VILLAGE OF MONTGOMERY, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2009

Prepared by:

Jeff Zoephel
Director of Finance

VILLAGE OF MONTGOMERY, ILLINOIS
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INTRODUCTORY SECTION

VILLAGE OF MONTGOMERY

Principal Officials
April 30, 2009

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

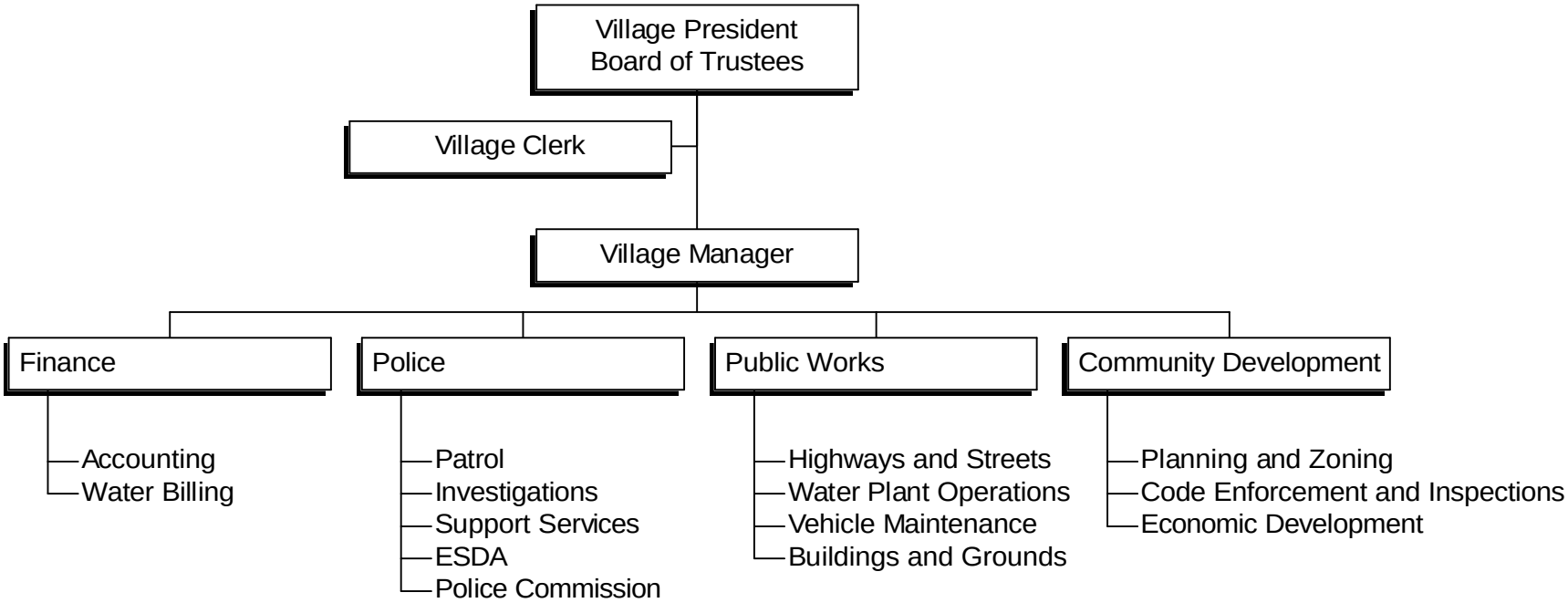
Barbara Argo

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, 2008

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 Board

Marilyn Michelini
Village President

Barbara Argo
Village Clerk

Trustees:
Jeanne Felten
Peter Heinz
Andy Kaczmarek
William Keck
Denny Lee
Robert Watermann

Staff

Anne Marie Gaura
Village Manager

Mera Johnson
Asst. to the
Village Manager

Dennis Schmidt
Chief of Police

Jane Tompkins
Dir. of Community
Development

Mike Pubentz
Dir. of Public Works

Jeff Zoephel
Dir. of Finance

July 24, 2009

Village President,
Board of Trustees,
Village Manager and Residents
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, 2009 is submitted herewith. This report provides a broad view of the Village's financial activities for the 2009 fiscal year and its financial position at April 30, 2009. Although addressed to the elected officials and the citizens of the Village, this report has a number of other users. Foremost among these other users are bondholders of the Village, financial institutions, credit rating agencies, educational institutions, and other governmental entities.

Responsibility for both the accuracy of the information presented in the CAFR as well as the completeness and fairness of the presentation, including all disclosures, rests with the Village. We believe that the information, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position of the Village and the results of its operations; and that all disclosures necessary to enable the reader to gain maximum understanding of the Village's financial affairs have been included.

To provide a reasonable basis for making these representations, the Village has established a comprehensive set of internal controls that are designed to protect the Village's assets from loss, theft or misuse. These internal controls are also used to compile sufficient, reliable information for the preparation of the Village's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village's framework of internal controls has been designed to provide reasonable, rather that absolute, assurance that the financial statements will be free from material misstatements.

Illinois statutes require that Illinois municipalities publish financial statements on an annual basis that are prepared in accordance with generally accepted accounting principles (GAAP) and are audited by independent accountants. The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Montgomery for the year ended April 30, 2009, are free of material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures

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www.ci.montgomery.il.us

in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluation of the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Village's financial statements for the year ended April 30, 2009, are presented fairly in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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 organizational chart and a list of principal officials. The financial section includes management's discussion and analysis (which should be read in conjunction with this letter to obtain the most complete assessment of the Village's current financial position and its future prospects), the basic financial statements, required supplementary information, and combining and individual fund presentations, as well as the independent auditor's report on the financial statements and schedules. 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 2008 reported the Village's population at 17,062, a 212% increase from the 2000 Census population of 5,471.

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-year 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 community development 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.

Water supply and distribution services are provided by the Village to a service area of 26,000, which includes an unincorporated subdivision with a population of

approximately 9,000. 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/expenses. 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.

The annual budget serves as the foundation for the Village's financial planning and control. All departments of the Village are required to submit their budget requests to the Finance Director in December of each year. These requests are compiled into a comprehensive budget document which is presented to the Village Manager. The Village Manager uses these requests as the starting point for developing a proposed budget. The proposed budget is then presented to the Village Board in February of each year. The Village Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than April 30th of each year, which is the close of the Village's previous fiscal year. The appropriated budget is prepared by fund, department and program.

Factors Affecting Financial Condition

Understanding the external environment in which the Village operates is an important precursor to understanding the financial statements. Municipal officials, and other interested parties, must analyze and understand changing social, demographic, economic, and financial environments in order to assess the Village's present and future viability. A grasp of the Village's environment is necessary before the financial statements of the Village can be adequately analyzed.

Local Economy. In 2008, there was a dramatic downturn in both the national and regional economy which was declared a recession by economists in December of 2008. In 2008, the Federal Reserve cut the interest rate seven times to a year-end low of .25%.

Consistent with the national and regional economies, the local economy was also negatively impacted by the recession. This is particularly evident when reviewing building and construction-related revenues, with building permit revenue decreasing

50% from the prior year. Overall, General Fund revenues decreased by 1% from the prior year and resulted in a shortfall, compared to budgeted revenue, of $654,254.

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 an 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.

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, 2008. This was the 6th 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

Certified Public Accountants & Advisors

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Members of American Institute of Certified Public Accountants & Illinois CPA Society

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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, 2009, 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, 2009, 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 17, 2009

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, 2009

The Village of Montgomery (the "Village") discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page iv) and the Village's financial statements (beginning on page 3).

Financial Highlights

- The Village's net assets increased by $5,793,662 (or 10.1%) during the fiscal year ending April 30, 2009 (FY09).
- The governmental activities net assets increased by $5,076,764 (15.2%) from fiscal year 2008 to $38,512,508.
- The business-type activities increased by $716,898 (3.0%) from fiscal year 2008 to $24,739,612.
- The Village reported a combined fund balance of the governmental funds of $2,788,310, a decrease of $989,264 (26.2%) from fiscal year 2008.
- The total expenses of all governmental activity programs decreased by $802,471 (6.5%).
- The Village's general fund actual revenues were under the budgeted amounts by $654,424 (7.1%) and the actual expenditures were under the budgeted amounts by $607,599 (6.7%).

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

The financial statements' focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements (see pages 3-5) 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 be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' 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 (see pages 4-5) 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 police, public works, community development and administration. Shared state sales, local property and shared state income taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Water), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fund Financial Statements allows the demonstration of sources and uses and budgeting compliance associated therewith. 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

The Governmental Major Fund (see pages 6-9) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. The focus of governmental funds is narrower than that of the Government-wide Financial Statements. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate the comparison between Governmental Funds and Governmental Activities. The Governmental Major Funds Total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources), which is reflected on the page following each statement (see pages 7 and 9). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as

capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the Government-wide statements).

Proprietary Funds

The Business-type Activities column on the Proprietary Fund Financial Statements (see pages 10-13) is the same as the Business-type column on the Government-wide Financial Statement. Proprietary funds account for services that are generally fully supported by user fees charged to customers. These funds are presented on a total economic resources basis. The Village has only one business-type proprietary fund, which is the Water Fund, which is presented in a separate column in the Fund Financial Statements.

Fiduciary Funds

The Fund Financial Statements also allow the government to address its Fiduciary Fund (Police Pension, see pages 14-15). While this fund represents 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.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to the Financial Statements can be found on pages 16-40 of this report.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure assets – i.e. roads, stormsewers, etc.) have not been reported nor depreciated in governmental financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the Governmental Activities column of the Government-wide Statements. However, as a phase III government, the Village only records infrastructure assets on a prospective basis as the infrastructure is acquired or reconstructed. 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 has chosen to depreciate assets over their useful life. If a road project is considered maintenance – a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

GOVERNMENT-WIDE STATEMENT

Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. The Village of Montgomery's assets exceeded liabilities by $63,252,120 at the end of the most recent fiscal year.

By far, the largest portion of the Village's net assets (90.8%) reflects its investment in capital assets, less any related debt still outstanding. Although the Village of Montgomery's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Assets:

Village of Montgomery
Statement of Net Assets as of April 30, 2009 & 2008

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Assets						
Current and Other Assets	$7,141,561	$8,900,644	$982,858	$1,535,795	$8,124,419	$10,436,439
Capital Assets	51,967,365	44,241,886	28,030,579	27,605,172	79,997,944	71,847,058
Total Assets	$59,108,926	$53,142,530	$29,013,437	$29,140,967	$88,122,363	$82,283,497
Liabilities						
Current Liabilities	$4,475,486	$5,239,196	$256,465	$765,343	$4,731,951	$6,004,539
Long-Term Liabilities	16,120,932	14,572,588	4,017,360	4,352,910	20,138,292	18,925,498
Total Liabilities	$20,596,418	$19,811,784	$4,273,825	$5,118,253	$24,870,243	$24,930,037
Net Assets						
Invested in Capital Assets, Net of Debt	$36,431,647	$30,251,886	$24,102,567	$23,331,066	$60,534,214	$53,582,952
Restricted	2,580,672	2,369,032	0	0	2,580,672	2,369,032
Unrestricted	(499,811)	709,828	637,045	691,648	137,234	1,401,476
Total Net Assets	$38,512,508	$33,330,746	$24,739,612	$24,022,714	$63,252,120	$57,353,460

An additional portion of the Village of Montgomery's net assets (4.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($137,234) may be used to meet the government's ongoing obligations to citizens and creditors.

For more detailed information, see the Statement of Net Assets (page 3).

Normal Impacts

There are six basic (normal) transactions that will affect the comparability fo the Statement of Net Assets summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net assets.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.

Spending of Non-Borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and will (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and invested in capital assets, net of debt.

