Earnings	1,500	45
Total Revenues	<u>1,233,546</u>	<u>1,219,641</u>
Expenditures		
Highways and Streets		
Contractual Services	1,400,000	1,400,000
Commodities	83,450	83,388
Total Expenditures	<u>1,483,450</u>	<u>1,483,388</u>
Net Change in Fund Balance	<u>(249,904)</u>	<u>(263,747)</u>
Fund Balance - Beginning		<u>1,764,224</u>
Fund Balance - Ending		<u>1,500,477</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Police Gift - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Miscellaneous	\$ 250	1,000
Expenditures		
Public Safety		
Commodities	1,000	-
Net Change in Fund Balance	<u>(750)</u>	1,000
Fund Balance - Beginning		<u>7,245</u>
Fund Balance - Ending		<u>8,245</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, 2022**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 56,000	55,991
Investment Earnings	250	525
Total Revenues	<u>56,250</u>	<u>56,516</u>
Expenditures		
Highways and Streets		
Contractual Services	52,146	54,763
Net Change in Fund Balance	<u>4,104</u>	1,753
Fund Balance - Beginning		<u>114,934</u>
Fund Balance - Ending		<u>116,687</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, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Property Taxes	\$ 19,000	18,933
Expenditures		
Highways and Streets		
Contractual Services	<u>15,865</u>	<u>15,687</u>
Net Change in Fund Balance	<u>3,135</u>	3,246
Fund Balance - Beginning		<u>55,174</u>
Fund Balance - Ending		<u>58,420</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, 2022**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 18,000	18,034
Expenditures		
Highways and Streets		
Contractual Services	13,397	14,893
Net Change in Fund Balance	<u>4,603</u>	3,141
Fund Balance - Beginning		<u>54,139</u>
Fund Balance - Ending		<u>57,280</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Marquis Pointe Special Service Area - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 12,000	12,034
Expenditures		
Highways and Streets		
Contractual Services	<u>7,869</u>	<u>8,747</u>
Net Change in Fund Balance	<u><u>4,131</u></u>	<u><u>3,287</u></u>
Fund Balance - Beginning		<u><u>37,858</u></u>
Fund Balance - Ending		<u><u>41,145</u></u>

VILLAGE OF MONTGOMERY, ILLINOIS

Balmorea Special Service Area - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 26,000	25,976
Expenditures		
Highways and Streets		
Contractual Services	<u>16,822</u>	<u>16,537</u>
Net Change in Fund Balance	<u>9,178</u>	9,439
Fund Balance - Beginning		<u>43,856</u>
Fund Balance - Ending		<u>53,295</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Arbor Ridge Special Service Area - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 25,000	25,000
Expenditures		
Highways and Streets		
Contractual Services	19,802	18,689
Net Change in Fund Balance	<u>5,198</u>	6,311
Fund Balance - Beginning		<u>36,130</u>
Fund Balance - Ending		<u>42,441</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, 2022**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 30,000	29,996
Investment Earnings	250	570
Total Revenues	<u>30,250</u>	<u>30,566</u>
Expenditures		
Highways and Streets	36,593	35,452
Contractual Services		
Net Change in Fund Balance	<u>(6,343)</u>	<u>(4,886)</u>
Fund Balance - Beginning		<u>93,861</u>
Fund Balance - Ending		<u>88,975</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, 2022**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 58,000	57,957
Investment Earnings	150	288
Total Revenues	<u>58,150</u>	<u>58,245</u>
Expenditures		
Highways and Streets	54,581	56,177
Contractual Services		
Net Change in Fund Balance	<u>3,569</u>	2,068
Fund Balance - Beginning		<u>82,105</u>
Fund Balance - Ending		<u>84,173</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Tax Increment Financing District #1 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 35,000	35,056
Investment Earnings	-	113
Total Revenues	<u>35,000</u>	<u>35,169</u>
Expenditures		
General Government		
Contractual Services	700	8,703
Net Change in Fund Balance	<u>34,300</u>	<u>26,466</u>
Fund Balance - Beginning		<u>111,172</u>
Fund Balance - Ending		<u>137,638</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, 2022**

	Original and Final Budget	Actual
Revenues		
Charges for Services	\$ -	17,620
Expenditures		
General Government		
Contractual Services	<u>27,500</u>	<u>24,233</u>
Net Change in Fund Balance	<u>(27,500)</u>	<u>(6,613)</u>
Fund Balance - Beginning		<u>(1,980)</u>
Fund Balance - Ending		<u>(8,593)</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Tax Increment Financing District #4 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Original and Final Budget	Actual
Revenues		
Charges for Services	\$ -	2,032
Expenditures		
General Government		
Contractual Services	38,000	5,286
Net Change in Fund Balance	(38,000)	(3,254)
Fund Balance - Beginning		-
Fund Balance - Ending		(3,254)

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, 2022**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 20,000	20,000
Expenditures		
Highways and Streets		
Contractual Services	<u>15,239</u>	<u>14,992</u>
Net Change in Fund Balance	<u>4,761</u>	5,008
Fund Balance - Beginning		<u>40,921</u>
Fund Balance - Ending		<u>45,929</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, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Property Taxes	\$ 33,000	32,990
Expenditures		
Highways and Streets		
Contractual Services	<u>25,483</u>	<u>24,595</u>
Net Change in Fund Balance	<u>7,517</u>	8,395
Fund Balance - Beginning		<u>46,994</u>
Fund Balance - Ending		<u>55,389</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, 2022**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 36,000	36,044
Investment Earnings	300	717
Total Revenues	<u>36,300</u>	<u>36,761</u>
Expenditures		
Highways and Streets	38,743	37,565
Contractual Services		
Net Change in Fund Balance	<u>(2,443)</u>	<u>(804)</u>
Fund Balance - Beginning		<u>126,939</u>
Fund Balance - Ending		<u>126,135</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, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues		
Property Taxes	\$ 3,000	3,000
Expenditures		
Highways and Streets		
Contractual Services	<u>2,349</u>	<u>2,349</u>
Net Change in Fund Balance	<u>651</u>	651
Fund Balance - Beginning		<u>20,578</u>
Fund Balance - Ending		<u>21,229</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2022

	Vehicle and Equipment Replacement	Lakewood Creek Project	Totals
ASSETS			
Cash and Investments	\$ 1,736,418	15,630	1,752,048
Receivables - Net of Allowances			
Accrued Interest	2,145	-	2,145
Due from Other Funds	7,493	-	7,493
Total Assets	1,746,056	15,630	1,761,686
LIABILITIES			
Accounts Payable	465	-	465
FUND BALANCES			
Restricted	-	15,630	15,630
Assigned	1,745,591	-	1,745,591
Total Fund Balances	1,745,591	15,630	1,761,221
Total Liabilities and Fund Balances	1,746,056	15,630	1,761,686

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, 2022**

	Vehicle and Equipment Replacement	Lakewood Creek Project	Totals
Revenues			
Fines and Forfeitures	\$ 37,441	-	37,441
Charges for Services	867,665	-	867,665
Investment Earnings (Losses)	(5,305)	1	(5,304)
Miscellaneous	-	55,312	55,312
Total Revenues	899,801	55,313	955,114
Expenditures			
Current			
General Government	-	42,787	42,787
Capital Outlay	183,291	-	183,291
Total Expenditures	183,291	42,787	226,078
Excess (Deficiency) of Revenues Over Expenditures	716,510	12,526	729,036
Other Financing Sources			
Disposal of Capital Assets	7,493	-	7,493
Net Change in Fund Balances	724,003	12,526	736,529
Fund Balances - Beginning	1,021,588	3,104	1,024,692
Fund Balances - Ending	1,745,591	15,630	1,761,221

