VILLAGE OF MONTGOMERY, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2008

Prepared by:

Jeff Zoephel
Director of Finance

VILLAGE OF MONTGOMERY, ILLINOIS
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INTRODUCTORY SECTION

VILLAGE OF MONTGOMERY

Principal Officials
April 30, 2008

VILLAGE PRESIDENT

Marilyn Michelini

VILLAGE TRUSTEES

Jeanne Felten	Peter Heinz	William Keck
Denny Lee	Lloyd Mattingly	Robert Watermann

VILLAGE MANAGER

Anne Marie Gaura

VILLAGE CLERK

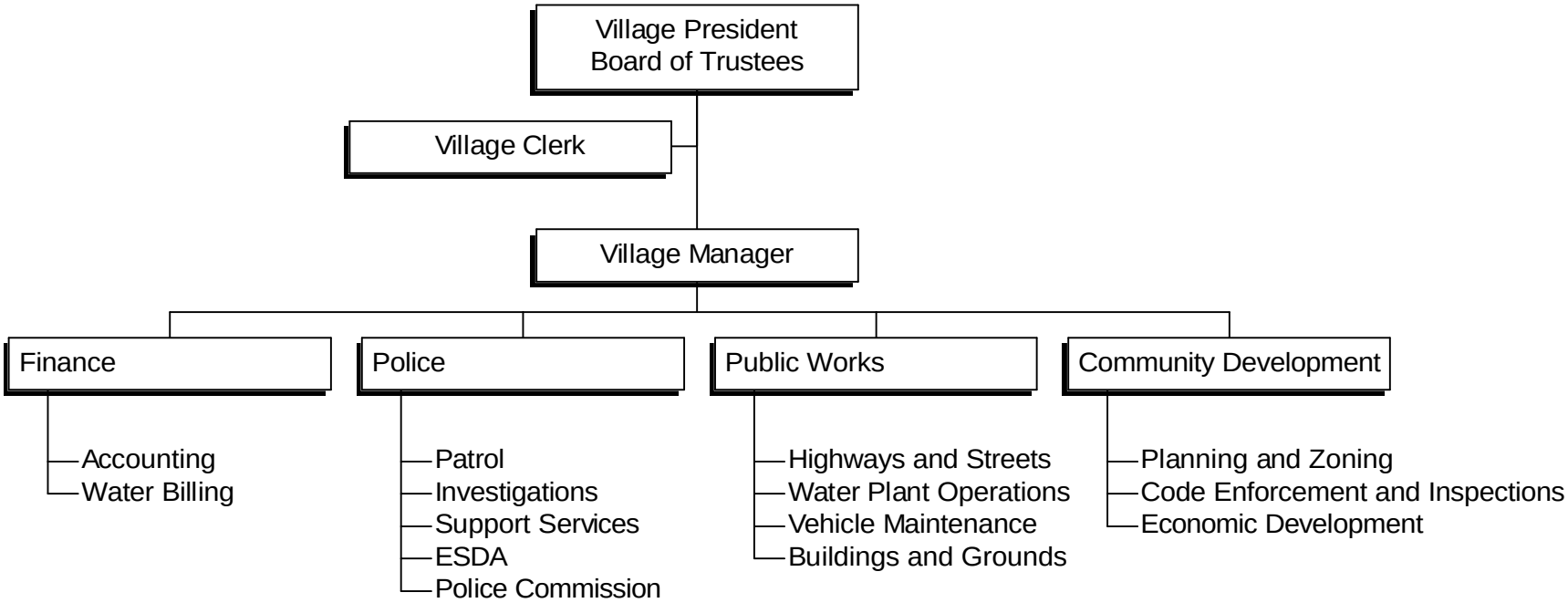
Barbara Argo

DIRECTOR OF FINANCE

Jeff Zoephel

VILLAGE OF MONTGOMERY, ILLINOIS

ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Montgomery Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Village of Montgomery

Village President
Marilyn Michelini

Village Clerk
Barbara Argo

Trustees
Jeanne Felten
Pete Heinz
Bill Keck
Denny Lee
Lloyd Mattingly
Robert Watermann

Village Manager
Anne Marie Gaura

July 28, 2008

Village President,
Board of Trustees and
Village Manager
Village of Montgomery
Montgomery, IL 60538

The Comprehensive Annual Financial Report (CAFR) of the Village of Montgomery, Illinois for the fiscal year ended April 30, 2008 is hereby submitted, as required by State of Illinois statutes. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including disclosures, is the responsibility of the Village. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

The CAFR includes all funds of the Village and is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the Village's organization chart and a list of principal officers and officials. The financial section includes the general purpose external financial statements; the combining and individual fund financial statements and schedules; management's discussion and analysis (MD&A) which should be read in conjunction with this letter; and supplementary information, as well as the auditor's opinion on the financial statements and schedules. We make special note of the fact that this report is the Village's first report following implementation of the Governmental Accounting Standards Board (GASB) Statement 44, which provided for major changes to the statistical section. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Profile of the Village

The Village is located in the Fox River Valley in northern Illinois covering an 8 square mile area in southern Kane County and northern Kendall County. Located immediately south of the City of Aurora, the Village is 6 miles west of Naperville, 18 miles northwest of the City of Joliet, and 43 miles west of the City of Chicago "loop" business district. The Fox River runs through the center of the Village.

A special census completed in 2006 reported the Village's population at 14,407, a 163% increase from the 2000 Census population of 5,471.

1300 S. Broadway • Montgomery, IL 60538 • Phone (630) 896-8080 • Fax (630) 896-0791
www.ci.montgomery.il.us

One of the original settlers of the Village, Daniel Gray, drew the name Montgomery from Montgomery County, New York. The Village was founded in 1835 and was incorporated as a Village in 1858. It is a non-home rule municipality.

The Village is governed by a Village President and six Trustees. All are elected at large to staggered four terms. The Village Clerk is also elected to a four year term. The Village employs a full time professional Village Manager along with highly trained and experienced department heads. Major areas of operation include the police department (with 24-hour 911 emergency dispatching), a building department, a fully staffed public works/water department and other professional support staff. The Village is also served by five fire protection districts, five school districts, two library districts, two park districts and a water reclamation (sanitary sewer) district. The Police Department has 35 budgeted FTE's.

Water supply and distribution services are provided by the Village to a service area of 24,500. Sanitary sewerage treatment is provided by the Fox Metro Water Reclamation District, whose treatment plant is located near the Village.

Accounting System and Budgetary Control

The accounts of the Village are organized on the basis of funds, each of which is considered a separate and distinct accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Revenues are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The accounting records for general governmental operations are maintained on the modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when materials or services are received and the liability incurred. Accounting records for the Village's enterprise and internal service funds are maintained on the accrual basis of accounting.

Management of the Village is responsible for establishing and maintaining a system of internal accounting controls. These controls are designed to assure that the assets of the Village are safeguarded against any material loss, theft or misuse. These controls assure that the financial statements are in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurances that control objectives will be met. The concept of reasonable assurances recognizes that (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits require estimates and judgment by management.

Factors Affecting Financial Condition

The information presented in the financial statements may be better understood when it is considered from the broader perspective of the specific environment within which the Village operates.

Local Economy. Historically, the strength of the Village has been dependent upon the manufacturing and industrial sectors. According to the 2000 Census, 19.4% of Village residents were employed in manufacturing, followed by 14.4% in educational, health and social services.

Budget Challenges. Recent years' budget processes have faced the many challenges presented by the current local, state and national economies, including: state-shared revenue reductions; increasing costs of health care; and increasing costs of liability and property insurance.

After several years of explosive residential growth, the Village experienced a decrease in new housing starts during the year, which resulted in permit fees being significantly below budget. As revenue streams slow down, it is extremely important that resources be managed carefully and efficiently to maintain the level of services expected by residents.

The Village saw a major increase in sales tax revenue during the year as a result of several new retailers beginning operations. New stores include Wal-Mart, JC Penney's and Menard's. A portion of the revenue is being rebated to the developer/retailer per approved agreements.

Future budgets will continue to challenge the Village to continue current services within the current revenue and expenditure structure.

Long-Term Financial Planning. Maintenance and expansion of the Village's infrastructure (such as streets, curbs, sidewalks, bridges and traffic signals) remain a major priority of the Village. The Village annually adopts a ten-year Capital Improvement Program that provides a framework for the development and maintenance of infrastructure to meet current and future needs.

Cash Management. Cash temporarily idle during the year was invested in demand deposits or certificates of deposit in accordance with the Village's investment policy. The policy prioritizes the following goals: (1) safeguard investments, (2) provide for cash flow requirements and (3) maintain a competitive yield on the portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized, except for $4,271 in uncollateralized deposits out of total deposits of $4,250,534. All collateral on deposits was held either by the Village, its agent or a financial institution's trust department in the Village's name.

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, Illinois, for its year ended April 30, 2007. This was the 5th consecutive year that the Village has received this prestigious award. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not have been accomplished without the services of the entire Finance Department and the auditors. We would like to express our appreciation to all those who assisted and contributed to its preparation accordingly. We would also like to thank the Village President and members of the Finance Committee for their direction and support in planning and overseeing the financial operations of the Village.

Anne Marie Gaura
Village Manager

Jeff Zoephel
Director of Finance

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Montgomery, Illinois as of and for the year ended April 30, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic 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, 2008, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections listed in the table of contents were not audited by us and, accordingly, we express no opinion thereon.

Aurora, Illinois
July 8, 2008

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

These general purpose external financial statements provide a summary overview of the financial position of all funds as well as the operating results of all funds. They also serve as an introduction to the more detailed statements and schedules that follow in the next subsection.

VILLAGE OF MONTGOMERY, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2008

This section of the Village of Montgomery's Comprehensive Annual Financial Report (CAFR) presents our discussion and analysis of the Village's financial activities during the fiscal year ended April 30, 2008. This should be read in conjunction with the transmittal letter at the front of this report and with the Village's financial statements which follow this section.

FINANCIAL HIGHLIGHTS

-Net asset position and performance in total – The Village's total net assets at April 30, 2008 were $57,353,460; an increase of $24,647,473 during the year.
-Governmental activity summary – Net assets for governmental activities increased by $17,322,264 during the year.
-Business-type activity summary – Net assets for business-type activities increased by $7,325,209 during the year.
-General Fund summary – The Village's General Fund reported a decrease of $326,036 in fund balance for the year.
-Budget vs. actual – The Village's actual revenues for the General Fund was greater than total budgeted revenues by $33,774 while the actual expenditures exceeded total budgeted expenditures by $434,860.
-New capital – Net capital and infrastructure assets increased by $31,896,510.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village of Montgomery's financial section of the CAFR. The financial section of the CAFR includes four components: 1) management's discussion and analysis, 2) the basic financial statements, 3) required supplementary information, and; 4) additional supplementary information. The basic financial statements include two kinds of statements that present different views of the Village: government-wide financial statements and fund financial statements. The basic financial statements also include notes to the financial statements.

Government-wide financial statements provide both short and long-term information about the Village's overall financial status.

Fund financial statements focus on individual parts of the Village government, reporting Village operations in more detail than the government-wide financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by the

required supplementary information section that further explains and supports the information in the financial statements.

In addition to all of the required financial statement elements, we have provided sections for combining statements to provide detail on non-major funds, for additional supplementary information, and for statistical information.

The following table summarizes the major features of the Village's financial statements.

		Fund Statements		
Description	Government-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Village government (except fiduciary funds)	Activities of the Village that are not proprietary or fiduciary such as public safety	Activities the Village operates similar to private business such as the water system	Activities in which the Village is trustee or agent of another's resources such as pension plans
Required financial statements	-Statement of net assets -Statement of activities	-Balance Sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net assets -Statement of revenues, expenses, and changes in net assets -Statement of cash flows	-Statement of fiduciary net assets -Statement of changes in fiduciary net assets
Accounting basis	Accrual	Modified Accrual	Accrual	Accrual
Measurement focus	Economic resources	Current financial resources	Economic resources	Economic resources
Type of asset & liability information	All assets and liabilities; both financial and capital, short and long-term	Assets expected to be used and liabilities that come due during the year or shortly thereafter; no capital assets	All assets and liabilities; both financial and capital, short and long-term	All assets and liabilities; both short and long-term. Does not currently contain capital assets
Type of inflow & outflow information	All revenues and expenses during the year regardless of when cash is received or paid	Revenues for which cash is received during the year or shortly thereafter; expenditures for goods or services that have been received and payment is due during the year or shortly thereafter	All revenues and expenses during the year regardless of when cash is received or paid	All revenues and expenses during the year regardless of when cash is received or paid

Government-Wide Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to disclose bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The governmental activities reflect the Village's basic services, including administration, financial services, police, and public works. Property taxes, local utility and telecommunications taxes, and shared state tax distributions finance the majority of these services. The business-type activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than fund types.

Governmental funds are presented on a sources and uses of liquid resources basis. This is the manner in which the budget is typically developed. Governmental funds provide a current resources (short-term) view that helps determine whether there are more or fewer current financial resources available to spend for Village operations.

Proprietary funds account for services that are generally fully supported by user fees charged to customers. Proprietary funds are presented on a total economic resources basis. Proprietary fund statements, like government-wide statements, provide both short and long term financial information.

Fiduciary Funds are presented for certain activities where the Village's role is that of trustee (i.e. Police Pension) or agent. While Fiduciary Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

While the Total column on the Business-type Fund Financial Statements is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Funds Total column requires reconciliation because of the different measurement focus (current financial resources/modified accrual versus total economic resources/full accrual) which is reflected on the page following each statement. The flow of current financial resources will reflect bond proceeds, proceeds from sales of capital asset disposals, and interfund transfers as other financial sources as well as capital outlay expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the Government-wide statements.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – streets, storm sewers, etc.) had not been reported nor depreciated in governmental financial statements. GASB 34 requires that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village reports its infrastructure assets on a prospective basis as allowed by GASB 34. The Village has elected to depreciate assets over their useful life. If a project is considered maintenance – a recurring cost that does not extend the asset's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a street will be considered maintenance whereas a "rebuild" of a street will be capitalized.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

In accordance with GASB Statement No. 34, an analysis of Government-wide information is presented.

NET ASSETS

Statement of Net Assets

The following table reflects the condensed Statement of Net Assets:

Table 1
Statement of Net Assets
As of April 30, 2008

	Governmental Activities 2008	*Governmental Activities 2007*	*Business-type Activities 2008*	*Business-type Activities 2007*	*Total Primary Government 2008*	*Total Primary Government 2007*
Current and Other Assets	*$8,900,644*	*$14,979,925*	*$1,535,795*	*$1,042,048*	*$10,436,439*	*$16,021,973*
Capital Assets	*44,241,886*	*18,908,301*	*27,605,172*	*20,996,452*	*71,847,058*	*39,904,753*
Total Assets	*$53,142,530*	*$33,888,226*	*$29,140,967*	*$22,038,500*	*$82,283,497*	*$55,926,726*
Other Liabilities	*5,239,196*	*2,805,017*	*765,343*	*481,072*	*6,004,539*	*3,286,089*
Long-Term Liabilities	*14,572,588*	*15,074,726*	*4,352,910*	*4,859,923*	*18,925,498*	*19,934,649*
Total Liabilities	*$19,811,784*	*$17,879,743*	*$5,118,253*	*$5,340,995*	*$24,930,037*	*$23,220,738*

	Governmental Activities 2008	Governmental Activities 2007	Business-type Activities 2008	Business-type Activities 2007	Total Primary Government 2008	Total Primary Government 2007
Net Assets:						
Invested in capital assets	*30,251,886*	*4,388,301*	*23,331,066*	*16,233,234*	*53,582,952*	*20,621,535*
Restricted	*2,369,032*	*2,490,523*	*0*	*0*	*2,369,032*	*2,490,523*
Unrestricted	*709,828*	*9,129,659*	*691,648*	*464,271*	*1,401,476*	*9,593,930*
Total Net Assets	*$33,330,746*	*$16,008,483*	*$24,022,714*	*$16,697,505*	*$57,353,460*	*$32,705,988*

For more detailed information see the Statement of Net Assets.

Normal Impacts-Net Assets

There are six common (basic) types of transactions that will generally affect the comparability of the Statement of Net Assets summary presentation.

Net Results Of Activities – Impacts (increases/decreases) current assets and unrestricted net assets.

Borrowing For Capital – Increases current assets and long-term debt.

Spending Borrowed Proceeds On New Capital – Reduces current assets and increases capital assets. Also, an increase in invested in capital assets and an increase in related net debt will not change the invested in capital assets, net of debt.

Spending Of Non-borrowed Current Assets On New Capital – (a) Reduces current assets and increases capital assets; and (b) reduces unrestricted net assets and increases invested in capital assets, net of debt.

Principal Payment On Debt – (a) Reduces current assets and reduces long-term debt; and, (b) reduces unrestricted net assets and increases invested in capital assets, net of debt.

Reduction Of Capital Assets Through Depreciation – Reduces capital assets and invested in capital assets, net of debt.