Current Year Impacts

At the end of the fiscal year, the Village of Montgomery is able to report positive balances in the government as a whole, as well as for its separate governmental activities and business-type activities, except for an unrestricted deficit in the governmental activities net assets.

The primary government's net assets increased by $5,793,662 during the current fiscal year, but the change in net assets when compared to FY08 have decreased by $18,853,811. The decrease is primarily the result of the acceptance of major infrastructure improvements from developers during FY08. The current year total revenues over total expenses is positive, with both total revenues and expenses decreasing from the prior year.

Changes in Net Assets

The following chart shows the revenue and expenses of the Village's activities:

Village of Montgomery
Changes in Net Assets for the Fiscal Year Ended April 30, 2009 & 2008

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues						
Charges for Services	$2,368,087	$3,219,952	$2,815,318	$3,834,338	$5,183,405	$7,054,290
Operating Grants	488,826	550,422	0	0	488,826	550,422
Capital Grants	5,656,409	18,243,217	1,623,918	7,082,159	7,280,327	25,325,376
Taxes						
Property	2,107,824	1,728,472	0	0	2,107,824	1,728,472
Other Taxes	5,939,187	5,530,704	0	0	5,939,187	5,530,704
Other Revenue	93,935	429,472	85,552	86,886	179,487	516,358
Total Revenue	$16,654,268	$29,702,239	$4,524,788	$11,003,383	$21,179,056	$40,705,622
Expenses						
General Government	$3,417,096	$4,197,064	$0	$0	$3,417,096	$4,197,064
Public Safety	3,943,129	4,024,681	0	0	3,943,129	4,024,681
Highways and Streets	2,694,913	2,731,761	0	0	2,694,913	2,731,761
Sanitation	889,190	839,223	0	0	889,190	839,223
Interest	633,176	587,246	0	0	633,176	587,246
Water	0	0	3,807,890	3,678,174	3,807,890	3,678,174
Total Expenses	$11,577,504	12,379,975	$3,807,890	$3,678,174	$15,385,394	$16,058,149
Change in Net Assets	$5,076,764	$17,322,264	$716,898	$7,325,209	$5,793,662	$24,647,473
Net Assets, May 1	33,435,744	16,008,482	24,022,714	16,697,705	57,458,458	32,705,987
Net Assets, April 30	$38,512,508	$33,330,746	$24,739,612	$24,022,714	$63,252,120	$57,353,460

The difference between the net asset ending balance for FY08 and the net asset beginning balance for FY09 is the result of a prior period adjustment of $104,998.

Normal Impacts

There are eight basic impacts on revenues and expenses as reflected below:

Revenues:

Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/Decrease in Village-approved Rates – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, impact fee, building fees, etc.).

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 – fluctuating market rates and the amount of investible funds held by the Village will result in changes in income levels.

Expenses:

Introduction of New Programs – within the functional expense categories (public safety, highways and streets, general government, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the majority of the Village's operating cost.

Salary Increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonable modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity-specific increases.

Current Year Impacts

Governmental Activities

Governmental activities increased the Village's net assets by $5,076,764. Key elements contributing to this change are as follows:

Revenues:

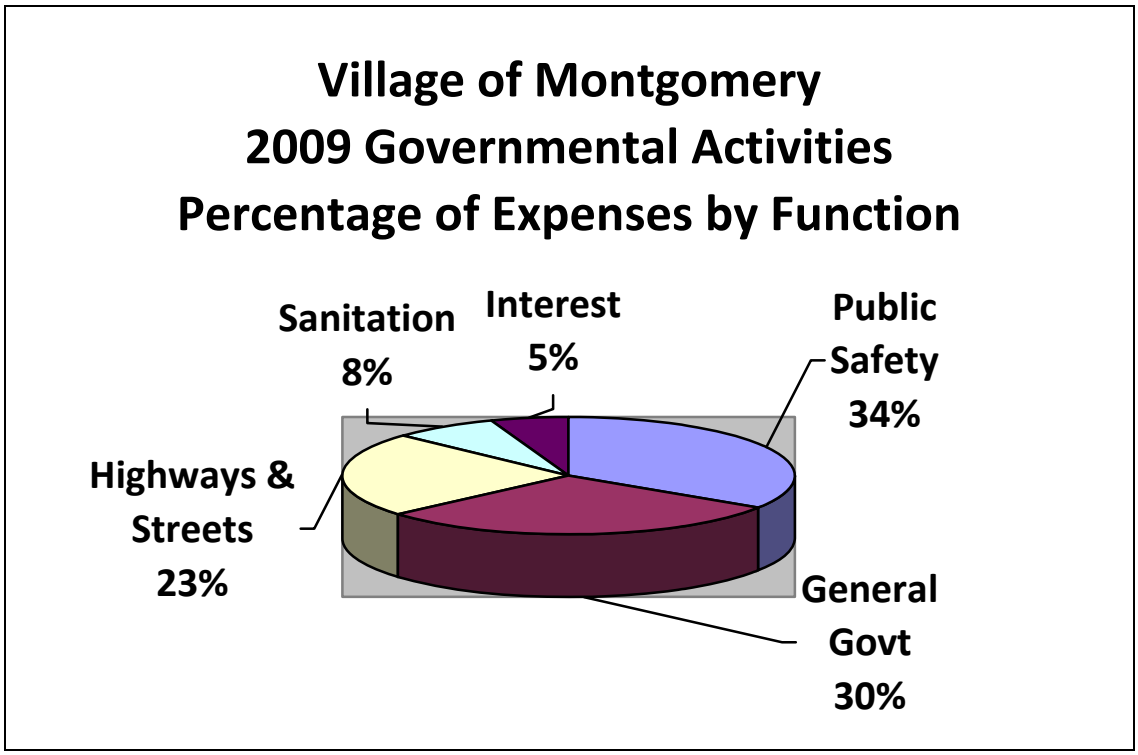
For the fiscal year ended April 30, 2009, total revenues from governmental activities decreased by $13,047,971 or 43.9%. Revenues received from capital grants and contributions decreased by $12,586,808, from $18,243,217 to $5,656,409. During FY08, the Village accepted major infrastructure improvements through donations from developers. In FY09, the Village received minimal developer donations as compared to the prior year.

Taxes received from various sources continue to play an important role in the Village's revenue structure. Other taxes increased by $408,483 (7.4%) from fiscal year 2008. Other taxes include sales tax, local utility tax, and state-shared income tax. They represent 35.7% of the total governmental activities revenue. The Village's largest

source of revenue, state-shared sales tax, increased by $221,540 from FY08. State-shared income tax increased by $97,620. The increase of this per capita revenue is due primarily to the results of a special census conducted during the year. Utility tax revenue, which includes telecommunications, electric and natural gas tax, increased by $9,281 from fiscal year 2008. The level of the utility tax increase, which is less than previous years, is the result of lower levels of new construction compared to prior years.

Other revenue, which includes investment income and other miscellaneous revenues, decreased by $335,537. The reasons for the decrease, most of which was in investment income, are twofold. First of all, the Village maintained lower cash balances during FY09 and therefore had lower amounts invested in interest-bearing instruments. Secondly, market rates declined during the year which resulted in the invested funds earning less interest than in previous years.

Expenses:



For FY09, governmental activity expenses totaled $11,577,504, a decrease of $802,471 (6.5%) over FY08. The Village continually monitors revenue and expense levels as compared to budgeted amounts. As it became clear during FY09 that revenue levels were below budget, the Village instituted measures to bring expense levels in line with anticipated revenue. Included in the measures were deferring purchases and/or projects and reductions in staffing levels. The general governmental expenses decreased by $779,968 from fiscal year 2008. This was due to a decrease in building activity related costs such as inspections, permitting and engineering costs as well as a one-time expense in 2008 to write off an economic development loan receivable. The Village completed

construction of a new Village Hall during FY09. Public safety expenses decreased by $81,552 and Highways and Streets decreased $36,848, both of which are attributable to budgeted positions remaining vacant during the year.

Business-Type Activities

The business-type activities increased the Village's net assets by $716,898 to $24,739,612. Key elements contributing to this net change are as follows:

Revenue:

The total revenue for the business-type activities decreased by $6,478,595 from $11,003,383 in FY08 to $4,524,788 in FY09. Charges for services decreased by $1,019,020. New construction levels decreased from FY08 to FY09 which resulted in decreased tap-on fees. Capital grants decreased by $5,458,241 due to the amount of developer donations received each year.

Expenses:

Total expenses for the business-type activities at the end of the fiscal year were $3,807,890. This is an increase of $129,716 from fiscal year 2008, due mostly to increases in commodities and supplies including electricity and water chemicals.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of April 30, 2009, the Governmental Funds (presented on page 6) reported a combined fund balance of $2,788,310, which is a 24.1% decrease from the beginning of the year fund balance of $3,672, 576. Of the total fund balance, (493,486) is an unreserved deficit which must be made up by utility tax revenue in excess of that necessary for the repayment of outstanding debt. The decrease of $1,797,030 in the unreserved and undesignated fund balance is due to project costs for capital projects exceeding available resources. Total reserved fund balance of $3,281,796 included $202,899 committed for maintenance of roadways and $1,640,946 reserved for economic development purposes.

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The General Fund's total balance increased by $27,485 from $1,442,677 in FY08 to $1,470,162 in FY09. However, unreserved fund balance decreased by $700,000 due to an inter-fund loan.

The Capital Improvement Fund is another major governmental fund. The fund balance of the Capital Improvement Fund at April 30, 2009, is ($1,238,112), a decrease of $1,196,418.

General Fund Budgetary Highlights

The General Fund actual revenues were less than the budgeted revenues by $654,424 for fiscal year 2009. With the decrease in construction activity, building permits, inspection fees and other building-related revenues were significantly below budget. Also, due to national economic factors, sales taxes were below anticipated amounts.

The General Fund total actual expenditures were $607,599 less than the budgeted amount. As it became clear that revenues would not be at anticipated levels, the Village reduced spending to compensate. Among the steps taken were reductions in staffing levels, leaving positions vacant and delaying purchases/projects.

Capital Assets

The Village's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities as of April 30, 2009 equals $79,997,944. The investment in capital assets includes land, buildings, underground systems, infrastructure and construction in process. This amount represents a net increase of $8,150,886. During the year, the Village accepted the public improvements in the Blackberry Crossing subdivision including right-of-way, streets, stormsewer and watermains. The total value of the developer contribution was $5,569,291. Additional information on the Village of Montgomery's capital assets can be found in note 6 on pages 29-30 of this report.

Debt Outstanding

At the end of the current fiscal year, the Village of Montgomery had debt outstanding of $19,293,464 which does not include compensated absences and bond premiums. Governmental activities debt consisted of $15,410,000, of which $8,300,000 represent alternative revenue bonds issued for construction of the Police facility and the remaining amount are two debt issues related to the construction of Village Hall. The Village issued $2,000,000 of new alternative revenue bonds during FY09 to finance completion of the Village Hall construction project. Overall, governmental activity debt increased by $1,420,000 from the beginning of the fiscal year. Business-type activities debt was $3,883,464 at year-end, which includes $868,464 in a low interest loan from the IEPA for construction of a water treatment plant.