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, 2022**

	Original and Final Budget	Actual
Revenues		
Fines and Forfeitures	\$ 19,750	37,441
Charges for Services	854,808	867,665
Investment Earnings (Losses)	11,250	(5,305)
Total Revenues	<u>885,808</u>	<u>899,801</u>
Expenditures		
Capital Outlay	611,082	<u>183,291</u>
Excess (Deficiency) of Revenues		
Over Expenditures	274,726	716,510
Other Financing Sources		
Disposal of Capital Assets	-	<u>7,493</u>
Net Change in Fund Balance	<u>274,726</u>	724,003
Fund Balance - Beginning		<u>1,021,588</u>
Fund Balance - Ending		<u>1,745,591</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Lakewood Creek Project - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Original and Final Budget	Actual
Revenues		
Investment Earnings	\$ 50	1
Miscellaneous	<u>60,000</u>	<u>55,312</u>
Total Revenues	<u>60,050</u>	<u>55,313</u>
 Expenditures		
General Government		
Contractual Services	<u>60,000</u>	<u>42,787</u>
 Net Change in Fund Balance	<u><u>50</u></u>	<u><u>12,526</u></u>
 Fund Balance - Beginning		<u><u>3,104</u></u>
 Fund Balance - Ending		<u><u>15,630</u></u>

VILLAGE OF MONTGOMERY, ILLINOIS

Water - Enterprise Fund - by Account

Combining Schedule of Net Position

April 30, 2022

	Water Account	Water Improvement Account	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 5,461,582	15,485	5,477,067
Receivables - Net of Allowances			
Accounts	983,426	1,449	984,875
Accrued Interest	12,949	-	12,949
Due from Other Funds	180	-	180
Total Current Assets	<u>6,458,137</u>	<u>16,934</u>	<u>6,475,071</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	247,534	-	247,534
Depreciable	53,103,683	-	53,103,683
Accumulated Depreciation	<u>(28,516,237)</u>	<u>-</u>	<u>(28,516,237)</u>
Total Capital Assets	<u>24,834,980</u>	<u>-</u>	<u>24,834,980</u>
Other Assets			
Net Pension Asset - IMRF	<u>503,535</u>	<u>-</u>	<u>503,535</u>
Total Noncurrent Assets	<u>25,338,515</u>	<u>-</u>	<u>25,338,515</u>
Total Assets	<u>31,796,652</u>	<u>16,934</u>	<u>31,813,586</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	142,607	-	142,607
Deferred Items - ARO	478,667	-	478,667
Total Deferred Outflows of Resources	<u>621,274</u>	<u>-</u>	<u>621,274</u>
Total Assets and Deferred Outflows of Resources	<u>32,417,926</u>	<u>16,934</u>	<u>32,434,860</u>

	Water Account	Water Improvement Account	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 311,378	72,860	384,238
Accrued Payroll	17,275	-	17,275
Deposits Payable	2,153	-	2,153
Accrued Interest Payable	115,198	-	115,198
Due to Other Funds	34,742	-	34,742
Other Payables	63,000	44,271	107,271
Current Portion of Long-Term Debt	738,059	-	738,059
Total Current Liabilities	1,281,805	117,131	1,398,936
Noncurrent Liabilities			
Compensated Absences Payable	73,764	-	73,764
Total OPEB Liability - RBP	277,350	-	277,350
General Obligation Bonds Payable - Net	6,350,684	-	6,350,684
IEPA Loans Payable	3,770,283	-	3,770,283
Asset Retirement Obligation	535,000	-	535,000
Total Noncurrent Liabilities	11,007,081	-	11,007,081
Total Liabilities	12,288,886	117,131	12,406,017
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	535,859	-	535,859
Deferred Items - RBP	234,385	-	234,385
Total Deferred Inflows or Resources	770,244	-	770,244
Total Liabilities and Deferred Inflows of Resources	13,059,130	117,131	13,176,261
NET POSITION			
Net Investment in Capital Assets	13,984,150	-	13,984,150
Unrestricted	5,374,646	(100,197)	5,274,449
Total Net Position	19,358,796	(100,197)	19,258,599

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, 2022**

	Water Water Account	Improvement Account	Totals
Operating Revenues			
Charges for Services	\$ 5,836,790	-	<u>5,836,790</u>
Operating Expenses			
Operations	4,527,399	443,526	4,970,925
Depreciation and Amortization	<u>2,021,417</u>	-	<u>2,021,417</u>
Total Operating Expenses	<u>6,548,816</u>	<u>443,526</u>	<u>6,992,342</u>
Operating (Loss)	(712,026)	(443,526)	(1,155,552)
Nonoperating Revenues (Expenses)			
Investment Earnings	(32,622)	479	(32,143)
Other Income	59,502	512,229	571,731
Interest Expense	<u>(312,603)</u>	-	<u>(312,603)</u>
	<u>(285,723)</u>	<u>512,708</u>	<u>226,985</u>
Income (Loss) Before Transfers	(997,749)	69,182	(928,567)
Intrafund Transfers	<u>644,761</u>	<u>(644,761)</u>	-
Change in Net Position	(352,988)	(575,579)	(928,567)
Net Position - Beginning	<u>19,711,784</u>	<u>475,382</u>	<u>20,187,166</u>
Net Position - Ending	<u>19,358,796</u>	<u>(100,197)</u>	<u>19,258,599</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Water - Enterprise Fund - by Account

**Combining Schedule of Cash Flows
For the Fiscal Year Ended April 30, 2022**

	Water Account	Water Improvement Account	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 5,617,091	510,780	6,127,871
Payments to Employees	(727,433)	-	(727,433)
Payments to Suppliers	(3,739,463)	(440,631)	(4,180,094)
	<u>1,150,195</u>	<u>70,149</u>	<u>1,220,344</u>
Cash Flows from Non-Capital Financing Activities			
Intrafund Transfers	<u>644,761</u>	<u>(644,761)</u>	-
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(583,918)	-	(583,918)
Principal Paid on Debt	(693,379)	-	(693,379)
Interest Paid on Debt	(312,603)	-	(312,603)
	<u>(1,589,900)</u>	<u>-</u>	<u>(1,589,900)</u>
Cash Flows from Investing Activities			
Investment Earnings	<u>(32,622)</u>	<u>479</u>	<u>(32,143)</u>
Net Change in Cash and Cash Equivalents	<u>172,434</u>	<u>(574,133)</u>	<u>(401,699)</u>
Cash and Cash Equivalents - Beginning	<u>5,289,148</u>	<u>589,618</u>	<u>5,878,766</u>
Cash and Cash Equivalents - Ending	<u>5,461,582</u>	<u>15,485</u>	<u>5,477,067</u>
Reconciliation of Operating Income to Net Cash			
Provided (Used) by Operating Activities.			
Operating Income (Loss)	<u>(712,026)</u>	<u>(443,526)</u>	<u>(1,155,552)</u>
Adjustments to Reconcile Operating Income to			
Net Income to Net Cash Provided by (Used in)			
Operating Activities:			
Depreciation and Amortization Expense	<u>2,021,417</u>	<u>-</u>	<u>2,021,417</u>
Other Income (Expense)	<u>59,502</u>	<u>512,229</u>	<u>571,731</u>
(Increase) Decrease in Current Assets	<u>(279,201)</u>	<u>(1,449)</u>	<u>(280,650)</u>
Increase (Decrease) in Current Liabilities	<u>60,503</u>	<u>2,895</u>	<u>63,398</u>
Net Cash Provided by Operating Activities	<u>1,150,195</u>	<u>70,149</u>	<u>1,220,344</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Water Account - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Water Sales	\$ 4,430,054	4,562,050
Late Charges	140,907	150,947
Water Service Charges	362,844	366,475
Delinquent Fees	67,100	59,948
Sewer Maintenance Charges	157,800	158,958
BH Infrastructure Fee	508,500	509,756
Fox Metro Reading Fee	28,485	28,656
Total Operating Revenues	5,695,690	5,836,790
Operating Expenses		
Operations		
Water Administration	233,304	286,857
Water Plant Operations	5,128,863	4,240,542
Depreciation and Amortization	-	2,021,417
Total Operating Expenses	5,362,167	6,548,816
Operating (Loss)	333,523	(712,026)
Nonoperating Revenues (Expenses)		
Investment Earnings (Losses)	40,000	(32,622)
Other Income	48,557	59,502
Interest Expense	(317,604)	(312,603)
	(229,047)	(285,723)
Income (Loss) Before Transfers	104,476	(997,749)
Intrafund Transfers	195,235	644,761
Change in Net Position	299,711	(352,988)
Net Position - Beginning		19,711,784
Net Position - Ending		19,358,796