Current Year Impacts-Net Assets

The Village's combined net assets increased from $32,705,987 to $57,353,460 with the net assets for both governmental activities and business-type activities increasing from the prior year. Net assets of the Village's governmental activities increased by $17,322,264 during the year and ended the year at $33,330,746. The Village's

unrestricted net assets for governmental activities, the part of net assets that can be used to finance daily operations, were $709,828.

The net assets of business-type activities increased by $7,325,209 during the year and ended the year at $24,022,714. Unrestricted net assets, available to finance the continuing operation of its business type activities, were $691,648. Business type activities include water services. The annual operating cost of these services for FY 08 was approximately $3,678,174.

Major capital activity during the year included construction of the new Village Hall, major roadway reconstruction projects to aid commercial development, and water main installation and replacement. During the year, the Village accepted infrastructure assets from four recently completed subdivisions. Items accepted include roadways, storm sewer, streetlights and sanitary sewer.

CHANGES IN NET ASSETS

Statement of Changes In Net Assets

The following chart reflects the condensed Statement of Changes In Net Assets.

Table 2
Changes in Net Assets
For the Fiscal Year Ended April 30, 2008

	Governmental Activities 2008	*Governmental Activities 2007*	*Business-type Activities 2008*	*Business-type Activities 2007*	*Total Primary Government 2008*	*Total Primary Government 2007*
REVENUES						
Program Revenues:						
Charges for Services	*$3,219,952*	*$4,550,020*	*$3,834,338*	*$3,510,934*	*$7,054,290*	*$8,060,954*
Operating grants	*550,422*	*419,065*	*0*	*0*	*550,422*	*419,065*
Capital grants and contributions	*18,243,217*	*50,000*	*7,082,159*	*60,356*	*25,325,376*	*110,356*
General Revenues:						
Property Taxes	*1,728,472*	*1,521,208*	*0*	*0*	*1,728,472*	*1,521,208*
Other Taxes	*5,530,704*	*4,535,927*	*0*	*0*	*5,530,704*	*4,535,927*
Investment Income	*372,126*	*631,184*	*38,317*	*43,868*	*410,443*	*675,052*
Other	*57,346*	*0*	*48,569*	*32,129*	*105,915*	*32,129*
Total Revenues	*$29,702,239*	*$11,707,404*	*$11,003,383*	*$3,647,287*	*$40,705,622*	*$15,354,691*

	Governmental Activities 2008	Governmental Activities 2007	Business-type Activities 2008	Business-type Activities 2007	Total Primary Government 2008	Total Primary Government 2007
EXPENSES						
General Government	*$4,197,064*	*$3,602,022*	*$0*	*$0*	*$4,197,064*	*$3,602,022*
Public Safety	*4,024,681*	*3,744,231*	*0*	*0*	*4,024,681*	*3,744,231*
Highways & Streets	*2,731,761*	*2,059,540*	*0*	*0*	*2,731,761*	*2,059,540*
Sanitation	*839,223*	*790,523*	*0*	*0*	*839,223*	*790,523*
Interest	*587,246*	*604,331*	*0*	*0*	*587,246*	*604,331*
Water & Sewer	*0*	*0*	*3,678,174*	*3,701,562*	*3,678,174*	*3,701,562*
Total Expenses	*$12,379,975*	*$10,800,647*	*$3,678,174*	*$3,701,562*	*$16,058,149*	*$14,502,209*
Change in Net Assets	*$17,322,264*	*$906,757*	*$7,325,209*	*$(215,445)*	*$24,647,473*	*$691,312*

Normal Impacts-Changes In Net Assets

Reflected below are eight common (basic) impacts on revenues and expenses.

Revenues:

Economic Condition – Reflects a declining, stable or growing economic environment and has a substantial impact on state income, sales, telecommunications and utility tax revenues as well as public spending habits for items such as building permits and user fees including volumes of usage.

Increase/Decrease In Village Approved Rates – While certain tax rates are set by statute, the Village Board has authority to impose and periodically increase/decrease rates (water, sewer, building permit fees, vehicle stickers etc.). The Village's property taxes are subject to tax caps which generally limit Village increases to the lesser of Consumer Price Index or 5.0%.

Changing Patterns In Intergovernmental And Grant Revenue (both recurring and non-recurring) – Certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts On Investment Income – The Village's investment portfolio is managed with an approach utilizing competitive pricing, laddered maturities up to one year for term investments, and diversity of investments. Market conditions may cause investment income to fluctuate more than would occur with more short-term composition.

Expenses:

Changes In Programs – Within the functional expense categories (General Government, Public Safety, Public Works, etc.) individual programs may be added, deleted or expanded to meet changing community needs.

Changes In Authorized Personnel **–** Changes in service demand may cause the Village Board to increase/decrease authorized staffing.

Salary Increases (economic adjustments and merit increases) – The Village strives to maintain a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be modest, the Village is a major consumer of certain commodities and services which typically experience inflation at a rate that can be significantly different from CPI. Examples of such items include insurance, fuel, electricity and operating supplies.

Current Year Impacts-Changes In Net Assets

Governmental Activities

Revenue**:**

Revenues from governmental activities totaled $29,702,239, which equals an 154% increase over the prior year. Sales tax was the Village's largest source of recurring revenue at $2,308,243, which represents a 28.3% increase over the prior year. This is the result of several new commercial stores opening during the year, including Wal-mart, JC Penney's and Menard's. Property tax revenue increased 13.6% due to the continued increase in new residential development in the Village. Per capita state-shared revenues were positively impacted during the year by the Village's previous special censuses. Income and local use taxes increased 19.26% over FY07 totals. The largest increase is in capital grants as a result of accepting public improvements in four subdivisions. The decrease in the charges for services is a reduction in building permit fees reflecting the slow down in the housing market.

Expenses**:**

Expenses for governmental activities totaled $12,379,975. Personnel costs increased as the Village adopted a general adjustment of 3.40%. Capital outlay expenses included the Village Hall construction and major roadway reconstruction to aid the development of new commercial development.

Business-Type Activities

Revenue:

Revenue from business-type activities totaled $3,834,338. Water rates were increased by $0.50 per 1,000 gallons during the year as part of the Village's long-term rate plan. The water rate at April 30, 2008 was $3.05 per 1,000 gallons for residents and $5.10 for non-residents. It should be noted that the Village supplies water to a significant non-resident population. Boulder Hill, an unincorporated subdivision, represents approximately 38% of the Village's total service area. In

addition to the consumption charges, the Village charges a demand charge of $2.67 per month for residents and $5.34 for non-residents.

Expenses:

Expenses for business-type activities totaled $3,678,174. The Village continued projects to expand the Village's water system to meet the needs of a growing population. These included completion of an elevated storage tank and extension of watermain to new commercial and residential developments in the Village.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

For the fiscal year ended April 30, 2008, the governmental funds reflect a combined fund balance of $3,672,576; a decrease of $8,538,584 from the prior year. The General Fund experienced a decrease in fund balance of $326,036, due in part to a slowdown in residential development and the related building fees. The Capital Projects Fund also experienced a significant decrease in its fund balance due to the spending of bond proceeds received in a prior year for construction of a new Village Hall.

The General Fund fund balance of $1,442,677 equates to a reserve level of 16% at year end.

General Fund Budgetary Highlights

General Fund	***FY 08 Original and Final Budget***	***FY 08 Actual***
Revenues		
Taxes	*$5,708,060*	*$5,643,138*
Licenses & Permits	*614,700*	*453,255*
Charges for Services	*1,808,480*	*2,108,305*
Intergovernmental	*37,150*	*3,242*
Other	*443,000*	*437,224*
Total	*$8,611,390*	*$8,645,164*
Expenditures and Transfers		
Expenditures	*$(8,536,340)*	*$(8,971,200)*
Transfers Out	*0*	*0*
Transfers In	*0*	*0*
Total	*($8,536,340)*	*($8,971,200)*
Change in Fund Balance	*$75,050*	*($326,036)*

Actual General Fund revenues were greater than originally budgeted revenues by $33,774 during FY08. The economic downturn being felt by most of the nation resulted in sales tax and building-related fees being below budget for the year. However, state-shared revenue and charges for services exceeded budget in an amount sufficient to offset the lower revenues. The charges for services were mostly reimbursements for professional services and as such the expenditure for engineering services also exceeded budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of Fiscal Year 2008, the Village's Governmental Funds had invested $44,241,886 (see Notes to Financial Statements #6) in a variety of capital assets and infrastructure, as reflected in the following schedule.

Table 3
Governmental Funds
Change in Net Capital Assets

	Balance May 1, 2007	*Net Additions/ Deletions*	*Balance April 30, 2008*
Non-Depreciable Assets			
Construction in Progress	*$1,588,868*	*$8,153,075*	*$9,741,943*
Land	*4,868,191*	*0*	*4,868,191*
Land Right of Way	*0*	*6,582,400*	*6,582,400*
Depreciable Capital Assets			
Buildings and Improvements	*10,859,461*	*0*	*10,859,461*
Land Improvements	*1,175,377*	*0*	*1,175,377*
Equipment and Vehicles	*1,780,312*	*589,268*	*2,369,580*
Infrastructure	*1,459,671*	*11,325,356*	*12,785,027*
Accumulated Depreciation on Capital Assets	*(2,777,052)*	*(1,363,041)*	*(4,140,093)*
Totals	*$18,954,828*	*$25,287,058*	*$44,241,886*

During the year, the Village accepted infrastructure assets from four recently completed subdivisions. Items accepted include roadways, streetlights and storm sewer.

This year's other major addition was construction in progress on the new Village Hall site.

The Village also recorded an increase of business-type activity capital assets of $6,609,452 net of related depreciation. The majority of this activity was due to accepting watermain and sanitary sewer from the subdivisions mentioned above.

Debt Outstanding

In 1999, the Village issued $985,000 General Obligation Utility Tax Alternate Revenue Bonds to finance the construction of a new public road and sewer improvements. As of April 30, 2008, the Village owes $115,000. The loan is reported as a governmental activity.

In 1999, the Village issued $3,020,000 General Obligation Waterworks System Alternate Revenue Bonds to finance improvements to the Village's water system. Bonds were issued during the current year to completely refund this debt. As of April 30, 2008 the Village owes $3,020,000 on the Series 2007 bonds. The loan is reported as a business-type activity.

In 2002, the Village issued $9,400,000 General Obligation Alternate Revenue Source Bonds to finance the construction of a new Police facility. As of April 30, 2008, the Village owes $8,550,000. The loan is reported as a governmental activity.

In 2005, the Village issued $6,000,000 General Obligation Alternate Revenue Source Bonds to finance the construction of a new Village Hall. As of April 30, 2008, the Village owes $5,325,000. The loan is reported as a governmental activity.

In 2002, the Village issued $1,665,000 General Obligation Refunding Bonds to currently refund the Village's outstanding General Obligation Refunding Bonds, Series 1995. As of April 30, 2008, the Village owes $275,000. The loan is reported as a business-type activity.

In 2002, the Village was awarded a $1,144,627 loan from the IEPA under their low interest loan program for construction of a water treatment plant. As of April 30, 2008, the Village owes $919,003. The loan is reported as a business-type activity.

The Village's total legal general obligation debt limit is estimated at $40,630,104. The Village's total general obligation debt (after considering alternate revenue source bonds) of $275,000 is within the limit. See Notes to Financial Statements #8 for additional information regarding the long-term debt of the Village.

ECONOMIC FACTORS

Over the past few years, the Village is experiencing a period of rapid growth. Three special censuses have been undertaken in the last five years which has resulted in a population increase of 8,936 since the 2000 general census. This represents an increase of 163% during that period. As discussed earlier, this increase has had a positive effect on Village revenues, including property taxes, income taxes and sales taxes. The Village's 2007 EAV (for taxes payable 2008) increased by 15.68% above the 2006 EAV.

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 and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Jeff Zoephel, Finance Director, Village of Montgomery, 1300 South Broadway, Montgomery, Illinois.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 5,153,864	$ 494,555	$ 5,648,419
Restricted Investments	-	5,598	5,598
Receivables (Net of Allowances for Uncollectibles)			
Property Taxes	1,960,054	-	1,960,054
Accounts	583,189	930,708	1,513,897
Accrued Interest	10,276	-	10,276
Other	-	21,785	21,785
Due from Other Governments	962,699	-	962,699
Notes Receivable	118,472	-	118,472
Net Pension Asset	112,090	-	112,090
Unamortized Bond Issuance Costs	-	83,149	83,149
Capital Assets not Being Depreciated	21,192,534	847,476	22,040,010
Capital Assets Being Depreciated (Net of Accumulated Depreciation)	23,049,352	26,757,696	49,807,048
Total Assets	53,142,530	29,140,967	82,283,497
LIABILITIES			
Accounts Payable	1,859,427	572,144	2,431,571
Accrued Interest	239,669	65,068	304,737
Accrued Payroll	256,300	28,488	284,788
Retainage Payable	498,943	63,643	562,586
Deposits	1,699	-	1,699
Due to Others	415,420	-	415,420
Unearned Revenue	1,967,738	36,000	2,003,738
Noncurrent Liabilities			
Due Within One Year	638,259	338,420	976,679
Due in More than One Year	13,934,329	4,014,490	17,948,819
Total Liabilities	19,811,784	5,118,253	24,930,037
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	30,251,886	23,331,066	53,582,952
Restricted for			
Subdivision Improvements	245,617	-	245,617
Economic Development	1,722,588	-	1,722,588
Debt Service	41,040	-	41,040
Public Safety	303,381	-	303,381
Highways and Streets	56,406	-	56,406
Unrestricted	709,828	691,648	1,401,476
TOTAL NET ASSETS	$ 33,330,746	$ 24,022,714	$ 57,353,460

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2008

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 4,197,064	$ 1,784,591	$ 30,919	$ 29,438
Public Safety	4,024,681	297,352	32,507	-
Highways and Streets	2,731,761	319,583	486,996	18,213,779
Sanitation	839,223	818,426	-	-
Interest	587,246	-	-	-
Total Governmental Activities	12,379,975	3,219,952	550,422	18,243,217
Business-Type Activities				
Water Department	3,678,174	3,834,338	-	7,082,159
Total Business-Type Activities	3,678,174	3,834,338	-	7,082,159
TOTAL PRIMARY GOVERNMENT	$ 16,058,149	$ 7,054,290	$ 550,422	$ 25,325,376

	Net (Expense) Revenue and Change in Net Assets		
	Governmental Activities	Business-Type Activities	Total
	$ (2,352,116)	$ -	$ (2,352,116)
	(3,694,822)	-	(3,694,822)
	16,288,597	-	16,288,597
	(20,797)	-	(20,797)
	(587,246)	-	(587,246)
	9,633,616	-	9,633,616
	-	7,238,323	7,238,323
	-	7,238,323	7,238,323
	9,633,616	7,238,323	16,871,939
General Revenues			
Taxes			
Property	1,728,472	-	1,728,472
Replacement	69,384	-	69,384
Sales	2,308,243	-	2,308,243
Income	1,326,500	-	1,326,500
Utility	1,492,570	-	1,492,570
Local Use	197,453	-	197,453
Franchise	136,554	-	136,554
Investment Income	372,126	38,317	410,443
Miscellaneous	57,346	48,569	105,915
Total	7,688,648	86,886	7,775,534
CHANGE IN NET ASSETS	17,322,264	7,325,209	24,647,473
NET ASSETS, MAY 1	16,055,009	16,697,505	32,752,514
Prior Period Adjustment	(46,527)	-	(46,527)
NET ASSETS, MAY 1, RESTATED	16,008,482	16,697,505	32,705,987
NET ASSETS, APRIL 30	$ 33,330,746	$ 24,022,714	$ 57,353,460

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2008

	General	Capital Improvement	Nonmajor Governmental Funds	Total
ASSETS				
Cash and Investments	$ 1,109,792	$ 1,693,466	$ 2,234,155	$ 5,037,413
Property Taxes Receivable	1,735,855	-	224,199	1,960,054
Accounts Receivable	413,219	169,970	-	583,189
Accrued Interest Receivable	10,276	-	-	10,276
Due from Other Funds	91,542	-	-	91,542
Due from Other Governments	739,450	190,998	32,251	962,699
Notes Receivable	-	-	118,472	118,472
TOTAL ASSETS	$ 4,100,134	$ 2,054,434	$ 2,609,077	$ 8,763,645
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 657,419	$ 1,180,265	$ 21,743	$ 1,859,427
Accrued Payroll	256,300	-	-	256,300
Deposits Payable	1,699	-	-	1,699
Retainage Payable	-	498,943	-	498,943
Deferred Revenue	1,742,039	1,500	224,199	1,967,738
Due to Other Funds	-	-	91,542	91,542
Due to Others	-	415,420	-	415,420
Total Liabilities	2,657,457	2,096,128	337,484	5,091,069
FUND BALANCES				
Reserved				
Subdivision Improvements	-	-	245,617	245,617
Noncurrent Receivables	-	-	118,472	118,472
Economic Development	-	-	1,604,116	1,604,116
Debt Service	-	-	41,040	41,040
Public Safety	-	-	303,381	303,381
Highways and Streets	-	-	56,406	56,406
Unreserved				
General Fund	1,442,677	-	-	1,442,677
Special Revenue Funds	-	-	(92,759)	(92,759)
Capital Projects Funds	-	(41,694)	(4,680)	(46,374)
Total Fund Balances	1,442,677	(41,694)	2,271,593	3,672,576
TOTAL LIABILITIES AND FUND BALANCES	$ 4,100,134	$ 2,054,434	$ 2,609,077	$ 8,763,645