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, 200 N. River Street, Montgomery, IL 60538.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 2,885,263	$ 36,854	$ 2,922,117
Restricted Investments	-	5,665	5,665
Receivables (Net of Allowances for Uncollectibles)			
Property Taxes	2,423,122	-	2,423,122
Accounts	627,857	877,175	1,505,032
Accrued Interest	6,763	-	6,763
Other	-	15,428	15,428
Due from Other Governments	989,347	-	989,347
Notes Receivable	88,186	-	88,186
Net Pension Asset	94,590	-	94,590
Unamortized Bond Issuance Costs	26,433	47,736	74,169
Capital Assets not Being Depreciated	28,537,159	436,054	28,973,213
Capital Assets Being Depreciated (Net of Accumulated Depreciation)	23,430,206	27,594,525	51,024,731
Total Assets	59,108,926	29,013,437	88,122,363
LIABILITIES			
Accounts Payable	814,758	134,399	949,157
Accrued Payroll	281,722	26,763	308,485
Retainage Payable	88,987	-	88,987
Accrued Interest	272,813	59,303	332,116
Deposits	1,699	-	1,699
Due to Others	536,784	-	536,784
Unearned Revenue	2,478,723	36,000	2,514,723
Noncurrent Liabilities			
Due Within One Year	668,521	305,836	974,357
Due in More than One Year	15,452,411	3,711,524	19,163,935
Total Liabilities	20,596,418	4,273,825	24,870,243
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	36,431,647	24,102,567	60,534,214
Restricted for			
Subdivision Improvements	278,925	-	278,925
Economic Development	1,729,132	-	1,729,132
Public Safety	369,716	-	369,716
Highways and Streets	202,899	-	202,899
Unrestricted	(499,811)	637,045	137,234
TOTAL NET ASSETS	$ 38,512,508	$ 24,739,612	$ 63,252,120

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2009

		Program Revenues		
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 3,417,096	$ 887,648	$ 15,424	$ -
Public Safety	3,943,129	548,645	30,329	-
Highways and Streets	2,694,913	59,138	443,073	5,656,409
Sanitation	889,190	872,656	-	-
Interest	633,176	-	-	-
Total Governmental Activities	11,577,504	2,368,087	488,826	5,656,409
Business-Type Activities				
Water Department	3,807,890	2,815,318	-	1,623,918
Total Business-Type Activities	3,807,890	2,815,318	-	1,623,918
TOTAL PRIMARY GOVERNMENT	$ 15,385,394	$ 5,183,405	$ 488,826	$ 7,280,327

	Net (Expense) Revenue and Change in Net Assets		
	Governmental Activities	Business-Type Activities	Total
	$ (2,514,024)	$ -	$ (2,514,024)
	(3,364,155)	-	(3,364,155)
	3,463,707	-	3,463,707
	(16,534)	-	(16,534)
	(633,176)	-	(633,176)
	(3,064,182)	-	(3,064,182)
	-	631,346	631,346
	-	631,346	631,346
	(3,064,182)	631,346	(2,432,836)
General Revenues			
Taxes			
Property	2,107,824	-	2,107,824
Replacement	63,422	-	63,422
Sales	2,539,423	-	2,539,423
Income	1,454,677	-	1,454,677
Utility	1,501,852	-	1,501,852
Local Use	238,046	-	238,046
Franchise	141,767	-	141,767
Investment Income	55,770	29,946	85,716
Miscellaneous	38,165	55,606	93,771
Total	8,140,946	85,552	8,226,498
CHANGE IN NET ASSETS	5,076,764	716,898	5,793,662
NET ASSETS, MAY 1	33,330,746	24,022,714	57,353,460
Prior Period Adjustment	104,998	-	104,998
NET ASSETS, MAY 1, RESTATED	33,435,744	24,022,714	57,458,458
NET ASSETS, APRIL 30	$ 38,512,508	$ 24,739,612	$ 63,252,120

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2009

	General	Capital Improvement	Nonmajor Governmental Funds	Total
ASSETS				
Cash and Investments	$ 398,480	$ -	$ 2,457,174	$ 2,855,654
Property Taxes Receivable	1,834,151	-	588,971	2,423,122
Accounts Receivable	455,262	132,602	39,993	627,857
Accrued Interest Receivable	6,763	-	-	6,763
Due from Other Funds	48,877	-	11,658	60,535
Due from Other Governments	774,579	180,697	34,071	989,347
Notes Receivable	-	-	88,186	88,186
Advance to Other Funds	701,124	-	-	701,124
TOTAL ASSETS	$ 4,219,236	$ 313,299	$ 3,220,053	$ 7,752,588
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 624,993	$ 175,424	$ 14,287	$ 814,704
Accrued Payroll	281,722	-	-	281,722
Deposits Payable	1,699	-	-	1,699
Retainage Payable	-	88,987	-	88,987
Deferred Revenue	1,840,660	49,092	588,971	2,478,723
Due to Other Funds	-	-	60,535	60,535
Due to Others	-	536,784	-	536,784
Advance from Other Funds	-	701,124	-	701,124
Total Liabilities	2,749,074	1,551,411	663,793	4,964,278
FUND BALANCES				
Reserved				
Long Term Advance	701,124	-	-	701,124
Noncurrent Receivables	-	-	88,186	88,186
Economic Development	-	-	1,640,946	1,640,946
Public Safety	-	-	369,716	369,716
Highways and Streets	-	-	202,899	202,899
Subdivision Improvements	-	-	278,925	278,925
Unreserved				
General Fund	769,038	-	-	769,038
Special Revenue Funds	-	-	(24,412)	(24,412)
Capital Projects Funds	-	(1,238,112)	-	(1,238,112)
Total Fund Balances	1,470,162	(1,238,112)	2,556,260	2,788,310
TOTAL LIABILITIES AND FUND BALANCES	$ 4,219,236	$ 313,299	$ 3,220,053	$ 7,752,588

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, 2009

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 2,788,310
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	51,967,365
Certain assets are not financial resources and, therefore, are not reported in governmental funds	
Net pension assets	94,590
Deferred charges	26,433
Internal service fund is reported on the statement of net assets but not on the governmental fund financial statements	29,555
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	(15,410,000)
Accrued interest payable	(272,813)
Unamortized bond premium	(125,718)
Compensated absences payable	(585,214)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 38,512,508

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, 2009

	General	Capital Improvement	Nonmajor Governmental Funds	Total
REVENUES				
Taxes	$ 6,245,736	$ 1,403,617	$ 698,964	$ 8,348,317
Licenses and Permits	347,605	-	-	347,605
Charges for Services	1,613,454	1,674,545	118,272	3,406,271
Intergovernmental	3,576	119,630	-	123,206
Fines and Forfeits	205,304	-	34,235	239,539
Contributions from Property Owners	-	-	17,500	17,500
Investment Income	44,697	429	10,644	55,770
Miscellaneous	82,684	12,847	75,157	170,688
Total Revenues	8,543,056	3,211,068	954,772	12,708,896
EXPENDITURES				
Current				
General Government	3,162,613	-	23,208	3,185,821
Public Safety	3,380,618	-	9,247	3,389,865
Highways and Streets	1,082,940	-	557,812	1,640,752
Sanitation	889,190	-	-	889,190
Capital Outlay	-	5,510,984	29,877	5,540,861
Debt Service				
Principal Retirement	-	-	580,000	580,000
Interest and Fiscal Charges	-	-	609,961	609,961
Total Expenditures	8,515,361	5,510,984	1,810,105	15,836,450
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	27,695	(2,299,916)	(855,333)	(3,127,554)
OTHER FINANCING SOURCES (USES)				
Bonds Issued at Par	-	2,000,000	-	2,000,000
Premium on Bonds Issued	-	138,290	-	138,290
Transfers In	69,790	-	1,148,921	1,218,711
Transfers (Out)	-	(1,148,921)	(69,790)	(1,218,711)
Total Other Financing Sources (Uses)	69,790	989,369	1,079,131	2,138,290
NET CHANGE IN FUND BALANCES	97,485	(1,310,547)	223,798	(989,264)
FUND BALANCES (DEFICIT), MAY 1	1,442,677	(41,694)	2,271,593	3,672,576
Prior Period Adjustment	(70,000)	114,129	60,869	104,998
FUND BALANCES, MAY 1, RESTATED	1,372,677	72,435	2,332,462	3,777,574
FUND BALANCES (DEFICIT), APRIL 30	$ 1,470,162	$ (1,238,112)	$ 2,556,260	$ 2,788,310

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, 2009

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ (989,264)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report bond issuance costs and capital outlays as expenditures; however, they are capitalized and depreciated in the in the statement of activities	
Capital expenditures capitalized	5,188,179
Bond issuance costs	29,076
Contributions of capital assets are reported as capital grants and contributions on the statement of activities	3,945,372
The issuance of bonds is reported as an other financing source in governmental funds and an addition to long-term debt in the statement of activities	
Bonds issued at par	(2,000,000)
Premium on bonds issued	(138,290)
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	(2,626)
Net pension asset	(17,500)
Principal	580,000
Change in interest	(33,144)
Amortization of deferred charges	9,929
The internal service fund change in net assets	(86,896)
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	(1,408,072)
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 5,076,764

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

April 30, 2009

	Business-Type Activities	Governmental Activities
	Water	Internal Service
CURRENT ASSETS		
Cash and Investments	$ 36,854	$ 29,609
Restricted Investments	5,665	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accounts	877,175	-
Other	15,428	-
Total Current Assets	935,122	29,609
NONCURRENT ASSETS		
Other Assets		
Unamortized Bond Issuance Costs	47,736	-
Capital Assets not Being Depreciated	436,054	-
Capital Assets Being Depreciated		
Cost	38,823,867	-
Accumulated Depreciation	(11,229,342)	-
Net Capital Assets	28,030,579	-
Total Noncurrent Assets	28,078,315	-
Total Assets	29,013,437	29,609
CURRENT LIABILITIES		
Accounts Payable	134,399	54
Accrued Payroll	26,763	-
Interest Payable	59,303	-
Unearned Revenue	36,000	-
Current Portion of Compensated Absences	8,935	-
Current Portion of Bonds and IEPA Loan Payable	296,901	-
Total Current Liabilities	562,301	54
NONCURRENT LIABILITIES		
Compensated Absences	80,413	-
General Obligation Bonds Payable	2,718,099	-
Unamortized Bond Premium	44,548	-
IEPA Loan Payable	868,464	-
Total Noncurrent Liabilities	3,711,524	-
Total Liabilities	4,273,825	54
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	24,102,567	-
Unrestricted	637,045	29,555
TOTAL NET ASSETS	$ 24,739,612	$ 29,555

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, 2009

	Business-Type Activities	Governmental Activities
	Water	Internal Service
OPERATING REVENUES		
Charges for Services	$ 2,639,309	$ 416,655
Total Operating Revenues	2,639,309	416,655
OPERATING EXPENSES		
Personal Services	1,198,738	-
Contractual Services	77,786	-
Repairs and Maintenance	436,859	-
Insurance	65,699	503,551
Utilities	348,791	-
Supplies and Miscellaneous	195,862	-
Depreciation	1,311,884	-
Total Operating Expenses	3,635,619	503,551
OPERATING INCOME (LOSS)	(996,310)	(86,896)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	29,946	-
Rental Income	55,606	-
Connection Fees and Reimbursements	176,009	-
Interest Expense and Fiscal Charges	(172,271)	-
Total Nonoperating Revenues (Expenses)	89,290	-
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	(907,020)	(86,896)
CONTRIBUTIONS	1,623,918	-
CHANGE IN NET ASSETS	716,898	(86,896)
NET ASSETS, MAY 1	24,022,714	116,451
NET ASSETS, APRIL 30	$ 24,739,612	$ 29,555

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2009

	Business-Type Activities	Governmental Activities
	Water	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	$ 2,688,878	$ -
Receipts from Interfund Services	-	416,655
Receipts from Rental Income	55,606	-
Payments for Interfund Services	(65,699)	-
Payments to Suppliers	(1,560,686)	(503,497)
Payments to Employees	(1,189,919)	-
Net Cash from Operating Activities	(71,820)	(86,842)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Connection Fees and Reimbursements	179,973	-
Net Cash from Noncapital Financing Activities	179,973	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Property and Equipment	(113,373)	-
Principal Payments on Long-Term Debt	(330,540)	-
Interest Paid	(158,178)	-
Net Cash from Capital and Related Financing Activities	(602,091)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	36,237	-
Net Cash from Investing Activities	36,237	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(457,701)	(86,842)
CASH AND CASH EQUIVALENTS, MAY 1	494,555	116,451
CASH AND CASH EQUIVALENTS, APRIL 30	$ 36,854	$ 29,609