VILLAGE OF MONTGOMERY, ILLINOIS

Water Account - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Original and Final Budget	Actual
Water Administration		
Personal Services	\$ 149,309	199,448
Contractual Services	79,995	84,855
Commodities	4,000	2,554
Debt Service		
Principal Retirement	693,379	-
Interest and Fiscal Charges	317,604	312,603
	<hr/> 1,244,287	<hr/> 599,460
Less Nonoperating Items		
Debt Service	(1,010,983)	(312,603)
	<hr/> 233,304	<hr/> 286,857
Water Plant Operations		
Personal Services	817,771	487,124
Contractual Services	3,257,142	2,913,563
Commodities	1,053,950	839,855
	<hr/> 5,128,863	<hr/> 4,240,542
Depreciation and Amortization	-	2,021,417
Total Operating Expenses	<hr/> 5,362,167	<hr/> 6,548,816

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, 2022**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 33,800	-
Operating Expenses		
Operations	<u>880,190</u>	<u>443,526</u>
Operating (Loss)	<u>(846,390)</u>	<u>(443,526)</u>
Nonoperating Revenues		
Investment Earnings	-	479
Other Income	<u>522,759</u>	<u>512,229</u>
	<u>522,759</u>	<u>512,708</u>
Income (Loss) Before Transfers	(323,631)	69,182
Intrafund Transfers	<u>(390,470)</u>	<u>(644,761)</u>
Change in Net Position	<u>(714,101)</u>	<u>(575,579)</u>
Net Position - Beginning		475,382
Net Position - Ending		<u>(100,197)</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Refuse - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Refuse Removal	\$ 1,340,510	1,359,618
Operating Expenses		
Operations		
Solid Waste Disposal	<u>1,340,510</u>	<u>1,355,620</u>
Change in Net Position	<u>-</u>	3,998
Net Position - Beginning		<u>9,629</u>
Net Position - Ending		<u>13,627</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Employee Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2022

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 1,313,971	1,302,405
Operating Expenses		
Operations		
Insurance	<u>1,313,971</u>	<u>1,319,424</u>
Operating Income (Loss)	-	(17,019)
Nonoperating Revenues		
Investment Earnings (Losses)	<u>6,000</u>	<u>(3,104)</u>
Change in Net Position	<u>6,000</u>	<u>(20,123)</u>
Net Position - Beginning		<u>647,401</u>
Net Position - Ending		<u>627,278</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension - Pension Trust Fund

**Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 865,992	856,162
Contributions - Plan Members	292,888	365,878
Total Contributions	<u>1,158,880</u>	<u>1,222,040</u>
 Investment Income		
Investment Earnings	956,100	160,396
Net Change in Fair Value	-	(940,084)
956,100	<u>(779,688)</u>	<u>(25,803)</u>
 Less Investment Expenses		
Net Investment Income	956,100	(805,491)
 Total Additions	<u>2,114,980</u>	<u>416,549</u>
 Deductions		
Administration	29,125	17,439
Benefits and Refunds	679,955	856,203
 Total Deductions	<u>709,080</u>	<u>873,642</u>
 Change in Fiduciary Net Position		
	<u>1,405,900</u>	<u>(457,093)</u>
 Net Position Restricted for Pensions		
Beginning	<u>13,848,285</u>	
 Ending	<u>13,391,192</u>	

VILLAGE OF MONTGOMERY, ILLINOIS

Custodial Funds

Combining Statement of Fiduciary Net Position

April 30, 2022

	Lakewood Creek Special Assessment	Cornell Special Service Area	Totals
ASSETS			
Cash and Cash Equivalents	\$ 1,193,039	8	1,193,047
Receivables - Net of Allowance			
Property Taxes	-	3,934	3,934
Total Assets	1,193,039	3,942	1,196,981
LIABILITIES			
Accounts Payable	-	-	-
NET POSITION			
Restricted for Individuals, Organizations, and Other Governments	1,193,039	3,942	1,196,981

VILLAGE OF MONTGOMERY, ILLINOIS

Custodial Funds

**Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2022**

	Lakewood Creek Special Assessment	Cornell Special Area	Totals
Additions			
Property Taxes	\$ -	3,934	3,934
Charges for Services	909,878	-	909,878
Investment Earnings	116	-	116
Total Additions	909,994	3,934	913,928
Deductions			
Contractual Services	55,312	-	55,312
Debt Service			
Principal Retirement	855,000	2,915	857,915
Interest and Fiscal Charges	181,643	1,019	182,662
Total Deductions	1,091,955	3,934	1,095,889
Change in Fiduciary Net Position	(181,961)	-	(181,961)
Net Position Restricted for Individuals, Organizations, and Other Governments			
Beginning	1,375,000	3,942	1,378,942
Ending	1,193,039	3,942	1,196,981

VILLAGE OF MONTGOMERY, ILLINOIS**Consolidated Year-End Financial Report****April 30, 2022**

CSFA #	Program Name	State	Federal	Other	Totals
444-26-1566	Tobacco Enforcement	\$ 880	-	-	880
494-00-0967	High-Growth Cities	194,550	-	-	194,550
494-00-1488	Motor Fuel Tax	1,288,838	-	-	1,288,838
494-10-0343	State and Community Highway				
494-10-0343	Safety/National Priority Safety	-	10,689	-	10,689
494-42-0495	Local Service Transmportation	-	39,111	-	39,111
588-40-0448	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	-	46,285	-	46,285
	Other Grant Programs and Activities	-	1,812	77,500	79,312
	All Other Costs Not Allocated	-	-	27,507,429	27,507,429
	Totals	1,484,268	97,897	27,584,929	29,167,094



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

November 9, 2022

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Montgomery, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated November 9, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds of 2013

April 30, 2022

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
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
	3,525,000	1,396,400	4,921,400

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

Taxable General Obligation Alternate Revenue Source Refunding Bonds of 2014

April 30, 2022

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
2023	\$ 665,000	68,090	733,090
2024	685,000	48,140	733,140
2025	710,000	24,850	734,850
	<u>2,060,000</u>	<u>141,080</u>	<u>2,201,080</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds of 2017