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

April 30, 2008

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 3,672,576
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	44,241,886
Net pension assets are not financial resources and therefore, are not reported in governmental funds	112,090
Internal service fund is reported on the statement of net assets but not on the governmental fund financial statements	116,451
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds payable	(13,990,000)
Accrued interest payable	(239,669)
Compensated absences payable	(582,588)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 33,330,746

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2008

	General	Capital Improvement	Nonmajor Governmental Funds	Total
REVENUES				
Taxes	$ 5,643,138	$ 1,395,447	$ 507,902	$ 7,546,487
Licenses and Permits	453,255	-	-	453,255
Charges for Services	2,108,305	348,344	127,396	2,584,045
Intergovernmental	3,242	102,319	-	105,561
Fines and Forfeits	146,979	-	10,665	157,644
Developer Contributions	-	341,023	21,300	362,323
Investment Income	156,725	181,520	33,881	372,126
Miscellaneous	133,520	26,138	53,384	213,042
Total Revenues	8,645,164	2,394,791	754,528	11,794,483
EXPENDITURES				
Current				
General Government	3,646,815	-	327,406	3,974,221
Public Safety	3,289,636	-	205,817	3,495,453
Highways and Streets	1,195,526	-	1,042,380	2,237,906
Sanitation	839,223	-	-	839,223
Capital Outlay	-	8,593,875	21,050	8,614,925
Debt Service				
Principal Retirement	-	-	530,000	530,000
Interest and Fiscal Charges	-	-	594,812	594,812
Total Expenditures	8,971,200	8,593,875	2,721,465	20,286,540
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(326,036)	(6,199,084)	(1,966,937)	(8,492,057)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,126,120	1,126,120
Transfers (Out)	-	(1,126,120)	-	(1,126,120)
Total Other Financing Sources (Uses)	-	(1,126,120)	1,126,120	-
NET CHANGE IN FUND BALANCES	(326,036)	(7,325,204)	(840,817)	(8,492,057)
FUND BALANCES, MAY 1	1,768,713	7,330,037	3,112,410	12,211,160
Prior Period Adjustment	-	(46,527)	-	(46,527)
FUND BALANCES, MAY 1, RESTATED	1,768,713	7,283,510	3,112,410	12,164,633
FUND BALANCES (DEFICIT), APRIL 30	$ 1,442,677	$ (41,694)	$ 2,271,593	$ 3,672,576

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2008

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ (8,492,057)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures however, they are capitalized and depreciated in the in the statement of activities	
Capital expenditures capitalized	8,817,662
Contributions of capital assets are reported as capital grants and contributions on the statement of activities	17,907,756
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
Compensated absences	(27,862)
Net pension obligation	34,886
Principal	530,000
Change in interest	7,566
The internal service fund change in net assets	(63,854)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation of capital assets	(1,371,267)
Loss on disposal of capital assets	(20,566)
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 17,322,264

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

April 30, 2008

	Business-Type Activities	Governmental Activities
	Water	Internal Service
CURRENT ASSETS		
Cash and Investments	$ 494,555	$ 116,451
Restricted Investments	5,598	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accounts	930,708	-
Other	21,785	-
Total Current Assets	1,452,646	116,451
NONCURRENT ASSETS		
Other Assets		
Unamortized Bond Issuance Costs	83,149	-
Capital Assets not Being Depreciated	847,476	-
Capital Assets Being Depreciated		
Cost	36,675,154	-
Accumulated Depreciation	(9,917,458)	-
Net Capital Assets	27,605,172	-
Total Noncurrent Assets	27,688,321	-
Total Assets	29,140,967	116,451
CURRENT LIABILITIES		
Accounts Payable	572,144	-
Accrued Payroll	28,488	-
Retainage Payable	63,643	-
Interest Payable	65,068	-
Unearned Revenue	36,000	-
Current Portion of Compensated Absences	7,880	-
Current Portion of Bonds and IEPA Loan Payable	330,540	-
Total Current Liabilities	1,103,763	-
NONCURRENT LIABILITIES		
Compensated Absences	70,924	-
General Obligation Bonds Payable	3,015,000	-
Unamortized Bond Premium	60,103	-
IEPA Loan Payable	868,463	-
Total Noncurrent Liabilities	4,014,490	-
Total Liabilities	5,118,253	-
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	23,331,066	-
Unrestricted	691,648	116,451
TOTAL NET ASSETS	$ 24,022,714	$ 116,451

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

For the Year Ended April 30, 2008

	Business-Type Activities	Governmental Activities
	Water	Internal Service
OPERATING REVENUES		
Charges for Services	$ 2,369,487	$ 419,700
Total Operating Revenues	2,369,487	419,700
OPERATING EXPENSES		
Personal Services	1,041,773	-
Contractual Services	94,585	-
Repairs and Maintenance	537,966	-
Insurance	72,316	483,554
Supplies and Miscellaneous	190,692	-
Utilities	307,946	-
Depreciation	1,237,122	-
Total Operating Expenses	3,482,400	483,554
OPERATING INCOME (LOSS)	(1,112,913)	(63,854)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	38,317	-
Rental Income	48,569	-
Connection Fees and Reimbursements	1,464,851	-
Interest Expense and Fiscal Charges	(195,774)	-
Total Nonoperating Revenues (Expenses)	1,355,963	-
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	243,050	(63,854)
CONTRIBUTIONS	7,082,159	-
CHANGE IN NET ASSETS	7,325,209	(63,854)
NET ASSETS, MAY 1	16,697,505	180,305
NET ASSETS, APRIL 30	$ 24,022,714	$ 116,451

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2008

	Business-Type Activities	Governmental Activities
	Water	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	$ 2,286,689	$ -
Receipts from Interfund Services	-	419,700
Receipts from Rental Income	48,569	-
Payments for Interfund Services	(72,316)	-
Payments to Suppliers	(850,156)	-
Payments to Employees	(1,023,124)	(483,554)
Net Cash from Operating Activities	389,662	(63,854)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund Loans	(427,853)	-
Connection Fees and Reimbursements	1,919,059	-
Net Cash from Noncapital Financing Activities	1,491,206	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Property and Equipment	(763,684)	-
Principal Payments on Long-Term Debt	(549,215)	-
Interest Paid	(187,693)	-
Net Cash from Capital and Related Financing Activities	(1,500,592)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(216)	-
Interest Received	36,982	-
Net Cash from Investing Activities	36,766	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	417,042	(63,854)
CASH AND CASH EQUIVALENTS, MAY 1	77,513	180,305
CASH AND CASH EQUIVALENTS, APRIL 30	$ 494,555	$ 116,451

(This statement is continued on the following page.)

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended April 30, 2008

	Business-Type Activities	Governmental Activities
	Water	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income (Loss)	$ (1,112,913)	$ (63,854)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities		
Depreciation and Amortization	1,237,122	-
Rental Income	48,569	-
Changes in Assets and Liabilities		
Accounts Receivable	(82,798)	-
Accounts Payable	371,500	-
Accrued Payroll	15,340	-
Retainage Payable	(90,467)	-
Accrued Compensated Absences	3,309	-
NET CASH FROM OPERATING ACTIVITIES	$ 389,662	$ (63,854)
CASH AND CASH EQUIVALENTS		
Cash and Investments	$ 494,555	$ 116,451
Restricted Investments	5,598	-
TOTAL CASH AND CASH EQUIVALENTS	$ 500,153	$ 116,451
NONCASH TRANSACTIONS		
Contribution of Capital Assets	$ 7,082,159	$ -

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS

April 30, 2008

	Police Pension	Agency
ASSETS		
Cash and Short-Term Investments	$ 354,458	$ 18,200,230
Receivables		
Accrued Interest Receivable	5,493	-
Investments		
U.S. Government and Agency Obligations	1,571,468	-
Insurance Company Contracts - Separate Accounts	1,794,232	-
Equity Mutual Funds	1,070,287	-
Total Assets	4,795,938	18,200,230
LIABILITIES		
Due to Others	-	947,108
Due to Bondholders	-	17,253,122
Total Liabilities	-	$ 18,200,230
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	$ 4,795,938	

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
POLICE PENSION FUND

For the Year Ended April 30, 2008

ADDITIONS	
Contributions	
Employer	$ 219,255
Employee	137,575
Total Contributions	356,830
Investment Income	
Net Appreciation in Fair Value of Investments	(122,172)
Interest	144,329
Total Investment Income	22,157
Less Investment Expense	(4,626)
Net Investment Income	17,531
Total Additions	374,361
DEDUCTIONS	
Payments to Retired Members	157,868
Separation Benefits	25,127
Administration	13,544
Total Deductions	196,539
NET INCREASE	177,822
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
May 1	4,618,116
April 30	$ 4,795,938

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Montgomery, Illinois (the Village) are in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of the Village.

a. Reporting Entity

The Village is a municipal corporation established under Illinois Compiled Statutes (ILCS) governed by an elected President and Board of Trustees. The Village has defined its reporting entity in accordance with GASB Statement No. 14. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village. The Police Pension Fund is a legally separate organization from the Village and has its own governing board. However, although legally separate, this fund is reported as if it is part of the Village, because it is fiscally dependent on the Village and administered exclusively for the benefit of the Village's police personnel.

b. Fund Accounting

The Village uses funds to report its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village utilizes a pension trust fund which is generally used to account for assets that the Village holds in a fiduciary capacity and agency funds to account for assets that the Village holds in an agent capacity.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues 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 standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Village reports the following major governmental funds:

The General Fund is the general operating fund of the Village and is used to account for all financial resources of the Village unless required to be accounted for in another fund.

The Capital Improvement Fund is used to account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

In addition, the Village reports the following major enterprise fund:

The Water Fund is used to account for the revenues and expenses relative to the operation of the Village owned water utility.

Additionally, the Village reports the following internal service fund:

The Employee Insurance Fund is used to account for providing health insurance to Village employees. This fund is reported as part of the governmental activities on the government-wide financial statements as it provides services primarily to the Village's governmental funds/activities.

The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund. Agency funds are used to account for Talma Street Special Service Area, Special Assessments and Special Service Area No. 10 and No. 17 debt repayments (all no commitment debt), developer's escrow and the employee flex benefit program.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (except the agency funds which do not have a measurement focus). Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as nonoperating.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales and telecommunication taxes which use a 90 day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales and telecommunication taxes owed to the state at year end, franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the Village.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure/expense and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The Village reports unearned/deferred revenue on its financial statements. Unearned/deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned/Deferred revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures/expenses. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability is removed from the financial statements and revenue is recognized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand and in interest bearing and non-interest bearing checking accounts.

f. Investments

Investments of the Village consist of money market accounts, certificates of deposit with various local financial institutions, various marketable securities, pooled investments and insurance company annuity contracts. Investments are stated at fair value, except for non-negotiable certificates and other non-pension fund investments with a maturity of less than one year at date of purchase which are stated at cost or amortized cost.

g. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered (interfund services). These receivables and payables are classified as “due from other funds” or “due to other funds” on the financial statements as are short-term interfund loans. Long-term interfund loans, if any, are classified as advances to/from other funds.

h. Capital Assets

Capital assets, which include property, plant, equipment and prospectively reported infrastructure assets (e.g., roads, bridges, storm sewers and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than $10,000 for equipment, $20,000 for vehicles, $50,000 for buildings and land improvements and $100,000 for infrastructure and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs, including street overlays that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

Land Improvements	20 years
Buildings and Building Improvements	20 years
Equipment	7 - 10 years
Vehicles	5 - 10 years
Water Distribution System	25 - 50 years
Other Infrastructure	25 years

i. Compensated Absences

Vested or accumulated vacation leave and sick pay related to employees that have retired or terminated at year end but are 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.

j. Long-Term Obligations

In the government-wide financial statements, and proprietary funds 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 financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds 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 expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balances/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the Village's net assets are restricted by enabling legislation adopted by the Village. Invested in capital assets, net of related debt, is the book value of the capital assets, net of any debt outstanding that was issued to construct or acquire the capital assets.

l. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses in the effected funds. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

2. CASH AND INVESTMENTS

The Village's investment policy authorizes the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds.

The police pension fund can invest in the same securities as the Village, plus the following: certain non-U.S. obligations (corporate debt securities), Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political divisions, Illinois insurance company general and separate accounts and equity mutual funds.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

2. CASH AND INVESTMENTS (Continued)

a. Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a banks 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 110% of all bank balances in excess of federal depository insurance with the collateral held by an independent third party or by the Federal Reserve Bank. As of April 30, 2008, the Village had $4,271 in uncollateralized deposits out of total deposits of $4,250,534.

b. Village Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2008:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Money Market Funds	$ 17,269,694	$ 17,269,694	$ -	$ -	$ -
Illinois Funds	2,414,904	2,414,904	-	-	-
TOTAL	$ 19,684,598	$ 19,684,598	$ -	$ -	$ -

In accordance with its investment policy, 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 one year from the date of purchase, except if matched to anticipated cash flow requirement (e.g., bond proceeds), in which case the maximum maturity is two years, unless specifically approved by the Board of Trustees.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, 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. Illinois Funds and the Money Market Funds are rated AAA by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in 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 agent separate from where the investment was purchased. Illinois Funds and the money market mutual funds are not subject to custodial credit risk.

2. CASH AND INVESTMENTS (Continued)

b. Village Investments (Continued)

Concentration of credit risk - The Village's investment policy does not limit the amount of the portfolio that can be invested in any one investment vehicle as follows but does require reasonable diversification of the portfolio.

c. Police Pension Funds Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a banks failure, the Police Pension Funds' deposits may not be returned to them. The Police Pension Funds' investment policies require pledging of collateral for all bank balances in excess of federal depository insurance and flow-through FDIC insurance with the collateral held by a third party acting as the pension fund's agent.

d. Police Pension Fund Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2008:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Agency Obligations	$ 1,390,363	$ -	$ 170,758	$ 357,180	$ 862,425
U.S. Treasury Obligations	181,105	-	-	-	181,105
Money Market Funds	271,068	271,068	-	-	-
TOTAL	$ 1,842,536	$ 271,068	$ 170,758	$ 357,180	$ 1,043,530

In accordance with its investment policy, the Police Pension Fund 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 requires no more than 30% of the debt portfolio to mature greater than 15 years, 30% to mature within 5-15 years and 30% to mature within 0-5 years.

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, 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 U.S. Agency securities and U.S. Treasuries are rated AAA.

2. CASH AND INVESTMENTS (Continued)

d. Police Pension Fund Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Police Pension Fund's agent separate from where the investment was purchased in the Pension Fund's name. Illinois Funds and the money market mutual funds and mutual funds are not subject to custodial credit risk.

Concentration of credit risk - The Police Pension Fund's investment policy does not limit the amount of the portfolio that can be invested in any one investment vehicle except for investments in equity securities, which is limited to 45% of the portfolio.

The Police Pension Fund's investment policy does not specifically prohibit the use of or the investment in derivatives, except for small cap equities, but does prohibit the purchase of securities on margin.

3. NOTES RECEIVABLE - ECONOMIC DEVELOPMENT

During the fiscal year ended April 30, 1985, the Village established the Economic Development Fund from the proceeds of a Community Development Block Grant, in the amount of $500,000, received through the Department of Commerce and Community Affairs of the State of Illinois. During the fiscal year ended April 30, 1991, the Village received another Community Development Block Grant in the amount of $300,000. This fund is used to account for these grant funds which are to be loaned to new or expanding local business ventures which enhance economic development of the Village. Proceeds (principal and interest) received from such economic development loans made by the Village are to be used to capitalize a revolving economic development loan fund. The following represents the outstanding balances as of April 30, 2008:

a. During the fiscal year 1996, the Village entered into an installment note with Berry Bearing Company in the amount of $90,000. The note is payable in monthly installments of $784 through May 2010, which includes 6.5% interest on the unpaid balance. The outstanding balance of this note as of April 30, 2008 was $18,779.

b. During the fiscal year 2006, the Village entered into an installment note with EDM Associates, Inc., in the amount of $120,000. The note is payable in monthly installments of $1,159 through May 2016, which includes 3.0% interest on the unpaid balance. The outstanding balance of this note as of April 30, 2008 was $99,696.