(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, 2009

	Business-Type Activities	Governmental Activities
	Water	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income (Loss)	$ (996,310)	$ (86,896)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities		
Depreciation and Amortization	1,311,884	-
Rental Income	55,606	-
Changes in Assets and Liabilities		
Accounts Receivable	49,569	-
Accounts Payable	(437,745)	54
Accrued Payroll	(1,725)	-
Retainage Payable	(63,643)	-
Accrued Compensated Absences	10,544	-
NET CASH FROM OPERATING ACTIVITIES	$ (71,820)	$ (86,842)
NONCASH TRANSACTIONS		
Contribution of Capital Assets	$ 1,623,918	$ -

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS

April 30, 2009

	Police Pension	Agency
ASSETS		
Cash and Short-Term Investments	$ 828,139	$ 17,590,518
Receivables		
Accrued Interest Receivable	1,636	-
Investments		
U.S. Government and Agency Obligations	1,172,007	-
Insurance Company Contracts - Separate Accounts	1,346,243	-
Equity Mutual Funds	1,269,696	-
Total Assets	4,617,721	$ 17,590,518
LIABILITIES		
Due to Others	-	943,777
Due to Bondholders	-	16,646,741
Total Liabilities	-	$ 17,590,518
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	$ 4,617,721	

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, 2009

ADDITIONS	
Contributions	
Employer	$ 221,667
Employee	154,197
Total Contributions	375,864
Investment Income (Loss)	
Net Appreciation (Depreciation) in Fair Value of Investments	(566,497)
Interest	145,776
Total Investment Income (Loss)	(420,721)
Less Investment Expense	(4,427)
Net Investment Income (Loss)	(425,148)
Total Additions	(49,284)
DEDUCTIONS	
Payments to Retired Members	114,113
Separation Benefits	6,320
Administration	8,500
Total Deductions	128,933
NET INCREASE (DECREASE)	(178,217)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
May 1	4,795,938
April 30	$ 4,617,721

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 a fiduciary fund 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 nonnegotiable certificates and other nonpension 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, 2009, the Village had $291,720 in uncollateralized deposits out of total deposits of $2,743,592.

b. Village Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2009:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Money Market Funds	$ 16,665,633	$ 16,665,633	$ -	$ -	$ -
Illinois Funds	1,512,240	1,512,240	-	-	-
TOTAL	$ 18,177,873	$ 18,177,873	$ -	$ -	$ -

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 investment policy does not address credit risk; however, 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 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, 2009:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. Agency Obligations	$ 973,238	$ -	$ -	$ 240,464	$ 732,774
U.S. Treasury Obligations	198,769	-	-	-	198,769
Money Market Funds	596,170	596,170	-	-	-
TOTAL	$ 1,768,177	$ 596,170	$ -	$ 240,464	$ 931,543

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 investment policy does not address credit risk; however, 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 obligations for which ratings were available 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 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, 2009:

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, 2009 was $492.

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, 2009 was $87,694.

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
2010	$ 13,459
2011	13,905
2012	13,905
2013	13,905
2014	13,905
2015	13,905
2016	13,905
2017	1,159
Total Principal and Interest	98,048
Interest	(9,862)
TOTAL PRINCIPAL	$ 88,186

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	$ 472,634
Local Use Tax	45,628
Court Fines	12,896
Telecommunications Tax	150,628
Income Tax	218,316
Grants	55,174
Motor Fuel Tax	34,071
TOTAL GOVERNMENTAL ACTIVITIES	$ 989,347

4. DUE FROM OTHER GOVERNMENTS (Continued)

The following receivables are included in accounts receivable on the statement of net assets:

GOVERNMENTAL ACTIVITIES		
Utility Tax	$	165,799
Due from Developer		39,993
Engineering Fees		258,143
Garbage		163,922
TOTAL GOVERNMENTAL ACTIVITIES	$	627,857
BUSINESS-TYPE ACTIVITIES		
Water Sales	$	498,844
Tap On Fees		378,331
TOTAL BUSINESS-TYPE ACTIVITIES	$	877,175

5. INDIVIDUAL FUND DISCLOSURES

Individual fund interfund receivables/payables are as follows:

Receivable Fund	Payable Fund		Amount
General	Nonmajor Governmental	$	48,877
Nonmajor Governmental	Nonmajor Governmental		11,658
TOTAL		$	60,535

The purposes of the interfund receivables/payables are as follows:

- $48,877 due to the General Fund from Nonmajor Governmental (TIF Fund) and $11,658 due to the Nonmajor Governmental (Montgomery Crossing Special Service Area Fund) from the Nonmajor Governmental (Blackberry Crossing Special Service Area) is to reclassify negative cash balances. These will be repaid within one year.

Individual fund advances are as follows:

Receivable Fund	Payable Fund		Amount
General	Capital Improvement	$	701,124

5. INDIVIDUAL FUND DISCLOSURES (Continued)

The purposes of the advances from/to other funds are as follows:

- $701,124 advance to the Capital Improvement Fund from the General Fund to reclassify negative cash balances in the Capital Improvement Fund; repayment will occur in greater than one year.

Individual fund transfers are as follows:

	Transfers In	Transfers Out
General	$ 69,790	$ -
Capital Improvement	-	1,148,921
Nonmajor Governmental	1,148,921	69,790
TOTAL	$ 1,218,711	$ 1,218,711

The purposes of the individual fund transfers are as follows:

- $1,148,921 transferred from the Capital Improvements Fund to the Debt Service Fund to fund debt payments with utility taxes. The transfer will not be repaid.

- $69,790 transferred from the Emergency 911 Fund to the General Fund is to fund the purchase of radio relayers to improve police radio reception. The transfer will not be repaid.

The following funds reported deficit fund balances at April 30, 2009:

Fund	Deficit Fund Balance
Capital Improvement	$ (1,238,112)
Tax Increment Financing District	(8,884)
Blackberry Crossing Special Service Area	(15,528)

6. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	$ 4,868,191	$ 719,916	$ -	$ 5,588,107
Land Right of Way	6,582,400	1,474,000	-	8,056,400
Construction in Progress	9,741,943	5,150,709	-	14,892,652
Total Capital Assets not Being Depreciated	21,192,534	7,344,625	-	28,537,159
Capital Assets Being Depreciated				
Buildings and Improvements	10,859,461	-	847,749	10,011,712
Land Improvements	1,175,377	-	-	1,175,377
Equipment and Vehicles	2,369,580	37,469	-	2,407,049
Infrastructure	12,785,027	2,471,373	-	15,256,400
Total Capital Assets Being Depreciated	27,189,445	2,508,842	847,749	28,850,538
Less Accumulated Depreciation for				
Buildings and Improvements	1,513,193	483,086	127,833	1,868,446
Land Improvements	985,727	52,356	-	1,038,083
Equipment and Vehicles	1,061,889	262,374	-	1,324,263
Infrastructure	579,284	610,256	-	1,189,540
Total Accumulated Depreciation	4,140,093	1,408,072	127,833	5,420,332
Total Capital Assets Being Depreciated, Net	23,049,352	1,100,770	719,916	23,430,206
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 44,241,886	$ 8,445,395	$ 719,916	$51,967,365

	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	$ 16,533	$ -	$ -	$ 16,533
Construction in Progress	830,943	113,374	524,796	419,521
Total Capital Assets not Being Depreciated	847,476	113,374	524,796	436,054
Capital Assets Being Depreciated				
Water Distribution System	36,155,037	2,148,713	-	38,303,750
Motor Equipment	244,758	-	-	244,758
Miscellaneous Equipment	275,359	-	-	275,359
Total Capital Assets Being Depreciated	36,675,154	2,148,713	-	38,823,867

6. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Less Accumulated Depreciation for				
Water Distribution System	$ 9,430,126	$ 1,308,005	$ -	$ 10,738,131
Equipment and Machinery	244,757	-	-	244,757
Miscellaneous Equipment	242,575	3,879	-	246,454
Total Accumulated Depreciation	9,917,458	1,311,884	-	11,229,342
Total Capital Assets Being Depreciated, Net	26,757,696	836,829	-	27,594,525
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 27,605,172	$ 950,203	$ 524,796	$ 28,030,579

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

GOVERNMENTAL ACTIVITIES	
General Government	$ 22,589
Public Safety	533,757
Highways and Streets, Including Depreciation of General Infrastructure Assets	851,726
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 1,408,072

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	$ 9,515,467	$ 9,306,670	$ 208,797

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 2008 levy was passed on December 8, 2008;
- Property taxes for the 2008 levy are due to the County Collector in two installments, June 1, 2009 and September 1, 2009;

7. PROPERTY TAX CALENDAR (Continued)

- Significant amounts of property taxes for the 2008 levy will be distributed to the Village during June, July, August and September of 2009. The remaining distributions are expected to be received in October and November 2009;

- The 2009 tax levy, which attached as an enforceable lien on property as of January 1, 2009, has not been recorded as a receivable as of April 30, 2009 as the tax has not yet been levied by the Village, and will not be levied until December 2009 and, therefore, the levy is not measurable at April 30, 2009.

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, 2009:

	Balance May 1	Issuances	Repayments	Balance April 30	Current Portion
1999A General Obligation Alternate Revenue Source Bonds	$ 115,000	$ -	$ 115,000	$ -	$ -
2002A General Obligation Alternate Revenue Source Bonds	8,550,000	-	250,000	8,300,000	350,000
2005 General Obligation Alternate Revenue Source Bonds	5,325,000	-	215,000	5,110,000	260,000
2008 General Obligations Alternate Revenue Source Bonds	-	2,000,000	-	2,000,000	-
Bond premium	-	138,290	12,572	125,718	-
Compensated Absences	582,588	24,882	22,256	585,214	58,521
TOTAL GOVERNMENTAL ACTIVITIES LONG-TERM DEBT	$ 14,572,588	$ 2,163,172	$ 614,828	$ 16,120,932	$ 668,521

Governmental activities long-term debt payable at April 30, 2009 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. This issue was paid in full in the current fiscal year

8. LONG-TERM DEBT (Continued)

a. Governmental Activities (Continued)

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.

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.