April 30, 2022

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
2023	\$ 145,000	98,486	243,486
2024	150,000	94,138	244,138
2025	155,000	89,638	244,638
2026	160,000	84,988	244,988
2027	165,000	80,188	245,188
2028	170,000	75,238	245,238
2029	175,000	70,138	245,138
2030	180,000	64,888	244,888
2031	185,000	59,488	244,488
2032	190,000	53,938	243,938
2033	195,000	48,238	243,238
2034	200,000	41,900	241,900
2035	210,000	35,400	245,400
2036	215,000	27,000	242,000
2037	225,000	18,400	243,400
2038	235,000	9,400	244,400
	<u>2,955,000</u>	<u>951,466</u>	<u>3,906,466</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds of 2021

April 30, 2022

Date of Issue	June 29, 2021
Date of Maturity	December 1, 2040
Authorized Issue	\$16,240,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2023	\$ -	479,450	479,450
2024	-	479,450	479,450
2025	-	479,450	479,450
2026	760,000	479,450	1,239,450
2027	795,000	441,450	1,236,450
2028	840,000	401,700	1,241,700
2029	875,000	359,700	1,234,700
2030	920,000	315,950	1,235,950
2031	965,000	269,950	1,234,950
2032	1,010,000	221,700	1,231,700
2033	1,030,000	201,500	1,231,500
2034	1,055,000	180,900	1,235,900
2035	1,075,000	159,800	1,234,800
2036	1,095,000	138,300	1,233,300
2037	1,120,000	116,400	1,236,400
2038	1,140,000	94,000	1,234,000
2039	1,165,000	71,200	1,236,200
2040	1,185,000	47,900	1,232,900
2041	1,210,000	24,200	1,234,200
	<u>16,240,000</u>	<u>4,962,450</u>	<u>21,202,450</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2002

April 30, 2022

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
2023	\$ 73,316	1,474	74,790

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2011

April 30, 2022

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
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
	<hr/> <hr/> 2,351,441	<hr/> <hr/> 157,359	<hr/> <hr/> 2,508,800

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2014

April 30, 2022

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
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
	<hr/> <hr/> 1,760,935	<hr/> <hr/> 246,941	<hr/> <hr/> 2,007,876

STATISTICAL SECTION (Unaudited)

This part of the annual comprehensive 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, 2022 (Unaudited)

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Net Position by Component - Last Ten Fiscal Years April 30, 2022 (Unaudited)

	2013	2014	2015
Governmental Activities			
Net Investment in			
Capital Assets	\$ 51,636,819	50,229,557	48,714,620
Restricted	3,379,946	3,332,376	3,094,319
Unrestricted	2,487,065	3,083,037	3,583,910
Total Governmental Activities Net Position	<u>57,503,830</u>	<u>56,644,970</u>	<u>55,392,849</u>
Business-Type Activities			
Net Investment in			
Capital Assets	28,096,145	26,974,755	25,650,151
Unrestricted	2,183,680	2,224,460	2,596,797
Total Business-Type Activities Net Position	<u>30,279,825</u>	<u>29,199,215</u>	<u>28,246,948</u>
Total Net Position			
Net Investment in			
Capital Assets	79,732,964	77,204,312	74,364,771
Restricted	3,379,946	3,332,376	3,094,319
Unrestricted	4,670,745	5,307,497	6,180,707
Total Primary Government Net Position	<u>87,783,655</u>	<u>85,844,185</u>	<u>83,639,797</u>

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.

2016	2017*	2018	2019**	2020	2021	2022
46,661,769	45,991,729	44,692,893	43,943,173	42,946,474	41,961,058	40,033,420
3,113,629	1,662,150	1,284,243	2,023,667	2,650,328	4,888,818	5,281,680
249,053	2,739,824	3,079,607	(1,222,705)	(3,281,565)	(2,682,301)	1,432,233
<u>50,024,451</u>	<u>50,393,703</u>	<u>49,056,743</u>	<u>44,744,135</u>	<u>42,315,237</u>	<u>44,167,575</u>	<u>46,747,333</u>
20,879,292	20,383,154	19,146,577	18,355,971	16,719,681	15,261,554	13,984,150
2,957,829	3,302,664	3,179,608	2,176,430	3,794,068	4,935,241	5,288,076
<u>23,837,121</u>	<u>23,685,818</u>	<u>22,326,185</u>	<u>20,532,401</u>	<u>20,513,749</u>	<u>20,196,795</u>	<u>19,272,226</u>
67,541,061	66,374,883	63,839,470	62,299,144	59,666,155	57,222,612	54,017,570
3,113,629	1,662,150	1,284,243	2,023,667	2,650,328	4,888,818	5,281,680
3,206,882	6,042,488	6,259,215	953,725	512,503	2,252,940	6,720,309
<u>73,861,572</u>	<u>74,079,521</u>	<u>71,382,928</u>	<u>65,276,536</u>	<u>62,828,986</u>	<u>64,364,370</u>	<u>66,019,559</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
April 30, 2022 (Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
General Government	\$ 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	4,490,044
Public Safety	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	6,966,682
Highways and Streets	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	8,240,386
Sanitation *	1,159,173	1,265,497	64,954	-	-	-	-	-	-	-
Interest on Long-Term Debt	496,752	466,594	358,069	344,003	318,881	296,284	261,329	208,114	169,165	809,417
Total Governmental Activities Expenses	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	20,506,529
Business-Type Activities										
Water	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	7,304,945
Refuse *	-	1,235,387	1,293,243	1,332,282	1,213,171	1,198,372	1,237,572	1,292,619	1,355,620	
Total Business-Type Activities Expenses	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	8,60,565
Total Primary Government Expenses	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	29,167,094
Program Revenues										
Governmental Activities										
Charges for Services	479,102	749,477	560,053	488,315	603,044	676,638	691,978	966,971	943,663	956,177
General Government	737,683	478,482	314,769	509,588	271,302	235,286	334,673	295,685	297,355	297,238
Public Safety	281,136	607,452	648,251	713,056	621,374	640,824	618,241	659,160	682,834	1,012,753
Highways and Streets	1,133,823	1,190,325	7,852	-	-	-	-	-	-	-
Sanitation *	601,387	605,838	673,299	1,319,509	681,547	655,684	526,178	770,589	2,377,050	1,395,873
Operating Grants/Contributions	5,634,735	195,711	6,783	-	403,637	-	-	-	-	-
Capital Grants/Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	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	3,662,041
Business-Type Activities										
Charges for Services	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	5,836,790
Capital Grants/Contributions	2,268,670	39,361	117,713	-	587,125	-	-	327,702	672,298	1,359,618
Total Business-Type Activities	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	7,196,408
Total Primary Government	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	10,858,449
Program Revenue										