3. NOTES RECEIVABLE - ECONOMIC DEVELOPMENT (Continued)

Principal and interest maturities of these notes receivable for future periods are as follows:

Year Ending April 30,	Amount
2009	$ 23,313
2010	23,313
2011	14,688
2012	13,905
2013	13,905
2014	13,905
2015	13,905
2016	13,905
2017	1,649
Total Principal and Interest	132,488
Interest	(14,016)
TOTAL PRINCIPAL	$ 118,472

4. DUE FROM OTHER GOVERNMENTS

The following receivables are included in Due from Other Governments on the Statement of Net Assets:

GOVERNMENTAL ACTIVITIES	
Sales Tax	$ 535,564
Local Use Tax	43,000
Court Fines	13,842
Telecommunications Tax	144,757
Income Tax	122,918
Grants	70,367
Motor Fuel Tax	32,251
TOTAL GOVERNMENTAL ACTIVITIES	$ 962,699

4. DUE FROM OTHER GOVERNMENTS (Continued)

The following receivables are included in Accounts Receivable on the Statement of Net Assets:

GOVERNMENTAL ACTIVITIES		
Utility Tax	$	205,315
Due from Developer		70,000
Engineering Fees		304,822
Garbage		3,052
TOTAL GOVERNMENTAL ACTIVITIES	$	583,189
BUSINESS-TYPE ACTIVITIES		
Water Sales	$	548,413
Tap On Fees		382,295
TOTAL BUSINESS-TYPE ACTIVITIES	$	930,708

5. INDIVIDUAL FUND DISCLOSURES

Interfund assets/liabilities at April 30, 2008 consist of the following:

- $91,542 due to the General Fund from the TIF Fund to reclassify negative cash balances in the TIF Fund. This will be repaid within one year.

Transfers between funds at April 30, 2008 consist of the following:

- $1,126,120 transferred from the Capital Improvements Fund to the Debt Service Fund to fund debt payments with utility taxes. The transfer will not be repaid.

The following funds reported deficit fund balances at April 30, 2008:

Fund		Deficit Fund Balance
Tax Increment Financing District	$	(92,759)
Vehicle Reserve		(4,680)

6. CAPITAL ASSETS

The following is a summary of capital asset activity during the fiscal year:

	Beginning Balance, Restated	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	$ 4,868,191	$ -	$ -	$ 4,868,191
Land Right of Way	-	6,582,400	-	6,582,400
Construction in Progress	1,588,868	8,153,075	-	9,741,943
Total Capital Assets not Being Depreciated	6,457,059	14,735,475	-	21,192,534
Capital Assets Being Depreciated				
Buildings and Improvements	10,859,461	-	-	10,859,461
Land Improvements	1,175,377	-	-	1,175,377
Equipment and Vehicles	1,780,312	618,060	28,792	2,369,580
Infrastructure	1,459,671	11,325,356	-	12,785,027
Total Capital Assets Being Depreciated	15,274,821	11,943,416	28,792	27,189,445
Less Accumulated Depreciation for				
Buildings and Improvements	987,720	525,473	-	1,513,193
Land Improvements	933,371	52,356	-	985,727
Equipment and Vehicles	788,078	282,037	8,226	1,061,889
Infrastructure	67,883	511,401	-	579,284
Total Accumulated Depreciation	2,777,052	1,371,267	8,226	4,140,093
Total Capital Assets Being Depreciated, Net	12,497,769	10,572,149	20,566	23,049,352
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 18,954,828	$25,307,624	$ 20,566	$ 44,241,886

	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	$ 16,533	$ -	$ -	$ 16,533
Construction in Progress	4,055,675	616,062	3,840,794	830,943
Total Capital Assets not Being Depreciated	4,072,208	616,062	3,840,794	847,476
Capital Assets Being Depreciated				
Water Distribution System	25,084,462	11,070,575	-	36,155,037
Motor Equipment	244,758	-	-	244,758
Miscellaneous Equipment	275,359	-	-	275,359
Total Capital Assets Being Depreciated	25,604,579	11,070,575	-	36,675,154

6. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Less Accumulated Depreciation for				
Water Distribution System	$ 8,200,000	$ 1,230,126	$ -	$ 9,430,126
Equipment and Machinery	244,757	-	-	244,757
Miscellaneous Equipment	236,310	6,265	-	242,575
Total Accumulated Depreciation	8,681,067	1,236,391	-	9,917,458
Total Capital Assets Being Depreciated, Net	16,923,512	9,834,184	-	26,757,696
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 20,995,720	$ 10,450,246	$ 3,840,794	$ 27,605,172

Depreciation expense was charged to the governmental activities functions/programs as follows:

GOVERNMENTAL ACTIVITIES	
General Government	$ 64,976
Public Safety	539,141
Highways and Streets, Including Depreciation of General Infrastructure Assets	767,150
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 1,371,267

Construction Contracts

The Village has entered into contracts for the construction or renovation of various facilities as follows:

	Project Authorizations	Expended to Date	Commitment
Village Hall Construction	$ 7,154,886	$ 5,256,512	$ 1,898,374

7. PROPERTY TAX CALENDAR

The following information gives significant dates on the property tax calendar of the Village.

- The property tax lien date is January 1;
- The annual tax levy ordinance for the 2007 levy was passed on December 10, 2007;
- Property taxes for the 2007 levy are due to the County Collector in two installments, June 1, 2008 and September 1, 2008;

7. PROPERTY TAX CALENDAR (Continued)

- Significant amounts of property taxes for the 2007 levy will be distributed to the Village during June, July, August and September of 2008. The remaining distributions are expected to be received in October and November 2008;

- The 2008 tax levy, which attached as an enforceable lien on property as of January 1, 2008, has not been recorded as a receivable as of April 30, 2008 as the tax has not yet been levied by the Village, and will not be levied until December 2008, and, therefore, the levy is not measurable at April 30, 2008.

8. LONG-TERM DEBT

a. Governmental Activities

The following is a summary of changes in general long-term debt reported in the governmental activities of the Village for the year ended April 30, 2008:

	Balance May 1	Issuances	Repayments	Balance April 30	Current Portion
1999A General Obligation Alternate Revenue Source Bonds	$ 225,000	$ -	$ 110,000	$ 115,000	$ 115,000
2002A General Obligation Alternate Revenue Source Bonds	8,775,000	-	225,000	8,550,000	250,000
2005 General Obligation Alternate Revenue Source Bonds	5,520,000	-	195,000	5,325,000	215,000
Compensated Absences	554,726	39,875	12,013	582,588	58,259
TOTAL GOVERNMENTAL ACTIVITIES LONG-TERM DEBT	$ 15,074,726	$ 39,875	$ 542,013	$ 14,572,588	$ 638,259

Governmental activities long-term debt payable at April 30, 2008 is comprised of the following issues:

General Obligation Alternate Revenue Source Bonds, Series 1999A dated April 1, 1999, payable from utility taxes payable to the Village. The bonds are due in annual installments of $85,000 - $115,000 through December 1, 2009, with interest ranging from 4.00% - 4.10%, payable each June 1 and December 1 and are being paid by the debt service fund.

General Obligation Alternate Revenue Source Bonds, Series 2002A dated July 1, 2002, payable from utility and sales taxes payable to the Village. The bonds are due in annual installments of $100,000 - $1,450,000 through December 1, 2017, with interest ranging from 3.00% - 4.50%, payable each June 1 and December 1 and are being paid by the debt service fund.

8. LONG-TERM DEBT (Continued)

a. Governmental Activities (Continued)

General Obligation Alternate Revenue Source Bonds, Series 2005 dated June 1, 2005, payable from utility, telecommunication and sales taxes payable to the Village. The bonds are due in annual installments of $185,000 - $435,000 through December 1, 2025, with interest ranging from 3.25% - 4.25%, payable each June 1 and December 1 and are being paid by the debt service fund.

Debt service to maturity for these issues is as follows:

Fiscal	Series 1999A General Obligation Alternate Revenue Source Bonds		Series 2002A General Obligation Alternate Revenue Source Bonds		Series 2005 General Obligation Alternate Revenue Source Bonds		
Year	Principal	Interest	Principal	Interest	Principal	Interest	Total
2009	$ 115,000	$ 4,715	$ 250,000	$ 359,376	$ 215,000	$ 211,113	$ 1,155,204
2010	-	-	350,000	350,625	260,000	204,125	1,164,750
2011	-	-	500,000	337,500	240,000	195,025	1,272,525
2012	-	-	650,000	317,500	245,000	186,625	1,399,125
2013	-	-	775,000	291,500	260,000	178,050	1,504,550
2014	-	-	900,000	260,500	265,000	167,650	1,593,150
2015	-	-	1,050,000	223,600	275,000	157,050	1,705,650
2016	-	-	1,250,000	179,500	230,000	146,050	1,805,550
2017	-	-	1,375,000	125,750	190,000	136,850	1,827,600
2018	-	-	1,450,000	65,250	195,000	129,250	1,839,500
2019	-	-	-	-	370,000	121,450	491,450
2020	-	-	-	-	385,000	106,650	491,650
2021	-	-	-	-	400,000	91,250	491,250
2022	-	-	-	-	415,000	75,250	490,250
2023	-	-	-	-	440,000	58,650	498,650
2024	-	-	-	-	460,000	39,950	499,950
2025	-	-	-	-	480,000	20,400	500,400
TOTAL	$ 115,000	$ 4,715	$ 8,550,000	$ 2,511,101	$ 5,325,000	$ 2,225,388	$ 18,731,204

b. Business-Type Activities/Enterprise Fund Long-Term Debt

The following is a summary of changes in enterprise fund/business-type activities long-term debt of the Village for the year ended April 30, 2008:

	Balance May 1	Issuances	Repayments/ Refundings	Balance April 30	Current Portion
1999B General Obligation Alternate Revenue Bonds	$ 3,020,000	$ -	$ 3,020,000	$ -	$ -
2002 General Obligation Refunding Bonds	775,000	-	500,000	275,000	275,000
2007 General Obligation Refunding Bonds	-	3,020,000	-	3,020,000	5,000
IEPA Loan Payable	968,218	-	49,215	919,003	50,540
Compensated Absences	75,495	10,759	7,450	78,804	7,880
TOTAL ENTERPRISE FUND	$ 4,838,713	$ 3,030,759	$ 3,576,665	$ 4,292,807	$ 338,420

8. LONG-TERM DEBT (Continued)

b. Business-Type Activities/Enterprise Fund Long-Term Debt (Continued)

Total enterprise fund/business-type activities bonded debt payable at April 30, 2008 is comprised of the following issues:

General Obligation Alternative Revenue Source Bonds, Series 1999B, payable from user fees generated in the Water Fund. These bonds are reported in the Water Fund since the intent of the Village is to use water revenues to abate the tax levy authorized for repayment of this obligation. The bonds are due in annual installments of $240,000 to $375,000 from December 1, 2009 through December 1, 2018, with interest at 4.20% - 4.85% payable each June 1 and December 1. These bonds were refunded during the current fiscal year.	$ -
General Obligation Refunding Bonds, Series 2002, payable from user fees generated in the Water Fund. These bonds are reported in the Water Fund since the intent of the Village is to use water revenues to abate the tax levy authorized for repayment of this obligation. The bonds are due in annual installments of $210,000 to $500,000 through December 15, 2008, with interest at 3.50% - 5.50% payable each June 15 and December 15.	275,000
General Obligation Alternative Revenue Source Bonds, Series 2007, payable from user fees generated in the Water Fund. These bonds are reported in the Water Fund since the intent of the Village is to use water revenues to abate the tax levy authorized for repayment of this obligation. The bonds are due in annual installments of $5,000 to $365,000 from December 1, 2008 through December 1, 2018, with interest at 3.95% payable each June 1 and December 1.	3,020,000
Installment Loan Payable agreement with the Illinois Environmental Protection Agency for advances of up to $1,144,627 for construction of a sewer treatment plant. The advances bear interest at 2.675% and require semiannual payments of principal and interest.	919,003
TOTAL ENTERPRISE FUND DEBT PAYABLE	$ 4,214,003

8. LONG-TERM DEBT (Continued)

b. Business-Type Activities/Enterprise Fund Long-Term Debt (Continued)

Debt service to maturity for these issues is as follows:

Fiscal Year	Series 2002 Bond		Series 2007 Bond	
	Principal	Interest	Principal	Interest
2009	$ 275,000	$ 15,125	$ 5,000	$ 118,627
2010	-	-	245,000	119,093
2011	-	-	255,000	109,415
2012	-	-	270,000	99,343
2013	-	-	280,000	88,678
2014	-	-	290,000	77,618
2015	-	-	305,000	66,163
2016	-	-	320,000	54,115
2017	-	-	335,000	41,474
2018	-	-	350,000	28,242
2019	-	-	365,000	14,417
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
TOTAL	$ 275,000	$ 15,125	$ 3,020,000	$ 817,185

Fiscal Year	IEPA Loan		
	Principal	Interest	Total
2009	$ 50,540	$ 24,250	$ 488,542
2010	51,901	22,889	438,883
2011	53,298	21,492	439,205
2012	54,734	20,056	444,133
2013	56,207	18,583	443,468
2014	57,721	17,069	442,408
2015	59,275	15,515	445,953
2016	60,872	13,918	448,905
2017	62,511	12,279	451,264
2018	64,194	10,596	453,032
2019	65,923	8,867	454,207
2020	67,698	7,092	74,790
2021	69,521	5,269	74,790
2022	71,394	3,396	74,790
2023	73,214	1,474	74,688
TOTAL	$ 919,003	$ 202,745	$ 5,249,058

8. LONG-TERM DEBT (Continued)

c. Advance Refunding

On December 3, 2007, the Village issued $3,020,000 General Obligation Alternate Revenue Source Refunding Bonds, Series 2007, dated December 3, 2007. The proceeds of the bonds were used to advance refund $3,020,000 of the outstanding Series 1999B General Obligation Alternate Revenue Bonds. An irrevocable escrow was established for retirement of the 1999B General Obligation Alternate Refunding Bonds. The bonds were paid from escrow on January 7, 2008. As a result of the refunding, the Village achieved a cash flow difference of $149,607 and an economic gain of $121,320.

d. Special Service Area Bonds

During the fiscal year ended April 30, 1997, the Village issued $125,000 Special Service Area No. 1 bonds, dated November 1, 1996. During the fiscal year ended April 30, 2005, the Village issued $20,000,000 Special Service Area No. 10 Bonds. During the 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, 2008, $39,451 of the Special Service Area No. 1 bonds, $6,400,000 of the Special Service Area No. 10 bonds and $267,042 of the Special Service Area No. 17 bonds are outstanding.

e. Special Assessment Bonds

During the fiscal year ended April 30, 2007, the Village refunded $11,923,000 of special assessment bonds, which will be paid from escrow through March 1, 2012. The refunding special assessment bonds, dated December 1, 2006, were outstanding as of April 30, 2008 and totaled $14,070,000. These bonds are not an obligation of the Village and are secured by the levy of special assessments on the real property within the special assessment area. The Village is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the assessments and forwarding the collections to bondholders.

8. LONG-TERM DEBT (Continued)

f. Conduit Debt

The Village has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The Village is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as liability in these financial statements. At April 30, 2008, there was one IDRB outstanding with an original par value of $7,100,000.

9. 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; natural disasters; employee health; and injuries to the Village's employees. 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, 2008, 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.

10. COMMITMENTS AND CONTINGENCIES

Economic Incentive

The Village has entered into economic development agreements with three 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, 2008 was $329,191, and the total cumulative expenditures incurred to date in rebates of current development agreements was $337,816.

11. DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

a. Plan Descriptions

Illinois Municipal Retirement Fund (IMRF)

All employees (other than those covered by the Police plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the calendar year ended December 31, 2007 was 9.81% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and 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 plan as a pension trust fund. At May 1, 2007, the Police Pension Plan membership consisted of:

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	6
Current Employees	
Vested	5
Nonvested	15
TOTAL	26

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half 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 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75.00% 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 3.00% of the original pension and 3.00% compounded annually thereafter.

Employees are required by ILCS 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, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended April 30, 2008, the Village's contribution was 15.79% of covered payroll.

b. Significant Investments

Significant investments are defined as investments in any one organization that represent 5.00% or more of plan net assets for the Police Pension Plan (other than U.S. Government guaranteed obligations). At April 30, 2008, the Village had four separate annuity contracts and one mortgage backed security that were each valued at greater than 5.00% of the total plan net assets for the Police Pension Plan. Information for the IMRF is not available.

11. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial Valuation Date	December 31, 2005	May 1, 2007
Actuarial Cost Method	Entry-age Normal	Entry-age Normal
Asset Valuation Method	5 Year Smoothed Market	3 Year Smoothed Market
Amortization Method	Level Percentage of Payroll	Level Dollar
Amortization Period	25 Years, Closed	29 Years, Closed
Significant Actuarial Assumptions		
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	7.25% Compounded Annually
b) Projected Salary Increase - Attributable to Inflation	4.00% Compounded Annually	2.50% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	.4 to 10.0%	1.12 to 4.86%
d) Post Retirement Benefit Increases	3.00%	3.00%

Employer annual pension cost (APC), actual contributions and the net pension obligation (asset) (NPO) are as follows. The NPO (asset) is the cumulative difference between the APC and the contributions actually made.

11. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs (Continued)

	Illinois Municipal Retirement*	Police Pension*
Annual Pension Cost	$ 173,192	$ 192,008
(APC)	218,172	159,664
	241,431	184,369
Actual Contribution	$ 173,192	$ 160,397
	218,172	239,599
	241,431	219,255
Percentage of APC Contributed	100.00%	83.54%
	100.00	150.06
	100.00	118.92
NPO (Asset)	$ -	$ 2,731
	-	(77,204)
	-	(112,090)

* Police Pension information presented is for the fiscal years ending April 30, 2006, 2007 and 2008. The information for the Illinois Municipal Retirement is for the calendar years 2005, 2006 and 2007.

The net pension obligation (asset) has been calculated as follows as of April 30, 2008:

	Police Pension
Annual Required Contributions	$ 183,958
Interest on Net Pension Obligation	(5,597)
Adjustment to Annual Required Contribution	6,008
Annual Pension Cost	184,369
Contributions Made	219,255
Increase (Decrease) in Net Pension Obligation	(34,886)
Net Pension Obligation (Asset), May 1	(77,204)
NET PENSION OBLIGATION (ASSET), APRIL 30	$ (112,090)

12. PRIOR PERIOD ADJUSTMENT

Beginning net assets for governmental type activities and fund balance in the Capital Improvement Fund were decreased by $46,527 to correct expenditures/expenses which was understated in the prior year.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
REVENUES		
Taxes		
Property Taxes Including Road and Bridge	$ 1,590,130	$ 1,644,435
Sales	2,530,510	2,308,243
Personal Property Replacement	54,500	69,384
Income	1,252,800	1,326,500
Photo and Local Use	195,120	197,453
Utility	85,000	97,123
Total Taxes	5,708,060	5,643,138
Licenses and Permits	614,700	453,255
Charges for Services	1,808,480	2,108,305
Intergovernmental	37,150	3,242
Fines and Forfeits	189,000	146,979
Investment Income	200,000	156,725
Miscellaneous	54,000	133,520
Total Revenues	8,611,390	8,645,164
EXPENDITURES		
Current		
General Government		
Elected Officials	127,480	114,062
Administration Office	566,240	562,099
Finance Office	362,080	431,186
Legal Services	179,000	172,239
Engineering Services	853,000	1,090,796
Community Development - Planning/Zoning	399,690	421,771
Community Development - Code Enforcement	525,670	458,223
Community Development - Economic Development	521,650	396,439
Total General Government	3,534,810	3,646,815
Public Safety		
Police Administration	488,460	433,634
Police Support Services	629,500	665,252
Police Patrol	2,016,750	2,026,451
Police Investigations	138,950	143,471
Police Commission	14,640	19,380
Emergency Services and Disaster Agency	2,900	1,448
Total Public Safety	3,291,200	3,289,636

(This schedule is continued on the following page.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
EXPENDITURES (Continued)		
Current (Continued)		
Highways and Streets		
Public Works Administration	$ 108,250	$ 120,234
Public Works Highways and Streets	503,800	772,652
Public Works Vehicle Maintenance	149,200	186,023
Public Works Buildings and Grounds	116,580	116,617
Total Highways and Streets	877,830	1,195,526
Sanitation		
Public Works Sanitation	812,500	812,590
Storm Sewer	20,000	26,633
Total Sanitation	832,500	839,223
Total Expenditures	8,536,340	8,971,200
NET CHANGE IN FUND BALANCE	$ 75,050	(326,036)
FUND BALANCE, MAY 1		1,768,713
FUND BALANCE, APRIL 30		$ 1,442,677

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2008

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2002	$ 3,018,385	$ 2,904,979	103.90%	$ (113,406)	$ 1,334,482	(8.50%)
2003	3,255,708	3,398,232	95.81%	142,524	1,461,128	9.75%
2004	3,581,017	4,105,642	87.22%	524,625	1,697,914	30.90%
2005	4,064,810	4,549,566	89.35%	484,756	1,888,679	25.67%
2006	4,615,878	5,226,687	88.31%	610,809	2,116,126	28.86%
2007	5,365,539	6,231,394	86.10%	865,855	2,461,075	35.18%

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

April 30, 2008

Actuarial Valuation Date May 1,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2003	N/A	N/A	N/A	N/A	N/A	N/A
2004	$ 3,598,779	$ 4,147,345	86.77%	$ 548,566	$ 942,108	58.23%
2005	4,073,975	4,533,588	89.86%	459,613	1,056,830	43.49%
2006	4,430,601	4,409,037	100.49%	(21,564)	1,195,376	(1.80%)
2007	5,025,334	5,234,276	96.01%	208,942	1,226,355	17.04%
2008	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information not available

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2008

Calendar Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2002	$ 36,698	$ 36,698	100.00%
2003	65,166	65,166	100.00%
2004	141,606	141,606	100.00%
2005	173,192	173,192	100.00%
2006	218,172	218,172	100.00%
2007	241,431	241,431	100.00%

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

April 30, 2008

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2003	$ 138,849	$ 140,680	98.70%
2004	147,876	230,574	64.13%
2005	167,072	163,013	102.49%
2006	160,397	191,898	83.58%
2007	239,599	159,676	150.05%
2008	219,255	183,958	119.19%

(See independent auditor's report.)

1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted for all funds except the Special Assessments Fund and the Special Service Area No. 10 Fund. 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 requests for appropriations to the Budget Officer 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.

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.

The Board of Trustees approves transfers between departments within a fund and transfers between funds. Expenditures may not legally exceed budgeted appropriations at the department level. During the current fiscal year, no budget amendments were adopted.

2. EXCESSES OF EXPENDITURES OVER APPROPRIATIONS

The following individual fund expenditures exceeded appropriations in the following amounts:

	Expenditures	Appropriations
General	$ 8,971,200	$ 8,536,340
Economic Development	3,000	227,904
Police Drug	3,100	6,608
Motor Fuel Tax	450,000	472,038
Vehicle Reserve	469,580	723,131

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Purpose:
These financial statements provide a more detailed view of the “General Purpose External Financial Statements” presented in the preceding subsection.

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

General Fund - the general operating fund of the Village and is used to account for all financial resources of the Village unless required to be accounted for in another fund.

CAPITAL PROJECTS FUNDS

Capital Improvement Fund - to account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
REVENUES		
Taxes		
Utility Taxes	$ 1,141,550	$ 1,395,447
Charges for Services	2,979,860	348,344
Intergovernmental	151,000	102,319
Developer Contributions	35,000	341,023
Investment Income	85,000	181,520
Miscellaneous Income	17,500	26,138
Total Revenues	4,409,910	2,394,791
EXPENDITURES		
Capital Outlay	9,624,740	8,593,875
Total Expenditures	9,624,740	8,593,875
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,214,830)	(6,199,084)
OTHER FINANCING SOURCES (USES)		
Transfer (Out)	(1,126,120)	(1,126,120)
Total Other Financing Sources (Uses)	(1,126,120)	(1,126,120)
NET CHANGE IN FUND BALANCE	$ (6,340,950)	(7,325,204)
FUND BALANCE, MAY 1		7,330,037
Prior Period Adjustment		(46,527)
FUND BALANCE, MAY 1, RESTATED		7,283,510
FUND BALANCE (DEFICIT), APRIL 30		$ (41,694)

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Economic Development Fund - to account for income generated from low interest economic development loans offered to local businesses.

Police Drug Fund - to account for County court fines restricted for police anti-drug program expenditures.

Motor Fuel Tax Fund - to account for State Gasoline Tax Allocations restricted for local roadway program expenditures.

Emergency 911 Fund - to account for County wireless 911 surcharge fees restricted for emergency 911 enhancements.

Police Gift Fund - to account for monies that are to be used for educational and equipment expenditures for the police force.

Montgomery Crossing Special Service Area Fund - to account for the maintenance of common areas in the Montgomery Crossing development.

Blackberry Crossing Special Service Area Fund - to account for the maintenance of common areas in the Blackberry Crossing development.

Arbor Ridge Special Service Area Fund - to account for the maintenance of common areas in the Arbor Ridge development.

Fairfield Way Special Service Area Fund - to account for the maintenance of common areas in the Fairfield Way development.

Foxmoor Special Service Area Fund - to account for the maintenance of common areas in the Foxmoor development.

Tax Increment Financing District Fund - to account for the taxes collected and expenditures incurred related to the Village’s TIF #1.

CAPITAL PROJECTS FUNDS

Vehicle Reserve Fund - to account for contributions from other departments for future vehicle replacements.

Special Assessments Fund - to account for the revenues and expenditures related to capital improvements of specific areas within the Village.

Special Service Area No. 10 Fund - to account for the construction of improvements in the Blackberry Crossing West development, funded by the proceeds of special service area bonds.

DEBT SERVICE FUNDS

Debt Service Fund - the debt service fund is used to account for the repayment of the 1999A, 2002A, and 2005 general obligation alternate revenue source bonds that are being repaid with utility taxes.

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2008

	Special Revenue Funds							
	Economic Development	Police Drug	Motor Fuel Tax	Emergency 911	Police Gift	Montgomery Crossing Special Service Area	Blackberry Crossing Special Service Area	Arbor Ridge Special Service Area
ASSETS								
Cash and Investments	$ 1,604,116	$ 81,403	$ 24,155	$ 207,326	$ 20,626	$ 77,947	$ 38,254	$ 46,698
Property Taxes Receivable	-	-	-	-	-	-	-	32,247
Due from Other Governments	-	-	32,251	-	-	-	-	-
Notes Receivable	118,472	-	-	-	-	-	-	-
TOTAL ASSETS	$ 1,722,588	$ 81,403	$ 56,406	$ 207,326	$ 20,626	$ 77,947	$ 38,254	$ 78,945
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable	$ -	$ 930	$ -	$ 5,044	$ -	$ -	$ 4,563	$ 545
Due to Other Funds	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	32,247
Total Liabilities	-	930	-	5,044	-	-	4,563	32,792
FUND BALANCES								
Reserved for Noncurrent Receivables	118,472	-	-	-	-	-	-	-
Reserved for Economic Development	1,604,116	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-	-	-	-
Reserved for Public Safety	-	80,473	-	202,282	20,626	-	-	-
Reserved for Highways and Streets	-	-	56,406	-	-	-	-	-
Reserved for Subdivision Improvements	-	-	-	-	-	77,947	33,691	46,153
Unreserved	-	-	-	-	-	-	-	-
Total Fund Balances	1,722,588	80,473	56,406	202,282	20,626	77,947	33,691	46,153
TOTAL LIABILITIES AND FUND BALANCES	$ 1,722,588	$ 81,403	$ 56,406	$ 207,326	$ 20,626	$ 77,947	$ 38,254	$ 78,945

(This statement is continued on the following page.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2008

	Special Revenue Funds			Capital Projects Funds				
	Fairfield Way Special Service Area	Foxmoor Special Service Area	Tax Increment Financing District	Vehicle Reserve	Special Assessments	Special Service Area No. 10	Debt Service	Total
ASSETS								
Cash and Investments	$ 76,018	$ -	$ -	$ -	$ 1,813	$ 14,759	$ 41,040	$ 2,234,155
Property Taxes Receivable	85,000	87,000	19,952	-	-	-	-	224,199
Due from Other Governments	-	-	-	-	-	-	-	32,251
Notes Receivable	-	-	-	-	-	-	-	118,472
TOTAL ASSETS	$ 161,018	$ 87,000	$ 19,952	$ -	$ 1,813	$ 14,759	$ 41,040	$ 2,609,077
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable	$ 4,764	$ -	$ 1,217	$ 4,680	$ -	$ -	$ -	$ 21,743
Due to Other Funds	-	-	91,542	-	-	-	-	91,542
Deferred Revenue	85,000	87,000	19,952	-	-	-	-	224,199
Total Liabilities	89,764	87,000	112,711	4,680	-	-	-	337,484
FUND BALANCES								
Reserved for Noncurrent Receivables	-	-	-	-	-	-	-	118,472
Reserved for Economic Development	-	-	-	-	-	-	-	1,604,116
Reserved for Debt Service	-	-	-	-	-	-	41,040	41,040
Reserved for Public Safety	-	-	-	-	-	-	-	303,381
Reserved for Highways and Streets	-	-	-	-	-	-	-	56,406
Reserved for Subdivision Improvements	71,254	-	-	-	1,813	14,759	-	245,617
Unreserved	-	-	(92,759)	(4,680)	-	-	-	(97,439)
Total Fund Balances	71,254	-	(92,759)	(4,680)	1,813	14,759	41,040	2,271,593
TOTAL LIABILITIES AND FUND BALANCES	$ 161,018	$ 87,000	$ 19,952	$ -	$ 1,813	$ 14,759	$ 41,040	$ 2,609,077

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2008

	Special Revenue Funds							
	Economic Development	Police Drug	Motor Fuel Tax	Emergency 911	Police Gift	Montgomery Crossing Special Service Area	Blackberry Crossing Special Service Area	Arbor Ridge Special Service Area
REVENUES								
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 33
Motor Fuel Taxes	-	-	423,832	-	-	-	-	-
Charges for Services	-	-	-	58,006	-	-	-	-
Fines and Forfeits	-	10,665	-	-	-	-	-	-
Developer Contributions	-	-	-	-	-	-	-	21,300
Investment Income	20,162	-	7,741	-	-	2,119	1,129	706
Miscellaneous Income	-	-	-	-	3,951	-	-	-
Total Revenues	20,162	10,665	431,573	58,006	3,951	2,119	1,129	22,039
EXPENDITURES								
Current								
General Government	227,904	-	-	-	-	-	-	-
Public Safety	-	6,608	-	5,044	2,846	-	-	-
Highways and Streets	-	-	472,038	-	-	-	6,054	545
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal Retirement	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	227,904	6,608	472,038	5,044	2,846	-	6,054	545
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(207,742)	4,057	(40,465)	52,962	1,105	2,119	(4,925)	21,494
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(207,742)	4,057	(40,465)	52,962	1,105	2,119	(4,925)	21,494
FUND BALANCES, MAY 1	1,930,330	76,416	96,871	149,320	19,521	75,828	38,616	24,659
FUND BALANCES (DEFICIT), APRIL 30	$ 1,722,588	$ 80,473	$ 56,406	$ 202,282	$ 20,626	$ 77,947	$ 33,691	$ 46,153

(This statement is continued on the following page.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2008

	Special Revenue Funds			Capital Projects Funds				
	Fairfield Way Special Service Area	Foxmoor Special Service Area	Tax Increment Financing District	Vehicle Reserve	Special Assessments	Special Service Area No. 10	Debt Service	Total Nonmajor Governmental
REVENUES								
Property Taxes	$ 77,294	$ -	$ 6,743	$ -	$ -	$ -	$ -	$ 84,070
Motor Fuel Taxes	-	-	-	-	-	-	-	423,832
Charges for Services	-	-	-	69,390	-	-	-	127,396
Fines and Forfeits	-	-	-	-	-	-	-	10,665
Developer Contributions	-	-	-	-	-	-	-	21,300
Investment Income	847	-	-	-	92	1,085	-	33,881
Miscellaneous Income	-	-	-	27,174	22,259	-	-	53,384
Total Revenues	78,141	-	6,743	96,564	22,351	1,085	-	754,528
EXPENDITURES								
Current								
General Government	-	-	99,502	-	-	-	-	327,406
Public Safety	-	-	-	191,319	-	-	-	205,817
Highways and Streets	6,887	-	-	531,812	25,044	-	-	1,042,380
Capital Outlay	-	-	-	-	-	21,050	-	21,050
Debt Service								
Principal Retirement	-	-	-	-	-	-	530,000	530,000
Interest and Fiscal Charges	-	-	-	-	-	-	594,812	594,812
Total Expenditures	6,887	-	99,502	723,131	25,044	21,050	1,124,812	2,721,465
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	71,254	-	(92,759)	(626,567)	(2,693)	(19,965)	(1,124,812)	(1,966,937)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	1,126,120	1,126,120
Total Other Financing Sources (Uses)	-	-	-	-	-	-	1,126,120	1,126,120
NET CHANGE IN FUND BALANCES	71,254	-	(92,759)	(626,567)	(2,693)	(19,965)	1,308	(840,817)
FUND BALANCES, MAY 1	-	-	-	621,887	4,506	34,724	39,732	3,112,410
FUND BALANCES (DEFICIT), APRIL 30	$ 71,254	$ -	$ (92,759)	$ (4,680)	$ 1,813	$ 14,759	$ 41,040	$ 2,271,593

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
REVENUES		
Investment Income	$ 12,500	$ 20,162
Total Revenues	12,500	20,162
EXPENDITURES		
Current		
General Government	3,000	227,904
Total Expenditures	3,000	227,904
NET CHANGE IN FUND BALANCE	$ 9,500	(207,742)
FUND BALANCE, MAY 1		1,930,330
FUND BALANCE, APRIL 30		$ 1,722,588