General Obligation Alternate Revenue Source Bonds, Series 2008 dated August 1, 2008, payable from utility, telecommunication and sales taxes payable to the Village. The bonds are due in annual installments of $1,000,000 on December 1, 2018 and December 1, 2019, with interest at 5.00% 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 2002A General Obligation Alternate Revenue Source Bonds		Series 2005 General Obligation Alternate Revenue Source Bonds		Series 2008 General Obligation Alternate Revenue Source Bonds		
Year	Principal	Interest	Principal	Interest	Principal	Interest	Total
2010	$ 350,000	$ 350,625	$ 260,000	$ 204,125	$ -	$ 100,000	$ 1,264,750
2011	500,000	337,500	240,000	195,025	-	100,000	1,372,525
2012	650,000	317,500	245,000	186,625	-	100,000	1,499,125
2013	775,000	291,500	260,000	178,050	-	100,000	1,604,550
2014	900,000	260,500	265,000	167,650	-	100,000	1,693,150
2015	1,050,000	223,600	275,000	157,050	-	100,000	1,805,650
2016	1,250,000	179,500	230,000	146,050	-	100,000	1,905,550
2017	1,375,000	125,750	190,000	136,850	-	100,000	1,927,600
2018	1,450,000	65,250	195,000	129,250	-	100,000	1,939,500
2019	-	-	370,000	121,450	1,000,000	100,000	1,591,450
2020	-	-	385,000	106,650	1,000,000	50,000	1,541,650
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	$ 8,300,000	$ 2,151,725	$ 5,110,000	$ 2,014,275	$ 2,000,000	$ 1,050,000	$ 20,626,000

8. LONG-TERM DEBT (Continued)

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, 2009:

	Balance May 1	Issuances	Repayments	Balance April 30	Current Portion
2002 General Obligation Refunding Bonds	$ 275,000	$ -	$ 275,000	$ -	$ -
2007 General Obligation Refunding Bonds	3,020,000	-	5,000	3,015,000	245,000
IEPA Loan Payable	919,003	-	50,539	868,464	51,901
Bond Premium	60,103	-	15,555	44,548	-
Compensated Absences	78,804	18,424	7,880	89,348	8,935
TOTAL ENTERPRISE FUND	$ 4,352,910	$ 18,424	$ 353,974	$ 4,017,360	$ 305,836

Total enterprise fund/business-type activities bonded debt payable at April 30, 2009 is comprised of the following issues:

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. This issue was paid in full during the current fiscal year.	$ -
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.	3,015,000
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.	868,463
TOTAL ENTERPRISE FUND DEBT PAYABLE	$ 3,883,463

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 2007 Bond		IEPA Loan		Total
	Principal	Interest	Principal	Interest	
2010	$ 245,000	$ 119,093	$ 51,901	$ 22,889	$ 438,883
2011	255,000	109,415	53,298	21,492	439,205
2012	270,000	99,343	54,734	20,056	444,133
2013	280,000	88,678	56,207	18,583	443,468
2014	290,000	77,618	57,721	17,069	442,408
2015	305,000	66,163	59,275	15,515	445,953
2016	320,000	54,115	60,872	13,918	448,905
2017	335,000	41,474	62,511	12,279	451,264
2018	350,000	28,242	64,194	10,596	453,032
2019	365,000	14,417	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	$ 3,015,000	$ 698,558	$ 868,463	$ 178,495	$ 4,760,516

c. 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, 2009, $28,951 of the Special Service Area No. 1 bonds, $5,260,000 of the Special Service Area No. 10 bonds and $259,046 of the Special Service Area No. 17 bonds are outstanding.

8. LONG-TERM DEBT (Continued)

d. 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, 2009 and totaled $13,696,000. 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.

e. 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, 2009, 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, 2009, 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.

10. COMMITMENTS AND CONTINGENCIES (Continued)

Economic Incentive (Continued)

The total expenditures paid during the year ended April 30, 2009 was $554,174, and the total cumulative expenditures incurred to date in rebates of current development agreements was $891,891.

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 Pension 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, 2008 was 9.99% 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, 2008, 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	6
Nonvested	15
TOTAL	27

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, 2009, the Village's contribution was 18.86% 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, 2009, 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, 2006	May 1, 2008
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	24 Years, Closed	28 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	0.4% to 11.6%	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	$ 218,172	$ 159,664
(APC)	241,431	184,369
	275,400	239,167
Actual Contribution	$ 218,172	$ 239,599
	241,431	219,255
	275,400	221,667
Percentage of APC Contributed	100.00%	150.06%
	100.00%	118.92%
	100.00%	92.60%
NPO (Asset)	$ -	$ (77,204)
	-	(112,090)
	-	(94,590)

* Police Pension information presented is for the fiscal years ending April 30, 2007, 2008 and 2009 from actuarial valuations performed as of the start of the fiscal year. The information for the Illinois Municipal Retirement is for the calendar years 2006, 2007 and 2008.

The net pension obligation (asset) has been calculated as follows as of April 30, 2009:

	Police Pension
Annual Required Contributions	$ 238,474
Interest on Net Pension Obligation	(8,127)
Adjustment to Annual Required Contribution	8,820
Annual Pension Cost	239,167
Contributions Made	221,667
Increase in Net Pension Obligation	17,500
Net Pension Obligation (Asset), May 1	(112,090)
NET PENSION OBLIGATION (ASSET), APRIL 30	$ (94,590)

11. DEFINED BENEFIT PENSION PLANS (Continued)

d. Funded Status

The funded status of the plans as of April 30, 2009, based on actuarial valuations performed as of December 31, 2008 for IMRF and May 1, 2008 for the police pension, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 11-C:

	Illinois Municipal Retirement	Police Pension
Actuarial Accrued Liability (AAL)	$ 6,365,318	$ 5,788,755
Actuarial Value of Plan Assets	4,902,281	5,275,532
Unfunded Actuarial Accrued Liability (UAAL)	1,463,037	513,223
Funded Ratio (Actuarial Value of Plan Assets/AAL)	77.02%	91.13%
Covered Payroll (Active Plan Members)	$ 2,756,757	$ 1,339,507
UAAL as a Percentage of Covered Payroll	53.07%	38.31%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

The actuarial value of plan assets for the police pension plan is as of May 1, 2008, the latest available. As disclosed in the fiduciary fund financial statements, the pension fund experienced a significant decline in the fair value of assets for the year ended April 30, 2009, which are not reflected in the actuarial value of plan assets.

12. PRIOR PERIOD ADJUSTMENT

Fund balance in the General Fund was decreased by $70,000 as of May 1, 2008 to move revenue that was due to the TIF Fund. Fund balance in the Capital Improvement Fund was increased by $114,129 as of May 1, 2008 to move prior year TIF Fund expenditures to the TIF Fund and to record a revenue for prior year expenditures incurred. Fund balance in the TIF Fund was increased by $60,869 as of May 1, 2008 to properly report revenues and expenditures previously reported in the General Fund and Capital Improvement Fund and to record revenues related to prior years.

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, 2009

	Original and Final Budget	Actual
REVENUES		
Taxes		
Property Taxes Including Road and Bridge	$ 1,705,000	$ 1,851,934
Sales	2,752,050	2,539,423
Personal Property Replacement	61,500	63,422
Income	1,350,420	1,454,677
Photo and Local Use	195,060	238,046
Utility	90,000	98,234
Total Taxes	6,154,030	6,245,736
Licenses and Permits	606,050	347,605
Charges for Services	1,957,360	1,613,454
Intergovernmental	48,640	3,576
Fines and Forfeits	180,500	205,304
Investment Income	175,000	44,697
Miscellaneous	75,900	82,684
Total Revenues	9,197,480	8,543,056
EXPENDITURES		
Current		
General Government		
Elected Officials	123,220	124,351
Administration Office	568,060	492,915
Finance Office	461,270	439,823
Legal Services	135,000	181,036
Engineering Services	812,000	425,883
Community Development - Planning/Zoning	466,770	444,632
Community Development - Code Enforcement	516,780	434,276
Community Development - Economic Development	634,150	619,697
Total General Government	3,717,250	3,162,613
Public Safety		
Police Administration	480,930	519,005
Police Support Services	756,740	813,031
Police Patrol	2,000,810	1,893,769
Police Investigations	140,790	147,078
Police Commission	11,050	4,680
Emergency Services and Disaster Agency	2,410	3,055
Total Public Safety	3,392,730	3,380,618

(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, 2009

	Original and Final Budget	Actual
EXPENDITURES (Continued)		
Current (Continued)		
Highways and Streets		
Public Works Administration	$ 141,880	$ 113,452
Public Works Highways and Streets	625,470	526,242
Public Works Vehicle Maintenance	225,440	223,482
Public Works Buildings and Grounds	176,190	219,764
Total Highways and Streets	1,168,980	1,082,940
Sanitation		
Public Works Sanitation	826,000	874,334
Storm Sewer	18,000	14,856
Total Sanitation	844,000	889,190
Total Expenditures	9,122,960	8,515,361
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	74,520	27,695
OTHER FINANCING SOURCES (USES)		
Transfers In	69,790	69,790
Total Other Financing Sources (Uses)	69,790	69,790
NET CHANGE IN FUND BALANCE	$ 144,310	97,485
FUND BALANCE, MAY 1		1,442,677
Prior Period Adjustment		(70,000)
FUND BALANCE, MAY 1, RESTATED		1,372,677
FUND BALANCE, APRIL 30		$ 1,470,162

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2009

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)
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%
2008	4,902,281	6,365,318	77.02%	1,463,037	2,756,757	53.07%

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

April 30, 2009

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)
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	5,275,532	5,788,755	91.13%	513,223	1,339,507	38.31%
2009	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information not available

The actuarial value of plan assets for the police pension plan is as of May 1, 2008, the latest available. As disclosed in the fiduciary fund financial statements, the pension fund experienced a significant decline in the fair value of assets for the year ended April 30, 2009, which are not reflected in the actuarial value of assets.

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2009

Calendar Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
2008	275,400	275,400	100.00%

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

April 30, 2009

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
2009	221,667	238,474	92.95%

(See independent auditor's report.)

1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted for all funds except the Montgomery Crossings Special Service Area Fund, Arbor Ridge Special Service Area Fund, Foxmoor Special Service Area Fund, Saratoga Springs Special Service Area Fund, Orchard Prairie North Special Service Area Fund, Blackberry Crossing West Special Service Area Fund, Special Assessments Fund and 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 BUDGET

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

	Expenditures	Budget
Capital Improvement	$ 5,510,984	$ 1,230,400
Police Drug	3,230	3,100
Emergency 911	1,340	-
Police Gift	4,677	2,500
Montgomery Crossing SSA	8,758	-
Debt Service	1,189,961	1,156,710

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, 2009

	Original and Final Budget	Actual
REVENUES		
Taxes		
Utility Taxes	$ 1,195,000	$ 1,403,617
Charges for Services	163,500	1,674,545
Intergovernmental	965,900	119,630
Investment Income	40,000	429
Miscellaneous Income	20,000	12,847
Total Revenues	2,384,400	3,211,068
EXPENDITURES		
Capital Outlay	1,230,400	5,510,984
Total Expenditures	1,230,400	5,510,984
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,154,000	(2,299,916)
OTHER FINANCING SOURCES (USES)		
Bonds Issued at Par	-	2,000,000
Premium on Bonds Issued	-	138,290
Transfer (Out)	(1,125,000)	(1,148,921)
Total Other Financing Sources (Uses)	(1,125,000)	989,369
NET CHANGE IN FUND BALANCE	$ 29,000	(1,310,547)
FUND BALANCE (DEFICIT), MAY 1		(41,694)
Prior Period Adjustment		114,129
FUND BALANCE, MAY 1, RESTATED		72,435
FUND BALANCE (DEFICIT), APRIL 30		$ (1,238,112)

(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.