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense) Revenue										
Governmental Activities	\$ (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)	(16,844,488)
Business-Type Activities	1,179,078	(1,081,983)	(957,012)	(935,893)	(403,749)	(1,507,072)	(1,280,619)	(1,043,768)	(774,967)	(1,464,157)
Total Net Revenue (Expense)	(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)	(18,308,645)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	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	3,911,419
Utility Taxes	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	1,334,160
Video Gaming Taxes	-	17,477	48,392	60,261	69,783	110,129	131,568	135,367	126,539	231,672
Cannabis Taxes	-	-	-	-	-	-	-	3,886	16,314	30,865
Intergovernmental - Unrestricted										
Sales Taxes	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	9,487,212
Income Taxes	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	3,098,877
Replacement Taxes	56,957	76,855	66,610	56,272	68,467	64,221	61,977	67,840	86,049	187,562
Local Use Taxes	303,898	316,541	370,691	436,512	456,796	487,302	566,143	652,788	845,150	746,446
TIF Surplus	-	-	-	-	-	15,785	11,307	14,392	9,339	11,330
Franchise Fees	229,121	218,343	237,577	258,965	261,152	246,034	250,229	241,068	222,507	221,506
Investment Earnings	42,991	16,143	25,919	44,614	44,830	112,229	220,896	246,982	149,734	(127,604)
Miscellaneous	366,025	269,258	129,626	288,798	377,165	301,864	321,695	539,535	323,890	290,801
Total Governmental Activities	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	19,424,246
Business-Type Activities										
Investment Earnings	1,987	1,373	4,745	19,148	24,775	59,077	104,802	84,921	52,921	(32,143)
Miscellaneous	-	-	-	71,058	227,671	88,362	122,744	940,195	405,092	571,731
Total Business-Type Activities	1,987	1,373	4,745	90,206	252,446	147,439	227,546	1,025,116	458,013	539,588
Total Primary Government	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	19,963,834
Changes in Net Position										
Governmental Activities	4,477,751	(1,168,801)	(1,252,121)	809,510	369,252	(1,584,083)	(115,558)	(2,428,898)	1,852,338	2,579,758
Business-Type Activities	1,181,065	(1,080,610)	(952,267)	(845,687)	(151,303)	(1,359,633)	(1,053,073)	(18,652)	(316,954)	(924,569)
Total Primary Government	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	1,655,189

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, 2022 (Unaudited)

	2013	2014	2015
General Fund			
Nonspendable	\$ 691,533	754,783	686,895
Unassigned	2,860,573	2,799,352	2,972,861
Total General Fund	<u>3,552,106</u>	<u>3,554,135</u>	<u>3,659,756</u>
All Other Governmental Funds			
Restricted	3,379,946	3,332,376	3,094,319
Assigned	56,089	388,966	585,659
Unassigned	(565,377)	(360,486)	(129,852)
Total All Other Governmental Funds	<u>6,422,764</u>	<u>6,914,991</u>	<u>7,209,882</u>
Total Governmental Funds	<u>9,974,870</u>	<u>10,469,126</u>	<u>10,869,638</u>

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.

2016	2017*	2018	2019	2020	2021	2022
617,742	549,233	481,703	377,270	483,486	590,419	633,284
3,394,156	3,488,826	3,625,645	4,440,049	4,511,552	4,404,648	4,707,601
4,011,898	4,038,059	4,107,348	4,817,319	4,995,038	4,995,067	5,340,885
3,169,718	1,712,350	1,335,443	2,073,534	2,700,328	4,936,276	18,550,564
2,221,199	4,819,428	5,170,063	4,532,941	4,239,488	5,065,379	8,631,041
(30,090)	-	-	-	-	(1,980)	(11,847)
5,360,827	6,531,778	6,505,506	6,606,475	6,939,816	9,999,675	27,169,758
9,372,725	10,569,837	10,612,854	11,423,794	11,934,854	14,994,742	32,510,643

VILLAGE OF MONTGOMERY, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
April 30, 2022 (Unaudited)

	2013*	2014	2015**
Revenues			
Property Taxes	\$ 2,570,184	2,607,364	2,650,814
Other Taxes	4,838,011	5,231,904	5,628,806
Licenses, Permits and Fees	331,004	401,960	394,959
Intergovernmental	1,789,227	2,011,067	1,830,460
Fines and Forfeitures	435,958	301,446	308,703
Charges for Services	1,890,891	2,293,343	944,616
Investment Earnings	42,991	16,143	25,919
Miscellaneous	316,079	738,124	249,051
Total Revenues	12,214,345	13,601,351	12,033,328
Expenditures			
General Government	2,475,369	2,674,004	2,908,916
Public Safety	4,533,205	4,342,408	4,329,070
Highways and Streets	2,350,369	3,012,767	2,891,627
Sanitation **	1,159,173	1,265,497	64,954
Capital Outlay	117,786	483,766	471,361
Debt Service			
Principal Retirement	1,080,000	1,297,966	738,396
Interest and Fiscal Charges	435,339	474,225	340,767
Total Expenditures	12,151,241	13,550,633	11,745,091
Excess (Deficiency) of Revenues			
Over Expenditures	63,104	50,718	288,237
Other Financing Sources (Uses)			
Capital Lease Issuance	-	309,433	-
Bonds Issued	-	3,335,000	-
Premium on Bonds Issued	-	21,989	-
Payment to Escrow Agent	-	(3,289,345)	-
Disposal of Capital Assets	10,302	31,176	6,654
Transfer In	1,612,150	1,681,117	968,253
Transfer Out	(1,612,150)	(1,681,117)	(968,253)
Net Change in Fund Balances	10,302	408,253	6,654
Debt Service as a Percentage of Noncapital Expenditures	73,406	458,971	294,891
	12.81%	13.65%	9.54%

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.

2016	2017	2018	2019	2020	2021	2022
2,681,695	2,833,737	2,811,662	3,447,801	3,743,444	3,841,421	3,911,419
1,316,334	1,399,794	1,358,593	1,412,254	1,333,182	1,327,407	1,596,697
447,653	525,473	427,199	460,164	672,228	569,477	612,232
9,744,702	9,514,728	10,042,641	10,660,139	11,175,954	13,845,927	14,927,300
341,152	255,857	216,061	282,892	275,223	279,382	246,120
1,158,907	1,016,400	1,044,839	1,148,011	1,337,013	1,367,939	1,646,341
44,614	44,824	110,396	212,669	237,228	142,290	(124,500)
288,798	377,165	301,244	244,525	283,664	192,226	290,801
16,023,855	15,967,978	16,312,635	17,868,455	19,057,936	21,566,069	23,106,410
3,099,920	3,621,280	3,582,411	3,602,701	3,811,506	4,211,225	4,359,372
4,434,450	4,837,851	5,279,814	5,263,236	5,640,813	5,994,220	6,213,185
3,678,986	4,129,972	5,577,214	5,604,072	6,831,874	6,089,198	6,819,265
-	-	-	-	-	-	-
1,368,627	1,251,522	1,129,429	927,016	748,288	1,029,815	2,970,373
828,071	755,000	810,000	1,375,000	1,385,000	1,025,000	870,000
364,061	334,965	312,015	285,490	225,453	166,713	625,090
13,774,115	14,930,590	16,690,883	17,057,515	18,642,934	18,516,171	21,857,285
2,249,740	1,037,388	(378,248)	810,940	415,002	3,049,898	1,249,125
-	-	-	-	-	-	-
-	-	-	-	-	-	16,240,000
-	-	-	-	-	-	1,511,394
-	-	-	-	-	-	(1,492,111)
68,650	159,724	174,142	-	96,058	9,990	7,493
1,492,113	1,084,076	1,162,439	1,656,790	1,608,278	2,553,809	2,671,836
(1,492,113)	(1,084,076)	(1,162,439)	(1,656,790)	(1,608,278)	(2,553,809)	(2,671,836)
68,650	159,724	174,142	-	96,058	9,990	16,266,776
2,318,390	1,197,112	(204,106)	810,940	511,060	3,059,888	17,515,901
9.44%	7.86%	7.06%	10.24%	8.87%	6.77%	7.99%