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE DRUG FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
REVENUES		
Fines and Forfeits	$ 900	$ 10,665
Investment Income	300	-
Total Revenues	1,200	10,665
EXPENDITURES		
Current		
Public Safety	3,100	6,608
Total Expenditures	3,100	6,608
NET CHANGE IN FUND BALANCE	$ (1,900)	4,057
FUND BALANCE, MAY 1		76,416
FUND BALANCE, APRIL 30		$ 80,473

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
REVENUES		
Motor Fuel Taxes	$ 421,840	$ 423,832
Charges for Services	500	-
Investment Income	6,000	7,741
Total Revenues	428,340	431,573
EXPENDITURES		
Current		
Highways and Streets	450,000	472,038
Total Expenditures	450,000	472,038
NET CHANGE IN FUND BALANCE	$ (21,660)	(40,465)
FUND BALANCE, MAY 1		96,871
FUND BALANCE, APRIL 30		$ 56,406

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMERGENCY 911 FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
REVENUES		
Charges for Services	$ 52,000	$ 58,006
Investment Income	750	-
Total Revenues	52,750	58,006
EXPENDITURES		
Current		
Public Safety	10,000	5,044
Total Expenditures	10,000	5,044
NET CHANGE IN FUND BALANCE	$ 42,750	52,962
FUND BALANCE, MAY 1		149,320
FUND BALANCE, APRIL 30		$ 202,282

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE GIFT FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
REVENUES		
Miscellaneous	$ 1,250	$ 3,951
Total Revenues	1,250	3,951
EXPENDITURES		
Current		
Public Safety	4,500	2,846
Total Expenditures	4,500	2,846
NET CHANGE IN FUND BALANCE	$ (3,250)	1,105
FUND BALANCE, MAY 1		19,521
FUND BALANCE, APRIL 30		$ 20,626

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MONTGOMERY CROSSINGS SPECIAL SERVICE AREA FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
REVENUES		
Investment Income	$ 400	$ 2,119
Total Revenues	400	2,119
EXPENDITURES		
Current		
Highways and Streets	64,520	-
Total Expenditures	64,520	-
NET CHANGE IN FUND BALANCE	$ (64,120)	2,119
FUND BALANCE, MAY 1		75,828
FUND BALANCE, APRIL 30		$ 77,947

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BLACKBERRY CROSSINGS SPECIAL SERVICE AREA FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
REVENUES		
Investment Income	$ 300	$ 1,129
Total Revenues	300	1,129
EXPENDITURES		
Current		
Highways and Streets	27,950	6,054
Total Expenditures	27,950	6,054
NET CHANGE IN FUND BALANCE	$ (27,650)	(4,925)
FUND BALANCE, MAY 1		38,616
FUND BALANCE, APRIL 30		$ 33,691

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ARBOR RIDGE SPECIAL SERVICE AREA FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
REVENUES		
Property Taxes	$ -	$ 33
Developer Contributions	-	21,300
Investment Income	-	706
Total Revenues	-	22,039
EXPENDITURES		
Current		
Highways and Streets	20,530	545
Total Expenditures	20,530	545
NET CHANGE IN FUND BALANCE	$ (20,530)	21,494
FUND BALANCE, MAY 1		24,659
FUND BALANCE, APRIL 30		$ 46,153

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FAIRFIELD WAY SPECIAL SERVICE AREA FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
REVENUES		
Property Taxes	$ 77,280	$ 77,294
Investment Income	450	847
Total Revenues	77,730	78,141
EXPENDITURES		
Current		
Highways and Streets	67,280	6,887
Total Expenditures	67,280	6,887
NET CHANGE IN FUND BALANCE	$ 10,450	71,254
FUND BALANCE, MAY 1		-
FUND BALANCE, APRIL 30		$ 71,254

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT FINANCING DISTRICT FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
REVENUES		
Property Taxes	$ -	$ 6,743
Total Revenues	-	6,743
EXPENDITURES		
Current		
General Government	-	99,502
Capital Outlay	10,000,000	-
Total Expenditures	10,000,000	99,502
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,000,000)	(92,759)
OTHER FINANCING SOURCES (USES)		
Bond Proceeds	10,000,000	-
Total Other Financing Sources (Uses)	10,000,000	-
NET CHANGE IN FUND BALANCE	$ -	(92,759)
FUND BALANCE, MAY 1		-
FUND BALANCE (DEFICIT), APRIL 30		$ (92,759)

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VEHICLE RESERVE FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
REVENUES		
Charges for Services	$ 427,500	$ 69,390
Investment Income	5,000	-
Miscellaneous	-	27,174
Total Revenues	432,500	96,564
EXPENDITURES		
Current		
Public Safety	191,319	191,319
Highways and Streets	278,261	531,812
Total Expenditures	469,580	723,131
NET CHANGE IN FUND BALANCE	$ (37,080)	(626,567)
FUND BALANCE, MAY 1		621,887
FUND BALANCE (DEFICIT), APRIL 30		$ (4,680)

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended April 30, 2008

	Original and Final Budget	Actual
REVENUES		
None	$ -	$ -
Total Revenues	-	-
EXPENDITURES		
Principal Retirement	530,000	530,000
Interest and Fiscal Charges	596,120	594,812
Total Expenditures	1,126,120	1,124,812
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,126,120)	(1,124,812)
OTHER FINANCING SOURCES (USES)		
Transfers In	1,126,120	1,126,120
Total Other Financing Sources (Uses)	1,126,120	1,126,120
NET CHANGE IN FUND BALANCE	$ -	1,308
FUND BALANCE, MAY 1		39,732
FUND BALANCE, APRIL 30		$ 41,040

(See independent auditor's report.)

MAJOR ENTERPRISE FUND

Water Fund - to account for revenues and expenses relative to the operation of the water utility.

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING SCHEDULE OF NET ASSETS
WATER DEPARTMENT ACCOUNTS

April 30, 2008

	Water	Water Improvement	Water Bond Proceeds	Eliminations	Total
CURRENT ASSETS					
Cash and Cash Equivalents	$ (1,030,122)	$ 1,522,194	$ 2,483	$ -	$ 494,555
Investments	-	-	5,598	-	5,598
Accounts Receivable	548,413	382,295	-	-	930,708
Accrued Interest Receivable	21,785	-	-	-	21,785
Total Current Assets	(459,924)	1,904,489	8,081	-	1,452,646
OTHER ASSETS					
Bond Issuance Costs	83,149	-	-	-	83,149
Total Other Assets	83,149	-	-	-	83,149
CAPITAL ASSETS					
Assets not Being Depreciated	847,476	-	-	-	847,476
Assets Being Depreciated					
Cost	36,675,154	-	-	-	36,675,154
Accumulated Depreciation	(9,917,458)	-	-	-	(9,917,458)
Total Capital Assets	27,605,172	-	-	-	27,605,172
Total Assets	27,228,397	1,904,489	8,081	-	29,140,967

(This schedule is continued on the following page.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING SCHEDULE OF NET ASSETS (Continued)
WATER DEPARTMENT ACCOUNTS

April 30, 2008

	Water	Water Improvement	Water Bond Proceeds	Eliminations	Total
CURRENT LIABILITIES					
Accounts Payable	$ 85,597	$ 486,547	$ -	$ -	$ 572,144
Accrued Payroll	28,488	-	-	-	28,488
Retainage Payable	-	63,643	-	-	63,643
Interest Payable	65,068	-	-	-	65,068
Unearned Revenue	36,000	-	-	-	36,000
Current Portion of Compensated Absences	7,880	-	-	-	7,880
Current Portion of Bonds and IEPA Loan Payable	280,000	-	50,540	-	330,540
Total Current Liabilities	503,033	550,190	50,540	-	1,103,763
LONG-TERM LIABILITIES					
General Obligation Bonds Payable	3,295,000	-	-	-	3,295,000
IEPA Loan Payable	-	-	919,003	-	919,003
Less Current Portion Above	(280,000)	-	(50,540)	-	(330,540)
Bond Premium	60,103	-	-	-	60,103
Accrued Compensated Absences	70,924	-	-	-	70,924
Total Long-Term Liabilities	3,146,027	-	868,463	-	4,014,490
Total Liabilities	3,649,060	550,190	919,003	-	5,118,253
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	24,250,069	-	(919,003)	-	23,331,066
Unrestricted	(670,732)	1,354,299	8,081	-	691,648
TOTAL NET ASSETS	$ 23,579,337	$ 1,354,299	$ (910,922)	$ -	$ 24,022,714

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
WATER DEPARTMENT ACCOUNTS

For the Year Ended April 30, 2008

	Water	Water Improvement	Water Bond Proceeds	Eliminations	Total
OPERATING REVENUES					
Charges for Services	$ 2,369,487	$ -	$ -	$ -	$ 2,369,487
Total Operating Revenues	2,369,487	-	-	-	2,369,487
OPERATING EXPENSES					
Personal Services	1,041,773	-	-	-	1,041,773
Contractual Services	94,585	-	-	-	94,585
Repairs and Maintenance	295,196	242,770	-	-	537,966
Insurance	72,316	-	-	-	72,316
Utilities	307,946	-	-	-	307,946
Supplies and Miscellaneous	190,692	-	-	-	190,692
Depreciation and Amortization	1,237,122	-	-	-	1,237,122
Total Operating Expenses	3,239,630	242,770	-	-	3,482,400
OPERATING INCOME (LOSS)	(870,143)	(242,770)	-	-	(1,112,913)
NONOPERATING REVENUES (EXPENSES)					
Investment Income	38,100	-	217	-	38,317
Intergovernmental	-	-	-	-	-
Rental Income	48,569	-	-	-	48,569
Connection Fees and Reimbursements	-	1,464,851	-	-	1,464,851
Interest Expense and Fiscal Charges	(170,198)	-	(25,576)	-	(195,774)
Total Nonoperating Revenues (Expenses)	(83,529)	1,464,851	(25,359)	-	1,355,963
NET INCOME (LOSS) BEFORE TRANSFERS	(953,672)	1,222,081	(25,359)	-	243,050
TRANSFERS					
Transfers In	763,684	500,000	-	(1,263,684)	-
Transfers (Out)	(500,000)	(763,684)	-	1,263,684	-
Total Transfers	263,684	(263,684)	-	-	-
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	(689,988)	958,397	(25,359)	-	243,050
CONTRIBUTIONS	7,082,159	-	-	-	7,082,159
CHANGE IN NET ASSETS	6,392,171	958,397	(25,359)	-	7,325,209
NET ASSETS, MAY 1	17,187,166	395,902	(885,563)	-	16,697,505
NET ASSETS, APRIL 30	$ 23,579,337	$ 1,354,299	$ (910,922)	$ -	$ 24,022,714

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING SCHEDULE OF CASH FLOWS
WATER DEPARTMENT ACCOUNTS

For the Year Ended April 30, 2008

	Water	Water Improvement	Water Bond Proceeds	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	$ 2,286,689	$ -	$ -	$ -	$ 2,286,689
Receipt from Rental Income	48,569	-	-	-	48,569
Payments to Suppliers	(848,827)	(1,329)	-	-	(850,156)
Payments to Employees	(1,023,124)	-	-	-	(1,023,124)
Payments for Interfund Services	(72,316)	-	-	-	(72,316)
Net Cash from Operating Activities	390,991	(1,329)	-	-	389,662
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund Loans	(296,001)	(131,852)	-	-	(427,853)
Connection Fees and Reimbursements	-	1,919,059	-	-	1,919,059
Net Cash from Noncapital Financing Activities	(296,001)	1,787,207	-	-	(16,159)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Property and Equipment	(763,684)	-	-	-	(763,684)
Intrafund Transfers	263,684	(263,684)	-	-	-
Principal Payments on Long-Term Debt	(500,000)	-	(49,215)	-	(549,215)
Interest and Fiscal Charges Paid	(161,877)	-	(25,816)	-	(187,693)
Net Cash from Capital and Related Financing Activities	(1,161,877)	(263,684)	(75,031)	-	(1,500,592)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investments	-	-	(216)	-	(216)
Interest Received	36,765	-	217	-	36,982
Net Cash from Investing Activities	36,765	-	1	-	36,766
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,030,122)	1,522,194	(75,030)	-	417,042
CASH AND CASH EQUIVALENTS, MAY 1	-	-	77,513	-	77,513
CASH AND CASH EQUIVALENTS, APRIL 30	$ (1,030,122)	$ 1,522,194	$ 2,483	$ -	$ 494,555

(This schedule is continued on the following page.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING SCHEDULE OF CASH FLOWS (Continued)
WATER DEPARTMENT ACCOUNTS

For the Year Ended April 30, 2007

	Water	Water Improvement	Water Bond Proceeds	Eliminations	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	$ (870,143)	$ (242,770)	$ -	$ -	$ (1,112,913)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities					
Depreciation and Amortization	1,237,122	-	-	-	1,237,122
Rental Income	48,569	-	-	-	48,569
Changes in Assets and Liabilities					
Accounts Receivable	(82,798)	-	-	-	(82,798)
Accounts Payable	39,592	331,908	-	-	371,500
Accrued Payroll	15,340	-	-	-	15,340
Retainage Payable	-	(90,467)	-	-	(90,467)
Accrued Compensated Absences	3,309	-	-	-	3,309
NET CASH FROM OPERATING ACTIVITIES	$ 390,991	$ (1,329)	$ -	$ -	$ 389,662
CASH AND CASH EQUIVALENTS					
Cash and Investments	$ (1,030,122)	$ 1,522,194	$ 2,483	$ -	$ 494,555
Restricted Investments	-	-	5,598	-	5,598
TOTAL CASH AND CASH EQUIVALENTS	$ (1,030,122)	$ 1,522,194	$ 8,081	$ -	$ 500,153
NONCASH TRANSACTIONS					
Contribution of Capital Assets	$ 7,082,159	$ -	$ -	$ -	$ 7,082,159

(See independent auditor's report.)

FIDUCIARY FUNDS

Pension Trust Fund

Police Pension Fund - to account for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by State statutes and by the Village through an annual contribution from the General Fund from revenues received from the police pension property tax levy.

Agency Funds

Talma Street Special Service Area Fund - to account for tax collections to pay principal and interest on the Special Service Area Bonds.

Escrow Fund - to account for developer contributions held on behalf of other governments and for developer deposits.

Flexible Benefit Fund - to account for fringe benefits for employees.

Special Assessment Fund - to account for contributions from property owners and payments of principal and interest on the Special Assessment Bonds.

Special Service Area No. 10 Fund - to account for the tax collections to pay principal and interest on the Special Service Area No. 10 Bonds.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF NET ASSETS
POLICE PENSION FUND

April 30, 2008

ASSETS	
Cash and Short-Term Investments	$ 354,458
Receivables	
Accrued Interest Receivable	5,493
Investments	
U.S. Government and Agency Obligations	1,571,468
Insurance Company Contracts - Separate Accounts	1,794,232
Equity Mutual Funds	1,070,287
Total Assets	4,795,938
LIABILITIES	
None	-
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	$ 4,795,938

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended April 30, 2008

	Balances May 1	Additions	Deductions	Balances April 30
ALL FUNDS				
ASSETS				
Cash and Investments	$ 22,349,372	$ 3,831,767	$ 7,980,909	$ 18,200,230
TOTAL ASSETS	$ 22,349,372	$ 3,831,767	$ 7,980,909	$ 18,200,230
LIABILITIES				
Due to Others	$ 807,970	$ 175,997	$ 36,859	$ 947,108
Due to Bondholders	21,541,402	3,655,770	7,944,050	17,253,122
TOTAL LIABILITIES	$ 22,349,372	$ 3,831,767	$ 7,980,909	$ 18,200,230
TALMA STREET SPECIAL SERVICE AREA FUND				
ASSETS				
Cash and Investments	$ 10,192	$ 12,968	$ 12,658	$ 10,502
TOTAL ASSETS	$ 10,192	$ 12,968	$ 12,658	$ 10,502
LIABILITIES				
Due to Others	$ 10,192	$ 12,968	$ 12,658	$ 10,502
TOTAL LIABILITIES	$ 10,192	$ 12,968	$ 12,658	$ 10,502

(This statement is continued on the following pages.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended April 30, 2008

	Balances May 1	Additions	Deductions	Balances April 30
ESCROW FUND				
ASSETS				
Cash and Investments	$ 797,778	$ 138,447	$ 1,000	$ 935,225
TOTAL ASSETS	$ 797,778	$ 138,447	$ 1,000	$ 935,225
LIABILITIES				
Due to Others	$ 797,778	$ 138,447	$ 1,000	$ 935,225
TOTAL LIABILITIES	$ 797,778	$ 138,447	$ 1,000	$ 935,225
FLEXIBLE BENEFIT FUND				
ASSETS				
Cash and Investments	$ -	$ 1,107	$ -	$ 1,107
TOTAL ASSETS	$ -	$ 1,107	$ -	$ 1,107
LIABILITIES				
Due to Others	$ -	$ 1,107	$ -	$ 1,107
TOTAL LIABILITIES	$ -	$ 1,107	$ -	$ 1,107

(This statement is continued on the following pages.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended April 30, 2008

	Balances May 1	Additions	Deductions	Balances April 30
LAKEWOOD SPECIAL ASSESSMENT FUND				
ASSETS				
Cash and Investments	$ 15,538,410	$ 1,788,426	$ 1,885,642	$ 15,441,194
TOTAL ASSETS	$ 15,538,410	$ 1,788,426	$ 1,885,642	$ 15,441,194
LIABILITIES				
Due to Bondholders	$ 15,538,410	$ 1,788,426	$ 1,885,642	$ 15,441,194
TOTAL LIABILITIES	$ 15,538,410	$ 1,788,426	$ 1,885,642	$ 15,441,194
BLACKBERRY CROSSING WEST SPECIAL SERVICE AREA NO. 10 FUND				
ASSETS				
Cash and Investments	$ 6,002,992	$ 1,867,344	$ 6,058,408	$ 1,811,928
TOTAL ASSETS	$ 6,002,992	$ 1,867,344	$ 6,058,408	$ 1,811,928
LIABILITIES				
Due to Bondholders	$ 6,002,992	$ 1,867,344	$ 6,058,408	$ 1,811,928
TOTAL LIABILITIES	$ 6,002,992	$ 1,867,344	$ 6,058,408	$ 1,811,928

(This statement is continued on the following page.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS

For the Year Ended April 30, 2008

	Balances May 1	Additions	Deductions	Balances April 30
CORNELL SPECIAL SERVICE AREA FUND				
ASSETS				
Cash and Investments	$ -	$ 23,475	$ 23,201	$ 274
TOTAL ASSETS	$ -	$ 23,475	$ 23,201	$ 274
LIABILITIES				
Due to Others	$ -	$ 23,475	$ 23,201	$ 274
TOTAL LIABILITIES	$ -	$ 23,475	$ 23,201	$ 274

(See independent auditor's report.)