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

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

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

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, 2009

	Special Revenue Funds			
	Economic Development	Police Drug	Motor Fuel Tax	Emergency 911
ASSETS				
Cash and Investments	$ 1,640,991	$ 111,478	$ 168,828	$ 239,389
Property Taxes Receivable	-	-	-	-
Accounts Receivable	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	34,071	-
Notes Receivable	88,186	-	-	-
TOTAL ASSETS	$ 1,729,177	$ 111,478	$ 202,899	$ 239,389
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 45	$ -	$ -	$ -
Due to Other Funds	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	45	-	-	-
FUND BALANCES				
Reserved for Noncurrent Receivables	88,186	-	-	-
Reserved for Economic Development	1,640,946	-	-	-
Reserved for Public Safety	-	111,478	-	239,389
Reserved for Highways and Streets	-	-	202,899	-
Reserved for Subdivision Improvements	-	-	-	-
Unreserved	-	-	-	-
Total Fund Balances	1,729,132	111,478	202,899	239,389
TOTAL LIABILITIES AND FUND BALANCES	$ 1,729,177	$ 111,478	$ 202,899	$ 239,389

Special Revenue Funds						
Police Gift	Montgomery Crossing Special Service Area	Blackberry Crossing Special Service Area	Arbor Ridge Special Service Area	Fairfield Way Special Service Area	Foxmoor Special Service Area	Tax Increment Financing District
$ 21,150	$ 57,531	$ -	$ 34,448	$ 99,128	$ 67,339	$ -
-	120,021	63,013	31,302	110,000	110,000	54,608
-	-	-	-	-	-	39,993
-	11,658	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 21,150	$ 189,210	$ 63,013	$ 65,750	$ 209,128	$ 177,339	$ 94,601
$ 2,301	$ -	$ 3,870	$ 3,931	$ 4,140	$ -	$ -
-	-	11,658	-	-	-	48,877
-	120,021	63,013	31,302	110,000	110,000	54,608
2,301	120,021	78,541	35,233	114,140	110,000	103,485
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18,849	-	-	-	-	-	-
-	-	-	-	-	-	-
-	69,189	-	30,517	94,988	67,339	-
-	-	(15,528)	-	-	-	(8,884)
18,849	69,189	(15,528)	30,517	94,988	67,339	(8,884)
$ 21,150	$ 189,210	$ 63,013	$ 65,750	$ 209,128	$ 177,339	$ 94,601

(This statement is continued on the following pages.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2009

	Special Revenue Funds		
	Saratoga Springs Special Service Area	Orchard Prairie North Special Service Area	Blackberry Crossing West Special Service Area
ASSETS			
Cash and Investments	$ -	$ -	$ -
Property Taxes Receivable	20,001	20,005	60,021
Accounts Receivable	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
Notes Receivable	-	-	-
TOTAL ASSETS	$ 20,001	$ 20,005	$ 60,021
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ -	$ -	$ -
Due to Other Funds	-	-	-
Deferred Revenue	20,001	20,005	60,021
Total Liabilities	20,001	20,005	60,021
FUND BALANCES			
Reserved for Noncurrent Receivables	-	-	-
Reserved for Economic Development	-	-	-
Reserved for Public Safety	-	-	-
Reserved for Highways and Streets	-	-	-
Reserved for Subdivision Improvements	-	-	-
Unreserved	-	-	-
Total Fund Balances	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 20,001	$ 20,005	$ 60,021

Capital Projects Funds				
Vehicle Reserve	Special Assessments	Special Service Area No. 10	Debt Service	Total
$ -	$ 7,583	$ 9,309	$ -	$ 2,457,174
-	-	-	-	588,971
-	-	-	-	39,993
-	-	-	-	11,658
-	-	-	-	34,071
-	-	-	-	88,186
$ -	$ 7,583	$ 9,309	$ -	$ 3,220,053
$ -	$ -	$ -	$ -	$ 14,287
-	-	-	-	60,535
-	-	-	-	588,971
-	-	-	-	663,793
-	-	-	-	88,186
-	-	-	-	1,640,946
-	-	-	-	369,716
-	-	-	-	202,899
-	7,583	9,309	-	278,925
-	-	-	-	(24,412)
-	7,583	9,309	-	2,556,260
$ -	$ 7,583	$ 9,309	$ -	$ 3,220,053

(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, 2009

	Special Revenue Funds			
	Economic Development	Police Drug	Motor Fuel Tax	Emergency 911
REVENUES				
Property Taxes	$ -	$ -	$ -	$ -
Motor Fuel Taxes	-	-	443,073	-
Charges for Services	-	-	-	108,237
Fines and Forfeits	-	34,235	-	-
Contributions from Property Owners	-	-	-	-
Investment Income	7,539	-	3,003	-
Miscellaneous Income	-	-	-	-
Total Revenues	7,539	34,235	446,076	108,237
EXPENDITURES				
Current				
General Government	995	-	-	-
Public Safety	-	3,230	-	1,340
Highways and Streets	-	-	299,583	-
Capital Outlay	-	-	-	-
Debt Service				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	995	3,230	299,583	1,340
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,544	31,005	146,493	106,897
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	(69,790)
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(69,790)
NET CHANGE IN FUND BALANCES	6,544	31,005	146,493	37,107
FUND BALANCES (DEFICITS), MAY 1	1,722,588	80,473	56,406	202,282
Prior Period Adjustment	-	-	-	-
FUND BALANCES (DEFICITS), MAY 1, RESTATED	1,722,588	80,473	56,406	202,282
FUND BALANCES (DEFICITS), APRIL 30	$ 1,729,132	$ 111,478	$ 202,899	$ 239,389

Special Revenue Funds						
Police Gift	Montgomery Crossing Special Service Area	Blackberry Crossing Special Service Area	Arbor Ridge Special Service Area	Fairfield Way Special Service Area	Foxmoor Special Service Area	Tax Increment Financing District
$ -	$ -	$ -	$ 32,220	$ 84,830	$ 86,783	$ 52,058
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,900	-	-	-	-	-	-
2,900	-	-	32,220	84,830	86,783	52,058
-	-	-	-	-	-	22,213
4,677	-	-	-	-	-	-
-	8,758	49,219	47,856	61,096	19,444	-
-	-	-	-	-	-	6,839
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,677	8,758	49,219	47,856	61,096	19,444	29,052
(1,777)	(8,758)	(49,219)	(15,636)	23,734	67,339	23,006
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(1,777)	(8,758)	(49,219)	(15,636)	23,734	67,339	23,006
20,626	77,947	33,691	46,153	71,254	-	(92,759)
-	-	-	-	-	-	60,869
20,626	77,947	33,691	46,153	71,254	-	(31,890)
$ 18,849	$ 69,189	$ (15,528)	$ 30,517	$ 94,988	$ 67,339	$ (8,884)

(This statement is continued on the following pages.)

VILLAGE OF MONTGOMERY, ILLINOIS

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

For the Year Ended April 30, 2009

	Special Revenue Funds		
	Saratoga Springs Special Service Area	Orchard Prairie North Special Service Area	Blackberry Crossing West Special Service Area
REVENUES			
Property Taxes	$ -	$ -	$ -
Motor Fuel Taxes	-	-	-
Charges for Services	-	-	-
Fines and Forfeits	-	-	-
Contributions from Property Owners	-	-	-
Investment Income	-	-	-
Miscellaneous Income	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
Current			
General Government	-	-	-
Public Safety	-	-	-
Highways and Streets	-	-	-
Capital Outlay	-	-	-
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	-	-
Transfers In	-	-	-
Total Other Financing Sources (Uses)	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES (DEFICITS), MAY 1	-	-	-
Prior Period Adjustment	-	-	-
FUND BALANCES (DEFICITS), MAY 1, RESTATED	-	-	-
FUND BALANCES (DEFICITS), APRIL 30	$ -	$ -	$ -

Capital Projects Funds				
Vehicle Reserve	Special Assessments	Special Service Area No. 10	Debt Service	Total Nonmajor Governmental
$ -	$ -	$ -	$ -	$ 255,891
-	-	-	-	443,073
10,035	-	-	-	118,272
-	-	-	-	34,235
-	-	17,500	-	17,500
-	14	88	-	10,644
23,866	48,391	-	-	75,157
33,901	48,405	17,588	-	954,772
-	-	-	-	23,208
-	-	-	-	9,247
29,221	42,635	-	-	557,812
-	-	23,038	-	29,877
-	-	-	580,000	580,000
-	-	-	609,961	609,961
29,221	42,635	23,038	1,189,961	1,810,105
4,680	5,770	(5,450)	(1,189,961)	(855,333)
-	-	-	-	(69,790)
-	-	-	1,148,921	1,148,921
-	-	-	1,148,921	1,079,131
4,680	5,770	(5,450)	(41,040)	223,798
(4,680)	1,813	14,759	41,040	2,271,593
-	-	-	-	60,869
(4,680)	1,813	14,759	41,040	2,332,462
$ -	$ 7,583	$ 9,309	$ -	$ 2,556,260

(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, 2009

	Original and Final Budget	Actual
REVENUES		
Investment Income	$ 14,500	$ 7,539
Total Revenues	14,500	7,539
EXPENDITURES		
Current		
General Government	3,000	995
Total Expenditures	3,000	995
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,500	6,544
OTHER FINANCING SOURCES (USES)		
Transfers (Out)	(275,000)	-
Total Other Financing Sources (Uses)	(275,000)	-
NET CHANGE IN FUND BALANCE	$ (263,500)	6,544
FUND BALANCE, MAY 1		1,722,588
FUND BALANCE, APRIL 30		$ 1,729,132

(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, 2009

	Original and Final Budget	Actual
REVENUES		
Fines and Forfeits	$ 5,100	$ 34,235
Total Revenues	5,100	34,235
EXPENDITURES		
Current		
Public Safety	3,100	3,230
Total Expenditures	3,100	3,230
NET CHANGE IN FUND BALANCE	$ 2,000	31,005
FUND BALANCE, MAY 1		80,473
FUND BALANCE, APRIL 30		$ 111,478

(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, 2009

	Original and Final Budget	Actual
REVENUES		
Motor Fuel Taxes	$ 416,360	$ 443,073
Investment Income	2,500	3,003
Total Revenues	418,860	446,076
EXPENDITURES		
Current		
Highways and Streets	421,000	299,583
Total Expenditures	421,000	299,583
NET CHANGE IN FUND BALANCE	$ (2,140)	146,493
FUND BALANCE, MAY 1		56,406
FUND BALANCE, APRIL 30		$ 202,899

(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, 2009

	Original and Final Budget	Actual
REVENUES		
Charges for Services	$ 55,000	$ 108,237
Total Revenues	55,000	108,237
EXPENDITURES		
Current		
Public Safety	-	1,340
Total Expenditures	-	1,340
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	55,000	106,897
OTHER FINANCING SOURCES (USES)		
Transfers (Out)	(69,790)	(69,790)
Total Other Financing Sources (Uses)	(69,790)	(69,790)
NET CHANGE IN FUND BALANCE	$ (14,790)	37,107
FUND BALANCE, MAY 1		202,282
FUND BALANCE, APRIL 30		$ 239,389

(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, 2009

	Original and Final Budget	Actual
REVENUES		
Miscellaneous	$ 750	$ 2,900
Total Revenues	750	2,900
EXPENDITURES		
Current		
Public Safety	2,500	4,677
Total Expenditures	2,500	4,677
NET CHANGE IN FUND BALANCE	$ (1,750)	(1,777)
FUND BALANCE, MAY 1		20,626
FUND BALANCE, APRIL 30		$ 18,849

(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, 2009

	Original and Final Budget	Actual
REVENUES		
None	$ -	$ -
Total Revenues	-	-
EXPENDITURES		
Current		
Highways and Streets	-	8,758
Total Expenditures	-	8,758
NET CHANGE IN FUND BALANCE	$ -	(8,758)
FUND BALANCE, MAY 1		77,947
FUND BALANCE, APRIL 30		$ 69,189

(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, 2009

	Original and Final Budget	Actual
REVENUES		
Property Taxes	$ 132,000	$ -
Interest Income	1,400	-
Total Revenues	133,400	-
EXPENDITURES		
Current		
Highways and Streets	132,000	49,219
Total Expenditures	132,000	49,219
NET CHANGE IN FUND BALANCE	$ 1,400	(49,219)
FUND BALANCE, MAY 1		33,691
FUND BALANCE (DEFICIT), APRIL 30		$ (15,528)

(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, 2009

	Original and Final Budget	Actual
REVENUES		
Property Taxes	$ 50,000	$ 32,220
Total Revenues	50,000	32,220
EXPENDITURES		
Current		
Highways and Streets	50,000	47,856
Total Expenditures	50,000	47,856
NET CHANGE IN FUND BALANCE	$ -	(15,636)
FUND BALANCE, MAY 1		46,153
FUND BALANCE, APRIL 30		$ 30,517