VILLAGE OF MONTGOMERY, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
April 30, 2022 (Unaudited)

Tax Levy Year		Residential Property	Commercial Property	Industrial Property
2012	Kane County	\$ 105,322,142	\$ 20,071,750	\$ 43,379,949
	Kendall County	183,611,931	31,452,582	2,828,579
2013	Kane County	95,690,557	15,832,182	42,166,350
	Kendall County	173,665,059	30,805,075	2,773,279
2014	Kane County	93,950,487	15,891,731	40,619,798
	Kendall County	171,747,048	31,054,702	2,773,279
2015	Kane County	98,338,791	15,564,174	41,358,775
	Kendall County	176,394,904	32,053,647	2,773,279
2016	Kane County	108,568,782	16,037,793	42,098,691
	Kendall County	198,500,016	31,838,517	2,773,279
2017	Kane County	116,542,473	16,680,893	42,863,804
	Kendall County	210,473,440	32,512,305	2,773,279
2018	Kane County	124,172,746	19,251,029	47,928,447
	Kendall County	226,660,110	33,337,544	2,773,279
2019	Kane County	131,975,374	20,052,122	47,563,340
	Kendall County	238,717,322	36,043,368	2,993,873
2020	Kane County	139,057,427	20,623,242	49,421,934
	Kendall County	251,810,811	36,202,110	2,993,873
2021	Kane County	145,310,112	22,377,391	51,487,377
	Kendall County	270,940,448	42,396,473	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
\$ 970,041	\$ 424,227	\$ 170,168,109	\$ 510,504,327	33.33%	0.5305
10,056	139,612	218,042,760	654,128,280		0.5305
		<u>388,210,869</u>	<u>1,164,632,607</u>		
1,054,188	399,615	155,142,892	465,428,676	33.33%	0.0629
10,056	150,992	207,404,461	622,213,383		0.5824
		<u>362,547,353</u>	<u>1,087,642,059</u>		
1,062,546	396,287	151,920,849	455,762,547	33.33%	0.5989
10,056	163,392	205,748,477	617,245,431		0.5937
		<u>357,669,326</u>	<u>1,073,007,978</u>		
1,114,199	417,234	156,793,173	470,379,519	33.33%	0.5883
10,056	180,852	211,412,738	634,238,214		0.5804
		<u>368,205,911</u>	<u>1,104,617,733</u>		
1,263,415	426,791	168,395,472	505,186,416	33.33%	0.5387
10,056	189,322	233,311,190	699,933,570		0.5391
		<u>401,706,662</u>	<u>1,205,119,986</u>		
1,408,869	424,682	177,920,721	533,762,163	33.33%	0.0534
10,056	198,652	245,967,732	737,903,196		0.5125
		<u>423,888,453</u>	<u>1,271,665,359</u>		
1,513,472	503,549	193,369,243	580,107,729	33.33%	0.0471
34,962	208,952	263,014,847	789,044,541		0.4851
		<u>456,384,090</u>	<u>1,369,152,270</u>		
1,755,043	539,472	201,885,351	605,656,053	33.33%	0.0427
51,654	220,299	278,026,516	834,079,548		0.4549
		<u>479,911,867</u>	<u>1,439,735,601</u>		
2,122,285	577,506	211,802,394	635,407,182	33.33%	0.0408
44,025	232,679	291,283,498	873,850,494		0.4602
		<u>503,085,892</u>	<u>1,509,257,676</u>		
2,533,135	617,221	222,325,236	666,975,708	33.33%	0.4340
45,052	245,509	316,621,355	949,864,065		0.4340
		<u>538,946,591</u>	<u>1,616,839,773</u>		

VILLAGE OF MONTGOMERY, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years April 30, 2022 (Unaudited)

	2012 (2)	2013 (2)	2014 (3)
Village of Montgomery			
General Corporate	\$ 0.2459	0.2573	0.2667
IMRF	0.0580	0.0606	0.0629
Liability Insurance	0.0682	0.0714	0.0740
Social Security	0.0580	0.0606	0.0629
Police Pension	0.1104	0.1227	0.1272
Police Protection	-	-	-
Prior Year Adjustment	-	-	-
Total Direct Tax Rates	<u>0.5405</u>	<u>0.5726</u>	<u>0.5937</u>
Overlapping			
Kane County	0.4336	0.4623	-
Kane County Forest Preserve District	0.2710	0.3039	-
Kendall County	-	-	0.8085
Kendall County Forest Preserve District	-	-	0.1826
Aurora Township	0.2162	0.2517	-
Aurora Township Road District	0.0978	0.1104	-
Oswego Township	-	-	0.0947
Oswego Township Road District	-	-	0.2124
Montgomery Fire Protection District	0.7000	0.8000	-
Oswego Fire Protection District	-	-	0.8045
Oswego Library District	0.2726	0.2999	0.3058
Fox Valley Park District	0.5863	0.6280	-
Oswegoland Park District	-	-	0.5103
Unit School District Number 129	5.8896	6.6667	-
Unit School District Number 308	-	-	7.8803
Community College District Number 516	0.5312	0.5807	0.5973
Total Overlapping Tax Rates	<u>8.9983</u>	<u>10.1036</u>	<u>11.3964</u>
Total All Rates (Representative)	<u>9.5388</u>	<u>10.6762</u>	<u>11.9901</u>

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 2012 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

2015 (3)	2016 (3)	2017 (2)	2018 (2)	2019 (2)	2020 (2)	2021
0.2607	0.1384	0.1376	0.1246	0.1355	0.1173	0.1127
0.0615	0.0571	0.0542	0.0514	0.0379	0.0350	0.0334
0.0724	0.0733	0.0696	0.0660	0.0555	0.0389	0.0371
0.0615	0.0593	0.0563	0.0534	0.0471	0.0427	0.0408
0.1243	0.1451	0.1315	0.1306	0.1428	0.1652	0.1633
-	0.0659	0.0625	0.0593	0.0584	0.0486	0.0464
-	-	0.0019	0.0098	(0.0002)	(0.0088)	0.0003
0.5804	0.5391	0.5136	0.4951	0.4770	0.4389	0.4340
<hr/>						
-	-	0.4025	0.3877	0.3739	0.3618	0.3522
-	-	0.1658	0.1607	0.1549	0.1477	0.1435
0.7909	0.7477	-	-	-	-	-
0.1787	0.1755	-	-	-	-	-
-	-	0.2163	0.2210	0.2107	0.2002	0.1884
-	-	0.0961	0.0917	0.0887	0.0858	0.0826
0.0904	0.0855	-	-	-	-	-
0.2027	0.1917	-	-	-	-	-
-	-	0.7460	0.7099	0.7055	0.6786	0.6446
0.7871	0.7524	-	-	-	-	-
0.2996	0.2864	0.2816	0.2724	0.2782	0.2518	0.2585
-	-	0.5322	0.4903	0.4916	0.4557	0.4337
0.4973	0.4764	-	-	-	-	-
-	-	5.9882	5.8301	5.6274	5.4393	5.2857
7.3176	6.9712	-	-	-	-	-
0.5885	0.5601	0.5533	0.5414	0.5377	0.4286	0.4710
10.7528	10.2469	8.9820	8.7052	8.4686	8.0495	7.8603
<hr/>						
11.3332	10.7860	9.4956	9.2003	8.9456	8.4884	8.2943