STATISTICAL SECTION

This part of the Village's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the Village's overall financial health.

Contents	Page(s)
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	75-80
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	81-86
Debt Capacity The 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.	87-91
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.	92-93
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.	94-96

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented GASB Statement No. 34 in 2005; schedules presenting government-wide information include information beginning in that year.

VILLAGE OF MONTGOMERY, ILLINOIS

NET ASSETS BY COMPONENT

Last Four Fiscal Years

Fiscal Year	2005	2006	2007	2008
GOVERNMENTAL ACTIVITIES				
Invested in Capital Assets, Net of Related Debt	$ 5,099,533	$ 2,760,235	$ 4,388,301	$ 30,251,886
Restricted	9,853,116	1,925,539	2,490,523	2,369,032
Unrestricted	5,391,317	10,415,952	9,176,185	709,828
TOTAL GOVERNMENT ACTIVITIES	$ 20,343,966	$ 15,101,726	$ 16,055,009	$ 33,330,746
BUSINESS-TYPE ACTIVITIES				
Invested in Capital Assets, Net of Related Debt	$ 13,105,573	$ 14,750,138	$ 16,233,234	$ 23,331,066
Restricted	-	-	-	-
Unrestricted	3,490,046	2,162,812	464,271	691,648
TOTAL BUSINESS-TYPE ACTIVITIES	$ 16,595,619	$ 16,912,950	$ 16,697,505	$ 24,022,714
PRIMARY GOVERNMENT				
Invested in Capital Assets, Net of Related Debt	$ 18,205,106	$ 17,510,373	$ 20,621,535	$ 53,582,952
Restricted	9,853,116	1,925,539	2,490,523	2,369,032
Unrestricted	8,881,363	12,578,764	9,640,456	1,401,476
TOTAL PRIMARY GOVERNMENT	$ 36,939,585	$ 32,014,676	$ 32,752,514	$ 57,353,460

Data Sources

Audited Financial Statements

VILLAGE OF MONTGOMERY, ILLINOIS

CHANGE IN NET ASSETS

Last Four Fiscal Years

Fiscal Year	2005	2006	2007	2008
EXPENSES				
Governmental Activities				
General Government	$ 12,978,486	$ 11,149,474	$ 3,555,496	$ 4,197,064
Public Safety	2,568,314	2,199,900	3,744,231	4,024,681
Highways and Streets	1,065,229	1,402,507	2,059,540	2,731,761
Sanitation	586,943	724,711	790,523	839,223
Interest	235,529	602,676	604,331	587,246
Total Governmental Activities Expenses	17,434,501	16,079,268	10,754,121	12,379,975
Business-Type Activities				
Waterworks	3,756,728	4,219,233	3,701,562	3,678,174
Total Business-Type Activities Expenses	3,756,728	4,219,233	3,701,562	3,678,174
TOTAL PRIMARY GOVERNMENT EXPENSES	$ 21,191,229	$ 20,298,501	$ 14,455,683	$ 16,058,149
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	$ 2,810,092	$ 2,416,565	$ 2,890,579	$ 1,784,591
Public Safety	297,572	293,353	376,138	297,352
Highways and Streets	18,052,041	836,032	563,135	319,583
Sanitation	530,973	651,986	720,168	818,426
Operating Grants and Contributions	458,096	377,076	419,065	550,422
Capital Grants and Contributions	78,000	31,180	50,000	18,243,217
Total Governmental Activities Program Revenues	22,226,774	4,606,192	5,019,085	22,013,591
Business-Type Activities				
Charges for Services		4,164,976	3,510,934	3,834,338
Capital Grants and Contributions	235,419	286,818	60,356	7,082,159
Total Business-Type Activities Program Revenues	235,419	4,451,794	3,571,290	10,916,497
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	$ 22,462,193	$ 9,057,986	$ 8,590,375	$ 32,930,088
NET REVENUE (EXPENSE)				
Governmental Activities	$ 4,792,273	$ (11,473,076)	$ (5,735,036)	$ 9,633,616
Business-Type Activities	479,090	232,561	(130,272)	7,238,323
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	$ 5,271,363	$ (11,240,515)	$ (5,865,308)	$ 16,871,939

VILLAGE OF MONTGOMERY, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Four Fiscal Years

Fiscal Year	2005	2006	2007	2008
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental Activities				
Taxes				
Property and Replacement	$ 1,052,003	$ 1,290,163	$ 1,582,852	$ 1,797,856
Income	584,932	810,962	1,095,594	1,326,500
Sales	1,467,350	1,684,446	1,799,426	2,308,243
Utility	1,120,536	1,308,029	1,281,322	1,492,570
Local Use	96,438	131,451	182,247	197,453
Franchise Fees	71,417	91,202	115,694	136,554
Donations	585,200	275,000	-	-
Investment Income	283,895	639,583	631,184	372,126
Miscellaneous	-	-	-	57,346
Special Item	(585,200)	-	-	-
Total Governmental Activities	4,676,571	6,230,836	6,688,319	7,688,648
Business-Type Activities				
Investment Income	23,805	63,499	43,868	38,317
Miscellaneous	21,271	21,271	32,129	48,569
Total Business-Type Activities	45,076	84,770	75,997	-
TOTAL PRIMARY GOVERNMENT	$ 4,721,647	$ 6,315,606	$ 6,764,316	$ 7,688,648
CHANGE IN NET ASSETS				
Governmental Activities	$ 9,468,844	$ (5,242,240)	$ 953,283	$ 17,322,264
Business-Type Activities	524,166	317,331	(54,275)	7,325,209
TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS	$ 9,993,010	$ (4,924,909)	$ 899,008	$ 24,647,473

Note: The Village implemented GASB S-34 as of April 30, 2005. Information for prior years is not available.

Data Source

Audited Financial Statements

VILLAGE OF MONTGOMERY, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
GENERAL FUND										
Reserved	$ 8,264	$ 12,099	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	1,466,968	1,967,406	2,346,904	2,626,526	2,365,794	1,912,445	2,290,618	2,224,385	1,768,713	1,442,677
TOTAL GENERAL FUND	$ 1,475,232	$ 1,979,505	$ 2,346,904	$ 2,626,526	$ 2,365,794	$ 1,912,445	$ 2,290,618	$ 2,224,385	$ 1,768,713	$ 1,442,677
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	$ 1,528,488	$ 7,693,954	$ 1,798,939	$ 1,869,812	$ 481,069	$ 1,876,959	$ 9,853,116	$ 2,275,389	$ 2,490,523	$ 2,369,032
Unreserved										
Special Revenue	108,293	225,745	277,079	83,217	90,196	121,884	-	-	-	(92,759)
Capital Projects	943,362	467,149	8,200,051	1,757,315	10,016,508	9,059,691	3,722,114	8,540,237	7,951,924	(46,374)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	$ 2,580,143	$ 8,386,848	$ 10,276,069	$ 3,710,344	$ 10,587,773	$ 11,058,534	$ 13,575,230	$ 10,815,626	$ 10,442,447	$ 2,229,899
TOTAL ALL GOVERNMENTAL FUNDS	$ 4,055,375	$ 10,366,353	$ 12,622,973	$ 6,336,870	$ 12,953,567	$ 12,970,979	$ 15,865,848	$ 13,040,011	$ 12,211,160	$ 3,672,576

Data Source

Audited Financial Statements

VILLAGE OF MONTGOMERY, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
REVENUES										
Taxes	$ 2,794,443	$ 3,124,992	$ 3,605,150	$ 3,510,552	$ 3,597,396	$ 3,938,187	$ 4,580,438	$ 5,545,888	$ 6,338,166	$ 7,546,487
Licenses and Permits	73,201	188,421	169,179	423,026	555,390	508,445	588,616	545,975	646,609	453,255
Intergovernmental	-	-	234,174	202,344	380,119	167,136	259,173	116,026	133,084	105,561
Grant Revenue	4,356,788	613,355	-	-	-	-	-	-	-	-
Charges for Services	302,180	482,424	567,896	1,183,649	2,007,541	2,514,511	3,264,425	3,424,173	3,478,950	2,584,045
Fines and Forfeits	62,130	83,370	84,001	84,849	146,630	153,103	189,384	199,954	203,147	157,644
Investment Income	163,502	208,337	276,798	367,106	278,045	160,647	283,895	639,586	630,181	372,126
Developer Contributions	-	-	-	-	-	-	-	-	-	362,323
Contributions from Property Owners	-	-	9,200,838	-	-	-	17,620,321	275,000	-	-
Miscellaneous	23,484	70,233	47,293	80,867	55,797	62,815	117,093	90,426	277,267	213,042
Total Revenues	7,775,728	4,771,132	14,185,329	5,852,393	7,020,918	7,504,844	26,903,345	10,837,028	11,707,404	11,794,483
EXPENDITURES										
Current										
General Government	4,857,053	1,158,802	1,126,885	1,549,980	2,079,667	2,210,384	2,460,660	2,899,901	3,135,761	3,974,221
Public Safety	1,380,465	1,531,451	1,590,910	1,755,738	2,031,873	2,225,292	2,413,434	2,613,421	3,428,954	3,495,453
Highways and Streets	875,596	1,004,855	2,759,699	8,512,651	3,460,598	3,944,777	1,221,536	1,701,273	1,789,485	2,237,906
Sanitation	214,777	161,296	165,103	266,931	352,138	9,039	586,943	724,711	775,807	839,223
Health and Welfare	8,516	5,803	7,564	7,887	-	-	-	-	-	-
Culture and Recreation	16,967	31,502	19,904	21,514	-	-	-	-	-	-
Miscellaneous	44,927	78,296	33,909	31,021	2,771	2,644	-	-	-	-
Capital Outlay	309,357	340,588	125,034	23,890	-	-	17,165,363	10,600,641	2,339,488	8,614,925
Debt Service	-	121,668	122,025	118,624	280,819	607,435	-	-	-	
Principal	-	-	-	-	-	-	250,000	575,000	490,000	530,000
Interest and Fiscal Charges	-	-	-	-	-	-	407,559	513,548	611,130	594,812
Total Expenditures	7,707,658	4,434,261	5,951,033	12,288,236	8,207,866	8,999,571	24,505,495	19,628,495	12,570,625	20,286,540
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,053,130	336,871	8,234,296	(6,435,843)	(1,186,948)	(1,494,727)	2,397,850	(8,791,467)	(863,221)	(8,492,057)

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
OTHER FINANCING SOURCES (USES)										
Transfers In	$ 5,821	$ 323,000	$ 108,000	$ 120,000	$ 370,000	$ 455,000	$ 683,360	$ 1,120,000	$ 1,202,430	$ 1,126,120
Transfers (Out)	(5,821)	(323,000)	(108,000)	(120,000)	(370,000)	(455,000)	(683,360)	(1,120,000)	(1,202,430)	(1,126,120)
Bonds Issued	-	-	-	-	-	-	-	6,000,000	-	-
Bond Proceeds	985,060	-	-	-	9,313,650	-	-	-	-	-
Total Other Funding Sources (Uses)	985,060	-	-	-	9,313,650	-	-	6,000,000	-	-
OTHER CHANGES TO FUND BALANCES										
Prior Period Adjustment	(100,425)	-	-	150,810	-	-	477,843	-	-	(46,527)
NET CHANGE IN FUND BALANCES	$ (952,705)	$ (336,871)	$ (8,234,296)	$ 6,435,843	$ (7,946,702)	$ 1,494,727	$ (2,397,850)	$ (2,791,467)	$ (863,221)	$ (8,538,584)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	0%	0%	0%	0%	0%	0%	9.84%	13.71%	11.61%	10.87%

Data Source

Audited Financial Statements

VILLAGE OF MONTGOMERY, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year		Residential Property	Commercial Property	Industrial Property	Railroad Property	Farm Property	Total Actual Value	Total Direct Tax Rate	Actual Taxable Assessed Value Value	Actual Taxable Value
1998	Kane County	34,478,720	12,819,085	25,458,656	399,114	839,376	73,994,951	0.50710	24,662,517	33.3%
	Kendall County	N/A	N/A	N/A	N/A	N/A	35,245,581		11,747,352	
1999	Kane County	34,326,987	13,297,380	26,979,812	492,987	795,374	75,892,540	0.46970	25,294,984	33.3%
	Kendall County	N/A	N/A	N/A	N/A	N/A	37,405,669		12,467,309	
2000	Kane County	35,116,915	14,687,021	28,495,983	505,229	975,119	79,780,267	0.46350	26,590,763	33.3%
	Kendall County	N/A	N/A	N/A	N/A	N/A	41,070,534		13,688,809	
2001	Kane County	38,528,537	15,761,659	31,766,632	558,779	531,998	87,147,605	0.44540	29,046,297	33.3%
	Kendall County	N/A	N/A	N/A	N/A	N/A	45,784,040		15,259,821	
2002	Kane County	44,110,408	16,957,826	36,886,913	585,441	369,415	98,910,003	0.42890	32,966,704	33.3%
	Kendall County	N/A	N/A	N/A	N/A	N/A	67,326,906		22,440,058	
2003	Kane County	52,860,197	16,522,094	38,230,960	496,510	378,034	108,487,795	0.50090	36,158,982	33.3%
	Kendall County	N/A	N/A	N/A	N/A	N/A	100,257,632		33,415,869	
2004	Kane County	72,341,408	17,567,292	42,686,651	486,155	333,474	133,414,980	0.49850	44,467,213	33.3%
	Kendall County	N/A	N/A	N/A	N/A	N/A	125,892,016		41,959,809	
2005	Kane County	94,695,685	19,071,768	45,856,396	451,368	397,619	160,472,836	0.37930	53,485,596	33.3%
	Kendall County	N/A	N/A	N/A	N/A	N/A	156,189,326		52,057,902	
2006	Kane County	130,150,023	20,713,506	50,224,319	470,773	388,241	201,946,862	0.43900	67,308,889	33.3%
	Kendall County	N/A	N/A	N/A	N/A	N/A	205,272,490		68,355,739	
2007	Kane County	143,557,685	21,254,903	52,334,881	494,539	411,850	218,053,858	0.37274	72,677,351	33.3%
	Kendall County	225,221,844	24,443,380	3,215,940	10,056	128,586	253,019,806	0.36600	84,255,595	

N/A - Not available

Data Source

Village and County Records

VILLAGE OF MONTGOMERY, ILLINOIS

PROPERTY TAX RATES* - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Levy Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
VILLAGE DIRECT RATES										
Village of Montgomery										
General Corporate	0.1790	0.2207	0.2193	0.2231	0.2066	0.2303	0.2450	0.2168	0.2107	0.1984
IMRF	0.0411	-	-	-	0.0166	0.0354	0.0587	0.0430	0.0344	0.0346
Garbage Collection	0.0818	0.1324	0.1324	0.0556	0.0300	0.0150	-	-	-	-
Liability Insurance	0.0561	-	-	0.0186	0.0180	0.0329	0.0482	0.0293	0.0332	0.0367
Social Security	0.0391	-	-	0.0481	0.0683	0.0870	0.0755	0.0635	0.0553	0.0504
Police Pension	0.1100	0.1166	0.1118	0.1000	0.0894	0.1003	0.0711	0.0753	0.0553	0.0472
Bond and Interest	-	-	-	-	-	-	-	-	0.0697	-
Prior Year Adjustment	-	-	-	-	-	-	-	(0.0486)	-	-
OVERLAPPING RATES (REPRESENTATIVE)										
Kane County	0.4912	0.4772	0.4677	0.4529	0.4292	0.3578	0.3467	0.3367	0.34519	0.3322
Kane County Forest Preserve District	0.1171	0.1985	0.1634	0.1520	0.1395	0.1270	0.1432	0.1905	0.17471	0.1974
Aurora Township	0.2553	0.2457	0.2333	0.2119	0.1909	0.1718	0.1612	0.1559	0.15009	0.1449
Aurora Township Road District	0.0985	0.0979	0.0964	0.0917	0.0847	0.0791	0.0776	0.0743	0.07151	0.0690
Montgomery Fire District	0.3462	0.3432	0.3445	0.3317	0.3988	0.5549	0.6789	0.6522	0.62425	0.6061
Oswego Library	0.2097	0.1910	0.1866	0.1810	0.1893	0.1893	0.1818	0.1483	0.18261	0.2082
Fox Valley Park District	0.4497	0.4368	0.4430	0.4202	0.4086	0.3995	0.4068	0.3846	0.37456	0.4037
Unit School District Number 129	4.2048	4.2372	4.1703	4.0182	4.0625	3.9066	3.8155	3.6786	3.56352	4.1252
Community College District Number 516	0.4459	0.4358	0.4295	0.4131	0.4043	0.4134	0.4099	0.3933	0.39836	0.3950
Total Overlapping Rates	6.6184	6.6633	6.5347	6.2727	6.3078	6.1994	6.2216	6.0144	5.8848	6.4817
TOTAL ALL RATES (REPRESENTATIVE)	7.1255	7.1330	6.9982	6.7181	6.7367	6.7003	6.7201	6.3937	6.3434	6.8490

* Property tax rates are per $100 of assessed valuation.