(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, 2009

	Original and Final Budget	Actual
REVENUES		
Property Taxes	$ 85,000	$ 84,830
Interest Income	1,000	-
Total Revenues	86,000	84,830
EXPENDITURES		
Current		
Highways and Streets	85,000	61,096
Total Expenditures	85,000	61,096
NET CHANGE IN FUND BALANCE	$ 1,000	23,734
FUND BALANCE, MAY 1		71,254
FUND BALANCE, APRIL 30		$ 94,988

(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, 2009

	Original and Final Budget	Actual
REVENUES		
Property Taxes	$ 8,000	$ 52,058
Bond Proceeds	10,000,000	-
Total Revenues	10,008,000	52,058
EXPENDITURES		
Current		
General Government	-	22,213
Capital Outlay	10,000,000	6,839
Total Expenditures	10,000,000	29,052
NET CHANGE IN FUND BALANCE	$ 8,000	23,006
FUND BALANCE (DEFICIT), MAY 1		(92,759)
Prior Period Adjustment		60,869
FUND BALANCE (DEFICIT), MAY 1, RESTATED		(31,890)
FUND BALANCE (DEFICIT), APRIL 30		$ (8,884)

(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, 2009

	Original and Final Budget	Actual
REVENUES		
Charges for Services	$ 24,000	$ 10,035
Miscellaneous	500	23,866
Total Revenues	24,500	33,901
EXPENDITURES		
Current		
Public Safety	-	-
Highways and Streets	34,000	29,221
Total Expenditures	34,000	29,221
NET CHANGE IN FUND BALANCE	$ (9,500)	4,680
FUND BALANCE (DEFICIT), MAY 1		(4,680)
FUND BALANCE, APRIL 30		$ -

(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, 2009

	Original and Final Budget	Actual
REVENUES		
None	$ -	$ -
Total Revenues	-	-
EXPENDITURES		
Principal Retirement	580,000	580,000
Interest and Fiscal Charges	576,710	609,961
Total Expenditures	1,156,710	1,189,961
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,156,710)	(1,189,961)
OTHER FINANCING SOURCES (USES)		
Transfers In	1,125,000	1,148,921
Total Other Financing Sources (Uses)	1,125,000	1,148,921
NET CHANGE IN FUND BALANCE	$ (31,710)	(41,040)
FUND BALANCE, MAY 1		41,040
FUND BALANCE, APRIL 30		$ -

(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, 2009

	Water	Water Improvement	Water Bond Proceeds	Eliminations	Total
CURRENT ASSETS					
Cash and Cash Equivalents	$ (834,369)	$ 871,223	$ -	$ -	$ 36,854
Restricted Investments	5,665	-	-	-	5,665
Accounts Receivable	498,844	378,331	-	-	877,175
Accrued Interest Receivable	15,428	-	-	-	15,428
Total Current Assets	(314,432)	1,249,554	-	-	935,122
OTHER ASSETS					
Bond Issuance Costs	47,736	-	-	-	47,736
Total Other Assets	47,736	-	-	-	47,736
CAPITAL ASSETS					
Assets not Being Depreciated	436,054	-	-	-	436,054
Assets Being Depreciated					
Cost	38,823,867	-	-	-	38,823,867
Accumulated Depreciation	(11,229,342)	-	-	-	(11,229,342)
Total Capital Assets	28,030,579	-	-	-	28,030,579
Total Assets	27,763,883	1,249,554	-	-	29,013,437

(This schedule is continued on the following page.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING SCHEDULE OF NET ASSETS (Continued)
WATER DEPARTMENT ACCOUNTS

April 30, 2009

	Water	Water Improvement	Water Bond Proceeds	Eliminations	Total
CURRENT LIABILITIES					
Accounts Payable	$ 134,104	$ 295	$ -	$ -	$ 134,399
Accrued Payroll	26,763	-	-	-	26,763
Interest Payable	59,303	-	-	-	59,303
Unearned Revenue	36,000	-	-	-	36,000
Current Portion of Compensated Absences	8,935	-	-	-	8,935
Current Portion of Bonds and IEPA Loan Payable	296,901	-	-	-	296,901
Total Current Liabilities	562,006	295	-	-	562,301
LONG-TERM LIABILITIES					
General Obligation Bonds Payable	3,015,000	-	-	-	3,015,000
IEPA Loan Payable	868,464	-	-	-	868,464
Less Current Portion Above	(296,901)	-	-	-	(296,901)
Bond Premium	44,548	-	-	-	44,548
Accrued Compensated Absences	80,413	-	-	-	80,413
Total Long-Term Liabilities	3,711,524	-	-	-	3,711,524
Total Liabilities	4,273,530	295	-	-	4,273,825
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	24,102,567	-	-	-	24,102,567
Unrestricted	(612,214)	1,249,259	-	-	637,045
TOTAL NET ASSETS	$ 23,490,353	$ 1,249,259	$ -	$ -	$ 24,739,612

(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, 2009

	Water	Water Improvement	Water Bond Proceeds	Eliminations	Total
OPERATING REVENUES					
Charges for Services	$ 2,639,309	$ -	$ -	$ -	$ 2,639,309
Total Operating Revenues	2,639,309	-	-	-	2,639,309
OPERATING EXPENSES					
Personal Services	1,198,738	-	-	-	1,198,738
Contractual Services	77,786	-	-	-	77,786
Repairs and Maintenance	239,183	197,676	-	-	436,859
Insurance	65,699	-	-	-	65,699
Utilities	348,791	-	-	-	348,791
Supplies and Miscellaneous	195,862	-	-	-	195,862
Depreciation and Amortization	1,311,884	-	-	-	1,311,884
Total Operating Expenses	3,437,943	197,676	-	-	3,635,619
OPERATING INCOME (LOSS)	(798,634)	(197,676)	-	-	(996,310)
NONOPERATING REVENUES (EXPENSES)					
Investment Income	29,880	-	66	-	29,946
Rental Income	55,606	-	-	-	55,606
Connection Fees and Reimbursements	-	176,009	-	-	176,009
Interest Expense and Fiscal Charges	(172,271)	-	-	-	(172,271)
Total Nonoperating Revenues (Expenses)	(86,785)	176,009	66	-	89,290
NET INCOME (LOSS) BEFORE TRANSFERS	(885,419)	(21,667)	66	-	(907,020)
TRANSFERS					
Transfers In	113,373	30,000	910,856	(1,054,229)	-
Transfers (Out)	(940,856)	(113,373)	-	1,054,229	-
Total Transfers	(827,483)	(83,373)	910,856	-	-
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	(1,712,902)	(105,040)	910,922	-	(907,020)
CONTRIBUTIONS	1,623,918	-	-	-	1,623,918
CHANGE IN NET ASSETS	(88,984)	(105,040)	910,922	-	716,898
NET ASSETS, MAY 1	23,579,337	1,354,299	(910,922)	-	24,022,714
NET ASSETS, APRIL 30	$ 23,490,353	$ 1,249,259	$ -	$ -	$ 24,739,612

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING SCHEDULE OF CASH FLOWS
WATER DEPARTMENT ACCOUNTS

For the Year Ended April 30, 2009

	Water	Water Improvement	Water Bond Proceeds	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	$ 2,688,878	$ -	$ -	$ -	$ 2,688,878
Receipt from Rental Income	55,606	-	-	-	55,606
Payments to Suppliers	(813,115)	(747,571)	-	-	(1,560,686)
Payments to Employees	(1,189,919)	-	-	-	(1,189,919)
Payments for Interfund Services	(65,699)	-	-	-	(65,699)
Net Cash from Operating Activities	675,751	(747,571)	-	-	(71,820)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Connection Fees and Reimbursements	-	179,973	-	-	179,973
Net Cash from Noncapital Financing Activities	-	179,973	-	-	(2,652,545)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Property and Equipment	(113,373)	-	-	-	(113,373)
Intrafund Transfers	35,382	(83,373)	47,991	-	-
Principal Payments on Long-Term Debt	(280,000)	-	(50,540)	-	(330,540)
Interest and Fiscal Charges Paid	(158,178)	-	-	-	(158,178)
Net Cash from Capital and Related Financing Activities	(516,169)	(83,373)	(2,549)	-	(602,091)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	36,171	-	66	-	36,237
Net Cash from Investing Activities	36,171	-	66	-	36,237
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	195,753	(650,971)	(2,483)	-	(457,701)
CASH AND CASH EQUIVALENTS, MAY 1	(1,030,122)	1,522,194	2,483	-	494,555
CASH AND CASH EQUIVALENTS, APRIL 30	$ (834,369)	$ 871,223	$ -	$ -	$ 36,854

(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, 2009

	Water	Water Improvement	Water Bond Proceeds	Eliminations	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	$ (798,634)	$ (197,676)	$ -	$ -	$ (996,310)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities					
Depreciation and Amortization	1,311,884	-	-	-	1,311,884
Rental Income	55,606	-	-	-	55,606
Changes in Assets and Liabilities					
Accounts Receivable	49,569	-	-	-	49,569
Accounts Payable	48,507	(486,252)	-	-	(437,745)
Accrued Payroll	(1,725)	-	-	-	(1,725)
Retainage Payable	-	(63,643)	-	-	(63,643)
Accrued Compensated Absences	10,544	-	-	-	10,544
NET CASH FROM OPERATING ACTIVITIES	$ 675,751	$ (747,571)	$ -	$ -	$ (71,820)
NONCASH TRANSACTIONS					
Contribution of Capital Assets	$ 1,623,918	$ -	$ -	$ -	$ 1,623,918

(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.

Cornell Special Service Area Fund - to account for the tax collections to pay principal and interest on the Special Service Area No. 17 Bonds.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF NET ASSETS
POLICE PENSION FUND

April 30, 2009

ASSETS	
Cash and Short-Term Investments	$ 828,139
Receivables	
Accrued Interest Receivable	1,636
Investments	
U.S. Government and Agency Obligations	1,172,007
Insurance Company Contracts - Separate Accounts	1,346,243
Equity Mutual Funds	1,269,696
Total Assets	4,617,721
LIABILITIES	
None	-
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	$ 4,617,721

(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, 2009

	Balances May 1	Additions	Deductions	Balances April 30
ALL FUNDS				
ASSETS				
Cash and Investments	$ 18,200,230	$ 3,725,491	$ 4,335,203	$ 17,590,518
TOTAL ASSETS	$ 18,200,230	$ 3,725,491	$ 4,335,203	$ 17,590,518
LIABILITIES				
Due to Others	$ 947,108	$ 974,849	$ 978,180	$ 943,777
Due to Bondholders	17,253,122	2,750,642	3,357,023	16,646,741
TOTAL LIABILITIES	$ 18,200,230	$ 3,725,491	$ 4,335,203	$ 17,590,518
TALMA STREET SPECIAL SERVICE AREA FUND				
ASSETS				
Cash and Investments	$ 10,502	$ 12,939	$ 12,668	$ 10,773
TOTAL ASSETS	$ 10,502	$ 12,939	$ 12,668	$ 10,773
LIABILITIES				
Due to Others	$ 10,502	$ 12,939	$ 12,668	$ 10,773
TOTAL LIABILITIES	$ 10,502	$ 12,939	$ 12,668	$ 10,773

(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, 2009

	Balances May 1	Additions	Deductions	Balances April 30
ESCROW FUND				
ASSETS				
Cash and Investments	$ 935,225	$ 925,469	$ 935,225	$ 925,469
TOTAL ASSETS	$ 935,225	$ 925,469	$ 935,225	$ 925,469
LIABILITIES				
Due to Others	$ 935,225	$ 925,469	$ 935,225	$ 925,469
TOTAL LIABILITIES	$ 935,225	$ 925,469	$ 935,225	$ 925,469
FLEXIBLE BENEFIT FUND				
ASSETS				
Cash and Investments	$ 1,107	$ 380	$ 1,107	$ 380
TOTAL ASSETS	$ 1,107	$ 380	$ 1,107	$ 380
LIABILITIES				
Due to Others	$ 1,107	$ 380	$ 1,107	$ 380
TOTAL LIABILITIES	$ 1,107	$ 380	$ 1,107	$ 380