VILLAGE OF MONTGOMERY, ILLINOIS

Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago
April 30, 2022 (Unaudited)

Taxpayer	Taxable Assessed Value	Rank	Value	2021 Tax Levy		2012 Tax Levy	
				Percentage of Total Village Taxable Assessed	Taxpayer	Taxable Assessed Value	Rank
United Facilities, Inc.	\$ 9,125,819	1	1.69%	United Facilities		\$ 9,609,489	1
Montgomery Properties LLC	6,722,113	2	1.25%	Wal-mart Stores Inc.		4,630,509	2
American Crystal Sugar Co.	6,712,445	3	1.25%	Menards, Inc		3,252,914	3
Allsteel 900 Knell LLC	4,600,022	4	0.85%	Fox River Foods Inc		2,835,473	4
Wal-mart Stores Inc.	4,505,391	5	0.84%	2001 Baseline Road LLC		2,793,776	5
Victorian My Mazel LLC	4,039,106	6	0.75%	IP Eat Five LLC		2,434,216	6
Montgomery Investors LLC	3,426,710	7	0.64%	JC Penny Properties, Inc.		2,333,634	7
IP Eat Five LLC	3,015,648	8	0.56%	Centerpoint Properties		2,298,500	8
Carl Buddig & Co.	2,967,737	9	0.55%	Monmouth Capital Corp.		2,151,263	9
Fox River Foods Inc.	2,958,909	10	0.55%	Victorian Apartments LLC		1,838,868	10
	<u>48,073,900</u>		<u>8.92%</u>			<u>34,178,642</u>	<u>8.80%</u>
2021 EAV	<u>\$ 538,946,591</u>			2012 EAV		<u>\$ 388,210,869</u>	

Data Source: Kane and Kendall Counties Assessors (The 2021 EAV is the most current)

VILLAGE OF MONTGOMERY, ILLINOIS

Property Tax Levies and Collections - Last Ten Tax Levy Years
April 30, 2022 (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
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	2,269,701	99.98%	-	2,269,701	99.98%
2021	2,337,471	*	*	*	*	*

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, 2022 (Unaudited)

	2012	2013	2014
General Merchandise	\$ 751,216	731,581	884,321
Food	186,712	179,076	161,385
Drinking and Eating Places	177,489	174,763	171,217
Apparel	14,541	14,019	15,067
Furniture & H.H. & Radio	2,374	22,547	9,446
Lumber, Building Hardware	337,541	381,898	424,927
Automobile and Filling Stations	371,747	439,511	416,930
Drugs and Miscellaneous Retail	299,006	329,801	354,712
Agriculture and All Others	376,804	385,633	360,361
Manufacturers	138,385	170,761	208,833
Censored (1)	24,506	8,346	18,700
Totals	2,680,321	2,837,936	3,025,899
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

2015 (2)	2016	2017	2018	2019	2020	2021
1,489,844	1,190,970	1,237,033	1,254,109	1,290,509	1,195,077	1,197,255
245,183	1,048,995	1,208,296	1,736,738	1,820,355	1,917,507	2,118,785
327,968	450,668	501,084	518,035	497,951	491,359	602,973
24,467	32,781	37,558	41,964	38,410	-	51,331
33,435	28,547	29,595	17,397	56,064	41,412	62,642
652,700	878,745	883,918	925,284	978,447	1,190,904	1,245,094
526,431	677,443	742,106	777,910	760,091	690,846	808,983
449,040	578,138	728,736	724,141	731,524	801,553	1,312,607
927,918	1,066,314	1,050,707	1,102,859	1,145,558	1,172,402	1,476,337
330,015	509,575	550,425	416,946	477,130	390,417	476,391
12,132	14,538	23,887	35,699	13,520	39,290	-
5,019,133	6,476,714	6,993,345	7,551,082	7,809,559	7,930,767	9,352,398
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%	2.00%

VILLAGE OF MONTGOMERY, ILLINOIS

Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years April 30, 2022 (Unaudited)

Fiscal Year		Village Portion of State Rate	State Portion of State Rate	Total State Rate	Village Non-Home Rule Rate	Regional Transportation Authority Rate	Public Safety Rate	Total Rate Village (Kendall County)
		1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
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%
2022	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, 2022 (Unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	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				
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	3.96%	1,102.70	
2018	8,262,302	-	8,095,875	5,778,319	22,136,496	4.15%	1,200.59	
2019	6,864,771	-	7,570,586	5,390,258	19,825,615	3.67%	1,075.26	
2020	5,464,385	-	7,274,750	4,995,551	17,734,686	3.23%	961.86	
2021	4,431,166	-	6,969,593	4,594,071	15,994,830	2.50%	789.40	
2022	19,814,732	-	6,665,138	4,185,692	30,665,562	4.87%	1,513.45	

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, 2022 (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)
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
2022	26,479,870	-	26,479,870	1,616,839,773	1.64%	1,306.87

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, 2022 (Unaudited)

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Montgomery	\$ 19,814,732	100.00 %	\$ 19,814,732
Less: Self-Supported Debt	(19,814,732)	100.00 %	(19,814,732)
Net Direct Bonded Debt	-		-
School Districts:			
School District #115	55,725,000	9.67 %	5,387,877
School District #129	111,993,000	5.82 %	6,519,131
School District #131	128,505,000	4.02 %	5,159,697
School District #302	58,031,009	4.19 %	2,429,697
School District #308	256,215,430	11.10 %	28,444,086
Community College District #516	34,555,000	4.68 %	1,617,672
Total School Districts	645,024,439		49,558,160
Other Agencies:			
Kane County	22,975,000	1.36 %	312,340
Kendall County	18,435,000	8.37 %	1,542,842
Kane County Forest Preserve District	107,545,000	1.36 %	1,462,053
Kendall County Forest Preserve District	26,925,000	8.37 %	2,253,377
Fox Valley Park District	20,763,965	8.88 %	1,843,724
Oswegoland Park District	5,170,000	3.30 %	170,423
Oswego Library District	3,615,000	20.94 %	757,123
Sugar Grove Library District	1,580,000	12.82 %	202,507
Total Other Agencies	207,008,965		8,544,389
Total Overlapping Debt	852,033,404		58,102,549
Total Direct and Overlapping Debt	852,033,404		58,102,549

Data Source: Kane and Kendall Clerks

Note: Overlapping and bonded debt percentages based on 2021 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, 2022 (Unaudited)

	2013	2014	2015	2016
Assessed Value of Property	\$ 388,210,869	362,547,353	357,669,326	368,205,911
Debt Limit				
8.625% of Assessed Value	33,483,187	31,269,709	30,848,979	31,757,760
Total Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	33,483,187	31,269,709	30,848,979	31,757,760
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

2017	2018	2019	2020	2021	2022
401,706,662	423,888,453	456,384,090	479,911,867	503,085,892	538,946,591
34,647,200	36,560,379	39,363,128	41,392,399	43,391,158	46,484,143
-	-	-	-	-	-
34,647,200	36,560,379	39,363,128	41,392,399	43,391,158	46,484,143
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, 2022 (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		
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
2022	5,836,790	4,970,925	865,865	712,834	312,603		0.8444

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, 2022 (Unaudited)

Calendar Year	Population	Personal Income (in Thousands)	Per Capita Personal Income (1)	Unemployment Rate (2)
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%
2022 (4)	20,262	630,087,414	31,097	5.30%

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
- (4) Illinois Department of Employment Security, Kane and Kendall Counties, April 2022