Data Source

Office of the Kane County Clerk

VILLAGE OF MONTGOMERY, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS (1)

Last Year and Nine Years Ago

2007				1999			
Taxpayer	Assessed	Rank	of Total	Taxpayer	Assessed	Rank	of Total
United Facilities, Inc.	$ 9,167,104	1	1.95%	United Facilities	$ 6,454,162	1	5.34%
Wal-Mart Stores, Inc.	5,368,060	2	1.14%	Centerpoint Properties Trust	3,888,705	2	3.22%
Willamette Industries, Inc.	3,215,044	3	0.68%	Meritex Developments, Inc.	2,412,632	3	2.00%
2125 Rochester Property, LLC	3,187,916	4	0.68%	Settlers Land Mall Association	1,774,188	4	1.47%
2001 Baseline Road, LLC	2,895,980	5	0.61%	Freeport Farm & Fleet, Inc.	1,409,420	5	1.17%
Monmouth Capital Corporation	2,591,438	6	0.55%	Kmart Corp.	1,387,991	6	1.15%
Centerpoint Properties Trust	2,522,432	7	0.54%	Lyon Metal Products, LLC.	1,244,558	7	1.03%
Freeport Farm & Fleet, Inc.	2,216,450	8	0.47%	Inland Commercial Property	975,689	8	0.81%
FRF Leasing	1,898,340	9	0.40%	Rochester Midland Corp.	915,042	9	0.76%
Menard, Inc.	1,709,510	10	0.36%	Aurora Metals Division, LLC.	902,065	10	0.75%
TOTAL	$29,499,796			TOTAL	$21,364,452		
2007 EAV = $471,073,664			7.38%	1999 EAV = $120,850,801			17.68%

(1) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked. The 2007 EAV is the most current.

Data Source

Kane and Kendall Counties Assessor

VILLAGE OF MONTGOMERY, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

	Collected Within the Fiscal Year of the Levy		
Levy Year	Tax Levied	Amount	Levy
1998	$ 537,958	$ 543,032	100.94%
1999	532,163	567,668	106.67%
2000	559,528	563,183	100.65%
2001	592,948	592,968	100.00%
2002	703,968	703,453	99.93%
2003	944,246	936,333	99.16%
2004	1,150,023	1,150,298	100.02%
2005	1,279,445	1,284,401	100.39%
2006	1,684,986	1,667,661	98.97%
2007	1,735,855	N/A	N/A

Data Sources

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

TOTAL SALES TAX BY CATEGORY

Last Ten Calendar Years

Calendar Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Merchandise	$ 213,652	$ 347,842	$ -	$ -	$ -	$ -	$ 46,555	$ -	$ -	$ 355,410
Food	270,683	176,245	298,847	292,703	200,948	182,394	110,718	146,174	173,280	160,131
Drinking and Eating Places	95,875	99,910	109,643	134,591	130,504	137,309	147,639	152,032	155,338	157,769
Apparel	13,863	-	-	-	-	-	3,966	3,036	597	1,448
Furniture & H.H. & Radio	4,472	7,940	39,567	39,432	38,103	30,237	13,063	22,355	30,670	32,733
Lumber, Building Hardware	86,886	94,527	94,843	87,158	86,646	93,073	98,904	114,295	109,828	195,045
Automobile and Filling Stations	155,120	193,006	223,297	265,699	277,149	217,531	225,444	254,228	374,028	404,344
Drugs and Miscellaneous Retail	416,036	112,161	123,681	151,483	154,682	150,369	177,810	186,622	230,920	278,838
Agriculture and All Others	136,196	189,620	354,897	347,429	361,104	314,781	310,854	300,209	325,595	327,456
Manufacturers	81,109	79,029	85,802	69,324	70,916	73,915	127,328	156,083	186,236	216,569
Unclassified	-	-	-	-	-	-	-	-	-	30,660
TOTAL	$ 1,473,892	$ 1,300,280	$ 1,330,577	$ 1,387,819	$ 1,320,052	$ 1,199,609	$ 1,262,281	$ 1,335,034	$ 1,586,492	$ 2,160,403
RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

The above numbers are the total sales tax dollars received by the Village before applicable sales tax rebates.
All numbers are rounded to the nearest full dollar amount.

Data Source

Illinois Department of Revenue SIC Reporting
Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES (1)

Last Ten Levy Years

	General Merchandise				
Fiscal Year	Village Direct Rate	State and Other Rates (Kane County)	State and Other Rates (Kendall County)	Total Rate Village (Kane County)	Total Rate Village (Kendall County)
1999	1.0%	5.50%	5.25%	6.50%	6.25%
2000	1.0%	5.50%	5.25%	6.50%	6.25%
2001	1.0%	5.50%	5.25%	6.50%	6.25%
2002	1.0%	5.50%	5.75%	6.50%	6.75%
2003	1.0%	5.50%	5.75%	6.50%	6.75%
2004	1.0%	5.50%	5.75%	6.50%	6.75%
2005	1.0%	5.50%	5.75%	6.50%	6.75%
2006	1.0%	5.50%	5.75%	6.50%	6.75%
2007	1.0%	5.50%	6.25%	6.50%	7.25%
2008	1.0%	6.00%	6.25%	7.00%	7.25%

(1) 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% for sales of food and 7.00% for sales of titled vehicles.

Data Source
Village and State Records

VILLAGE OF MONTGOMERY, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds	Business-Type Activities Installment Loans	Total Primary Government	Percentage of Personal Income*	Per Capita*
1999	$ 6,510,000	$ -	$ -	$ 6,510,000	N/A	247.00
2000	5,945,000	5,225,000	-	11,170,000	N/A	2,041.67
2001	5,680,000	5,055,000	-	10,735,000	N/A	1,962.16
2002	5,405,000	4,875,000	-	10,280,000	N/A	1,879.00
2003	14,495,000	4,685,000	-	19,180,000	11.10%	2,697.99
2004	14,090,000	4,465,000	-	18,555,000	10.73%	2,610.07
2005	13,615,060	4,255,000	1,039,631	18,909,691	7.33%	1,781.75
2006	15,785,000	4,030,000	1,016,141	20,831,141	8.07%	1,962.79
2007	14,520,000	3,795,000	968,218	19,283,218	5.50%	1,338.46
2008	13,990,000	3,295,000	919,003	18,204,003	5.20%	1,263.55

* Information on personal income and population can be found on page 92.

Data Source

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
1999	$ 6,510,000	$ -	$ 6,510,000	1.38%	$ 1,252
2000	5,945,000	105,442	$ 5,839,558	1.26%	1,067
2001	5,680,000	91,417	5,588,583	1.21%	1,021
2002	5,405,000	92,793	5,312,207	1.15%	971
2003	14,495,000	166,974	14,328,026	3.08%	2,015
2004	14,090,000	14,539	14,075,461	2.99%	1,980
2005	13,615,000	6,980	13,608,020	2.89%	1,282
2006	15,785,000	38,432	15,746,568	3.35%	1,484
2007	14,520,000	39,732	14,480,268	3.08%	1,005
2008	13,990,000	41,040	13,948,960	2.97%	968

Data Sources

Audited Financial Statements

VILLAGE OF MONTGOMERY, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2008

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village	Village Share of Debt
School District #115	$ 93,448,487	7.060%	$ 6,597,463
School District #129	117,610,000	6.070%	7,138,927
School District #131	106,023,751	4.120%	4,368,179
School District #302	91,535,832	3.910%	3,579,051
School District #308	314,117,616	11.880%	37,317,173
Community College District #516	78,920,796	4.750%	3,748,738
Total Schools	801,656,482		62,749,531
Kane County	82,045,000	1.470%	1,206,062
Kendall County	11,755,000	8.300%	975,665
Kane County Forest Preserve District	260,115,866	1.470%	3,823,703
Kendall County Forest Preserve District	49,435,000	8.300%	4,103,105
Fox Valley Park District	42,583,155	8.710%	3,708,993
Oswego Park District	6,455,000	4.700%	303,385
Oswego Library District	8,900,000	23.610%	2,101,290
Sugar Grove Library District	7,670,000	13.460%	1,032,382
Total Other Governments	468,959,021		17,254,585
TOTAL OVERLAPPING BONDED DEBT	$ 1,270,615,503		$ 80,004,116

Overlapping and bonded debt percentages based on 2007 EAV, the most current available.

Data Sources

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	$ 9,421,996	$ 9,771,971	$ 10,423,382	$ 11,465,354	$ 14,337,933	$ 18,004,293	$ 22,365,134	$ 27,312,111	$ 35,122,639	$ 40,630,104
Total Net Debt Applicable to Limit	1,285,000	890,000	805,000	720,000	10,030,000	1,235,000	1,010,000	775,000	775,000	275,000
Legal Debt Margin	$ 8,136,996	$ 8,881,971	$ 9,618,382	$ 10,745,354	$ 4,307,933	$ 16,769,293	$ 21,355,134	$ 26,537,111	$ 34,347,639	$ 40,355,104
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.638%	9.108%	7.723%	6.280%	69.954%	6.859%	4.516%	2.838%	2.256%	0.681%

Legal Debt Margin Calculation for Fiscal 2008	
Assessed Value	$ 471,073,664
Legal Debt Margin	8.625%
Debt Limit	40,630,104
Debt Applicable to Limit	275,000
Legal Debt Margin	$ 40,355,104

Data Sources

Audited Financial Statements

VILLAGE OF MONTGOMERY, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

	General Obligation Alternate Revenue Source Waterworks Bonds					
	Water Charges	Less: Operating	Net Available	Debt Service		
Year	and Other	Expenses	Revenue	Principal	Interest	Coverage
1999	$ 1,356,136	$ 1,251,931	$ 104,205	$ 160,000	$ 119,333	0.37305
2000	1,605,949	1,531,139	74,810	170,000	203,341	0.20038
2001	1,733,661	1,621,037	112,624	180,000	241,161	0.26741
2002	3,122,945	1,675,725	1,447,220	190,000	232,701	3.42374
2003	3,536,300	1,707,938	1,828,362	220,000	201,674	4.33596
2004	4,627,489	2,058,198	2,569,291	210,000	202,743	6.22492
2005	4,280,894	2,706,338	1,574,556	269,413	220,140	3.21631
2006	4,536,564	3,384,702	1,151,862	258,489	208,838	2.46479
2007	3,647,287	2,682,873	964,414	287,924	196,419	1.99118
2008	3,921,224	2,245,278	1,675,946	500,000	195,774	2.40875

Data Source

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
1999	5,199	N/A	N/A	3.8%
2000	5,471	N/A	N/A	3.9%
2001	5,471	N/A	N/A	5.3%
2002	5,471	N/A	N/A	6.4%
2003	7,109	$ 172,855,335	$ 24,315	6.8%
2004	7,109	172,855,335	24,315	6.0%
2005	10,613	258,055,095	24,315	6.2%
2006	10,613	258,055,095	24,315	4.5%
2007	14,407	350,306,205	24,315	5.10%
2008	14,407	350,306,205	24,315	4.80%

N/A - Not available

Data Source

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2008				1999			
Employer	Employees	Rank	Percentage of Total Village Population	Employer	Employees	Rank	Percentage of Total Village Population
Lyon Workspace Products, LLC	400	1	2.78%	Caterpiller, Inc.	3,200	1	61.55%
Eby-Brown Co., LLC.	400	1	2.78%	Lyon Workspace Products, LLC	600	2	11.54%
The Dial Corporation	400	1	2.78%	The Dial Corporation	400	3	7.69%
Fox River Foods, Inc.	340	4	2.36%	Processed Plastic Co.	300	4	5.77%
Hermann Gadco, LLC.	200	5	1.39%	CMT, Inc.	200	5	3.85%
Weyerhaeuser Co.	150	6	1.04%	Fox River Foods, Inc.	200	6	3.85%
Aurora Metals Division, LLC	112	7	0.78%	General American Door Company	200	7	3.85%
Neumann Distribution Centers, LLC	100	8	0.69%	Aurora Metals	160	8	3.08%
The Lakone Co.	95	9	0.66%	Willamette Industries, Inc.	150	9	2.89%
TOTAL	2,197		15.25%	Commonwealth Edison Co.	110	10	2.12%
				TOTAL	5,520		106.17%

Data Source

2008 Illinois Manufacturers Directory, 2008 Illinois Services Directory, Selective telephone survey.
1999 Illinois Manufacturers Directory, 1999 Illinois Services Directory, Selective telephone survey.

VILLAGE OF MONTGOMERY, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
GENERAL GOVERNMENT										
Administration	2	3	2	2	2	1.75	1.75	2.75	3.5	3.5
Finance	3.5	0.5	5	5	6	4.75	5.75	5.75	5.75	5.75
Building	3.5	2.5	4.5	5.5	5.5	4.25	4.75	5.5	5	5
Community Development	N/A	N/A	1	1	1	1	2	2	3.75	3.75
PUBLIC SAFETY										
Police										
Sworn Officers	17.5	15	15	16	17	19	19	22	25	25
Civilians/Other	6	6.5	7	11	11	8.5	8.5	10	10	10
PUBLIC WORKS										
Administration	2	1	2	2	2	1.5	1.5	2	3	3
Street Maintenance	N/A	8	8	7	8	8	8	8	8	8
Water Operations	N/A	1	1	1	1	1	1	2	2	2
Building Maintenance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1
Fleet Maintenance	N/A	1	1	1	1	1	1	1	1.5	1.5
TOTAL	34.5	38.5	46.5	51.5	54.5	50.75	53.25	62	68.5	68.5

N/A - Not available

Data Sources

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
POLICE										
Physical Arrests	337	328	376	359	434	528	239	508	N/A	N/A
Parking Violations	91	102	258	213	434	294	392	621	N/A	N/A
Traffic Violations	733	439	683	736	789	1,812	3,030	3,243	N/A	N/A
PUBLIC WORKS										
Street Resurfacing (miles) or Street Reconstruction (miles)	-	-	-	0.81	3.17	1.39	2.41	0.53	1.75	1.50
WATER										
New Connections	N/A	N/A	N/A	N/A	N/A	815	1,429	636	782	251
Water Main Breaks	48	58	57	45	58	63	44	60	56	55
Average Daily Consumption	1,986,986	2,096,219	2,110,175	2,155,245	2,228,551	2,272,781	2,255,232	2,389,921	2,459,795	2,642,000
Peak Daily Consumption	2,764,000	2,979,000	3,339,000	3,521,700	3,323,000	3,501,000	4,150,000	4,596,000	4,332,000	4,539,000

N/A - Not available

Data Sources

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	2	2	2	2	3	3	3	3	3	3
Patrol Units	N/A	N/A	N/A	N/A	9	11	12	13	15	15
PUBLIC WORKS										
Residential Streets (miles)	N/A	N/A	N/A	N/A	53	53	53	53	53	53
WATER										
Water Mains (miles)	N/A	N/A	N/A	N/A	44.6	44.6	95	95	95	95
Fire Hydrants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Storage Capacity (millions of gallons)	1.8	2.8	2.8	2.8	2.8	4.8	4.8	4.8	4.8	4.8

N/A - Not available

Data Sources

Village Records