VILLAGE OF MONTGOMERY, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago April 30, 2022 (Unaudited)

Employer	2022			2013		
	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.	589	2	3.20%			
Performance Food Service	379	3	2.06%			
Eby-Brown Co., LLC	329	4	1.78%			
Lyon LLC	300	5	1.63%	90	10	0.49%
Blain Supply, Inc.	250	6	1.36%	120	9	0.65%
Wal-Mart Stores, Inc.	250	7	1.36%	258	5	1.40%
Aurora Bearing Co.	246	8	1.33%	250	6	1.36%
US Medical Glove	220	9	1.19%			
Hormann, LLC	200	10	1.09%			
Caterpillar, Inc.				3,700	1	20.07%
Fox River Foods, Inc.				520	2	2.82%
Gusto Packing				486	3	2.64%
VVF Illinois Services				287	4	1.56%
ComEd				200	7	1.08%
International Paper				150	8	0.81%
	<u>6,059</u>		<u>32.87%</u>	<u>6,061</u>		<u>32.88%</u>

Data Source:

Montgomery Economic Development Corporation

2022 Illinois Manufacturers Directory, 2021 Illinois Services Directory, Selective Telephone Survey

2013 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, 2022 (Unaudited)**

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years April 30, 2022 (Unaudited)

Function/Program	2013	2014	2015	2016
General Government				
Administration	3.88	2.38	1.88	1.88
Finance	5.50	5.50	6.00	6.00
Community Development	3.50	4.70	5.00	5.00
Public Safety				
Police				
Sworn Officers	23.00	25.00	25.00	25.00
Civilians/Other	3.00	3.00	3.00	3.00
Highways and Streets				
Administration	2.00	2.00	2.00	2.00
Street Maintenance	7.00	8.50	9.00	9.00
Water Operations	3.00	3.00	3.00	3.00
Building Maintenance	1.00	1.00	1.00	1.00
Fleet Maintenance	1.00	1.00	1.00	1.00
Totals	52.88	56.08	56.88	56.88

Data Source: Village Records

2017	2018	2019	2020	2021	2022
1.88	2.88	2.88	3.88	3.88	4.00
6.00	5.00	5.00	5.00	5.00	5.00
5.00	5.00	5.00	5.00	5.00	5.50
28.00	30.00	31.00	32.00	33.00	35.00
3.75	3.75	4.38	4.38	4.38	4.38
2.00	2.00	2.00	2.00	2.00	2.00
10.50	11.00	7.00	7.50	9.00	9.00
3.00	4.00	8.00	9.00	9.00	9.00
1.00	1.00	1.00	1.00	1.00	1.00
1.50	1.50	1.50	1.50	2.00	2.00
62.63	66.13	67.76	71.26	74.26	76.88

VILLAGE OF MONTGOMERY, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years

April 30, 2022 (Unaudited)

Function/Program	2013	2014	2015
General Government			
Accounts Payable			
Checks Issued	-	-	2,455
ACH Transactions	-	-	58
Percent of Accounts Payable as ACH	-	-	2.3%
Voided Checks	-	-	23
Percent of Accounts Payable Voided	-	-	0.9%
Payroll			
Direct Deposits	-	-	1,506
Checks Issued	-	-	402
Percent of Payroll as Direct Deposits	-	-	78.9%
Debt			
Bond Rating	-	-	AA
Public Safety			
Physical Arrests	2,221	994	1,505
Parking Violations	1,316	1,273	1,184
Traffic Violations	4,141	2,474	2,758
Truck Overweight Violations	-	-	-
Highways and Streets			
Resurfacing (Miles)	0.6	1.1	0.9
Sidewalk Replacement (Sq. Ft.)	-	3,100	4,475
Sidewalk New (Sq. Ft.)	-	-	-
Parkway Tree Planting	-	142	174
Parkway Tree Removal	-	152	749
Water			
Number of Accounts	-	-	9,114
Average Bi-Monthly Bill	-	-	\$ 68.85
Average Monthly Bill*	-	-	-
Payment Types			
Epayment (Village website, IVR, Mobile)	-	-	-
Lockbox	-	-	-
Bill Pay (Bank Website)	-	-	-
Credit Card	-	-	-
Direct Debit	-	-	-
Other	-	-	-
Peak Daily Consumption	3,907,000	3,563,800	3,732,300
Average Daily Consumption	2,441,000	2,156,394	2,443,000
Water Main Breaks	53	56	44
Water Main Breaks Spoils Removal (Sq. Yd.)	-	-	1,428
Fire Hydrant Maintenance and Painting	-	300	300
New Connections	62	30	50

Data Source: Village Records

N/A - Not Available

* Village began monthly utility billing effective January 1, 2022

	2016	2017	2018	2019	2020	2021	2022
4,206	4,916	5,186	4,926	4,782	4,806	2,221	
65	113	227	245	228	481	1,070	
1.5%	2.2%	4.2%	4.7%	4.6%	9.1%	48.2%	
23	57	69	18	27	37	134	
0.5%	1.1%	1.3%	0.3%	0.5%	0.7%	0.7%	
1,477	1,600	1,710	1,955	1,997	2,107	2,134	
334	326	271	173	97	37	39	
81.6%	83.1%	86.3%	91.3%	95.4%	98.3%	98.3%	
AA	AA						
993	821	778	838	857	829	556	
984	866	1,579	1,329	1,126	619	683	
2,884	2,135	3,807	3,515	3,329	2,706	1,667	
77	32	N/A	N/A	N/A	N/A	1	
6.7	5.4	5.2	5.17	10.45	8.06	6.53	
1,480	13,716	40,106	39,459	57,648	45,573	46,100	
-	1,800	-	471	2,065	1,149	1,251	
282	300	341	389	406	335	205	
475	286	213	115	113	125	196	
9,111	9,145	9,196	9,241	9,319	9,425	9,550	
\$ 70.30	\$ 75.49	\$ 72.39	\$ 75.34	\$ 79.13	\$ 85.16	\$ -	
-	-	-	-	-	-	\$ 50.72	
26.0%	31.1%	26.4%	30.1%	N/A	N/A	N/A	
27.6%	25.2%	29.8%	26.7%	N/A	N/A	N/A	
11.8%	14.2%	16.9%	16.9%	N/A	N/A	N/A	
5.5%	5.5%	2.5%	2.2%	N/A	N/A	N/A	
4.4%	4.5%	6.2%	5.8%	N/A	N/A	N/A	
24.7%	19.5%	18.2%	18.3%	N/A	N/A	N/A	
3,384,000	3,923,000	3,417,000	3,899,000	3,484,000	3,815,000	3,951,000	
2,243,917	2,328,000	2,306,000	2,130,000	2,357,000	2,840,000	2,481,000	
19	33	51	44	43	25	36	
1,580	2,250	N/A	896	880	490	720	
325	180	120	133	75	115	136	
22	19	2	16	70	N/A	N/A	

VILLAGE OF MONTGOMERY, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Calendar Years April 30, 2022 (Unaudited)

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	19	19	19	19	19	19	19	19	19	25
Highways and Streets										
Residential Streets										
(Miles)	76	76	76	76	76.5	76.5	76.5	76.5	76.5	76.5
Water										
Water Mains (Miles)	114	117	117	117	118	118	133	133	133	133
Fire Hydrants	1,372	1,680	1,680	1,680	1,700	1,700	1,747	1,747	1,747	1,747
Storage Capacity										
(Millions of Gallons)	4.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8

Data Source: Village Records