(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, 2009

	Balances May 1	Additions	Deductions	Balances April 30
SPECIAL ASSESSMENT FUND				
ASSETS				
Cash and Investments	$ 15,441,194	$ 1,753,101	$ 2,091,717	$ 15,102,578
TOTAL ASSETS	$ 15,441,194	$ 1,753,101	$ 2,091,717	$ 15,102,578
LIABILITIES				
Due to Bondholders	$ 15,441,194	$ 1,753,101	$ 2,091,717	$ 15,102,578
TOTAL LIABILITIES	$ 15,441,194	$ 1,753,101	$ 2,091,717	$ 15,102,578
SPECIAL SERVICE AREA NO. 10 FUND				
ASSETS				
Cash and Investments	$ 1,811,928	$ 997,541	$ 1,265,306	$ 1,544,163
TOTAL ASSETS	$ 1,811,928	$ 997,541	$ 1,265,306	$ 1,544,163
LIABILITIES				
Due to Bondholders	$ 1,811,928	$ 997,541	$ 1,265,306	$ 1,544,163
TOTAL LIABILITIES	$ 1,811,928	$ 997,541	$ 1,265,306	$ 1,544,163

(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, 2009

	Balances May 1	Additions	Deductions	Balances April 30
CORNELL SPECIAL SERVICE AREA FUND				
ASSETS				
Cash and Investments	$ 274	$ 36,061	$ 29,180	$ 7,155
TOTAL ASSETS	$ 274	$ 36,061	$ 29,180	$ 7,155
LIABILITIES				
Due to Others	$ 274	$ 36,061	$ 29,180	$ 7,155
TOTAL LIABILITIES	$ 274	$ 36,061	$ 29,180	$ 7,155

(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.	79-84
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	85-90
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.	91-95
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.	96-97
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.	98-100

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 Five Fiscal Years

Fiscal Year	2005	2006	2007	2008	2009
GOVERNMENTAL ACTIVITIES					
Invested in Capital Assets, Net of Related Debt	$ 5,099,533	$ 2,760,235	$ 4,388,301	$ 30,251,886	$ 36,431,647
Restricted	9,853,116	1,925,539	2,490,523	2,369,032	2,580,672
Unrestricted	5,391,317	10,415,952	9,176,185	709,828	(499,811)
TOTAL GOVERNMENT ACTIVITIES	$ 20,343,966	$ 15,101,726	$ 16,055,009	$ 33,330,746	$ 38,512,508
BUSINESS-TYPE ACTIVITIES					
Invested in Capital Assets, Net of Related Debt	$ 13,105,573	$ 14,750,138	$ 16,233,234	$ 23,331,066	$ 24,102,567
Restricted	-	-	-	-	-
Unrestricted	3,490,046	2,162,812	464,271	691,648	637,045
TOTAL BUSINESS-TYPE ACTIVITIES	$ 16,595,619	$ 16,912,950	$ 16,697,505	$ 24,022,714	$ 24,739,612
PRIMARY GOVERNMENT					
Invested in Capital Assets, Net of Related Debt	$ 18,205,106	$ 17,510,373	$ 20,621,535	$ 53,582,952	$ 60,534,214
Restricted	9,853,116	1,925,539	2,490,523	2,369,032	2,580,672
Unrestricted	8,881,363	12,578,764	9,640,456	1,401,476	137,234
TOTAL PRIMARY GOVERNMENT	$ 36,939,585	$ 32,014,676	$ 32,752,514	$ 57,353,460	$ 63,252,120

Data Sources

Audited Financial Statements

VILLAGE OF MONTGOMERY, ILLINOIS

CHANGE IN NET ASSETS

Last Five Fiscal Years

Fiscal Year	2005	2006	2007	2008	2009
EXPENSES					
Governmental Activities					
General Government	$ 12,978,486	$ 11,149,474	$ 3,555,496	$ 4,197,064	$ 3,417,096
Public Safety	2,568,314	2,199,900	3,744,231	4,024,681	3,943,129
Highways and Streets	1,065,229	1,402,507	2,059,540	2,731,761	2,694,913
Sanitation	586,943	724,711	790,523	839,223	889,190
Interest	235,529	602,676	604,331	587,246	633,176
Total Governmental Activities Expenses	17,434,501	16,079,268	10,754,121	12,379,975	11,577,504
Business-Type Activities					
Waterworks	3,756,728	4,219,233	3,701,562	3,807,890	3,807,890
Total Business-Type Activities Expenses	3,756,728	4,219,233	3,701,562	3,807,890	3,807,890
TOTAL PRIMARY GOVERNMENT EXPENSES	$ 21,191,229	$ 20,298,501	$ 14,455,683	$ 16,187,865	$ 15,385,394
PROGRAM REVENUES					
Governmental Activities					
Charges for Services					
General Government	$ 2,810,092	$ 2,416,565	$ 2,890,579	$ 1,784,591	$ 887,648
Public Safety	297,572	293,353	376,138	297,352	548,645
Highways and Streets	18,052,041	836,032	563,135	319,583	59,138
Sanitation	530,973	651,986	720,168	818,426	872,656
Operating Grants and Contributions	458,096	377,076	419,065	550,422	488,826
Capital Grants and Contributions	78,000	31,180	50,000	18,243,217	5,656,409
Total Governmental Activities Program Revenues	22,226,774	4,606,192	5,019,085	22,013,591	8,513,322
Business-Type Activities					
Charges for Services	4,000,399	4,164,976	3,510,934	3,834,338	2,815,318
Capital Grants and Contributions	235,419	286,818	60,356	7,082,159	1,623,918
Total Business-Type Activities Program Revenues	4,235,818	4,451,794	3,571,290	10,916,497	4,439,236
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	$ 26,462,592	$ 9,057,986	$ 8,590,375	$ 32,930,088	$ 12,952,558
NET REVENUE (EXPENSE)					
Governmental Activities	$ 4,792,273	$(11,473,076)	$ (5,735,036)	$ 9,633,616	$ (3,064,182)
Business-Type Activities	479,090	232,561	(130,272)	7,108,607	631,346
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	$ 5,271,363	$(11,240,515)	$ (5,865,308)	$ 16,742,223	$ (2,432,836)

VILLAGE OF MONTGOMERY, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Five Fiscal Years

Fiscal Year	2005	2006	2007	2008	2009
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	$ 2,171,246
Income	584,932	810,962	1,095,594	1,326,500	1,454,677
Sales	1,467,350	1,684,446	1,799,426	2,308,243	2,539,423
Utility	1,120,536	1,308,029	1,281,322	1,492,570	1,501,852
Local Use	96,438	131,451	182,247	197,453	238,046
Franchise Fees	71,417	91,202	115,694	136,554	141,767
Donations	585,200	275,000	-	-	-
Investment Income	283,895	639,583	631,184	372,126	55,770
Miscellaneous	-	-	-	57,346	38,165
Special Item	(585,200)	-	-	-	-
Total Governmental Activities	4,676,571	6,230,836	6,688,319	7,688,648	8,140,946
Business-Type Activities					
Investment Income	23,805	63,499	43,868	29,946	29,946
Miscellaneous	21,271	21,271	32,129	55,606	55,606
Total Business-Type Activities	45,076	84,770	75,997	85,552	85,552
TOTAL PRIMARY GOVERNMENT	$ 4,721,647	$ 6,315,606	$ 6,764,316	$ 7,774,200	$ 8,226,498
CHANGE IN NET ASSETS					
Governmental Activities	$ 9,468,844	$ (5,242,240)	$ 953,283	$ 17,322,264	$ 5,076,764
Business-Type Activities	524,166	317,331	(54,275)	7,194,159	716,898
TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS	$ 9,993,010	$ (4,924,909)	$ 899,008	$ 24,516,423	$ 5,793,662

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
GENERAL FUND										
Reserved	$ 12,099	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 701,124
Unreserved	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	769,038
TOTAL GENERAL FUND	$ 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	$ 1,470,162
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	$ 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	$ 2,580,672
Unreserved										
Special Revenue	225,745	277,079	83,217	90,196	121,884	-	-	-	(92,759)	(24,412)
Capital Projects	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)	(1,238,112)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	$ 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	$ 1,318,148
TOTAL ALL GOVERNMENTAL FUNDS	$ 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	$ 2,788,310

Data Source

Audited Financial Statements

VILLAGE OF MONTGOMERY, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES										
Taxes	$ 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	$ 8,348,317
Licenses and Permits	188,421	169,179	423,026	555,390	508,445	588,616	545,975	646,609	453,255	347,605
Intergovernmental	-	234,174	202,344	380,119	167,136	259,173	116,026	133,084	105,561	123,206
Grant Revenue	613,355	-	-	-	-	-	-	-	-	-
Charges for Services	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	3,406,271
Fines and Forfeits	83,370	84,001	84,849	146,630	153,103	189,384	199,954	203,147	157,644	239,539
Investment Income	208,337	276,798	367,106	278,045	160,647	283,895	639,586	630,181	372,126	55,770
Developer Contributions	-	-	-	-	-	-	-	-	362,323	-
Contributions from Property Owners	-	9,200,838	-	-	-	17,620,321	275,000	-	-	17,500
Miscellaneous	70,233	47,293	80,867	55,797	62,815	117,093	90,426	277,267	213,042	170,688
Total Revenues	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	12,708,896
EXPENDITURES										
Current										
General Government	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	3,185,821
Public Safety	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	3,389,865
Highways and Streets	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	1,640,752
Sanitation	161,296	165,103	266,931	352,138	9,039	586,943	724,711	775,807	839,223	889,190
Health and Welfare	5,803	7,564	7,887	-	-	-	-	-	-	-
Culture and Recreation	31,502	19,904	21,514	-	-	-	-	-	-	-
Miscellaneous	78,296	33,909	31,021	2,771	2,644	-	-	-	-	-
Capital Outlay	340,588	125,034	23,890	-	-	17,165,363	10,600,641	2,339,488	8,614,925	5,540,861
Debt Service	121,668	122,025	118,624	280,819	607,435	-	-	-	-	
Principal	-	-	-	-	-	250,000	575,000	490,000	530,000	580,000
Interest and Fiscal Charges	-	-	-	-	-	407,559	513,548	611,130	594,812	609,961
Total Expenditures	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	15,836,450
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	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)	(3,127,554)

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
OTHER FINANCING SOURCES (USES)										
Transfers In	$ 323,000	$ 108,000	$ 120,000	$ 370,000	$ 455,000	$ 683,360	$ 1,120,000	$ 1,202,430	$ 1,126,120	$ 1,218,711
Transfers (Out)	(323,000)	(108,000)	(120,000)	(370,000)	(455,000)	(683,360)	(1,120,000)	(1,202,430)	(1,126,120)	(1,218,711)
Bonds Issued	-	-	-	-	-	-	6,000,000	-	-	2,000,000
Premium on Bonds Issued	-	-	-	-	-	-	-	-	-	138,290
Bond Proceeds	-	-	-	9,313,650	-	-	-	-	-	-
Total Other Funding Sources (Uses)	-	-	-	9,313,650	-	-	6,000,000	-	-	2,138,290
OTHER CHANGES TO FUND BALANCES										
Prior Period Adjustment	-	-	150,810	-	-	477,843	-	-	(46,527)	104,998
NET CHANGE IN FUND BALANCES	$ (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)	$ (884,266)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	0%	0%	0%	0%	0%	9.84%	13.71%	11.61%	10.87%	12.58%

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
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	
2008	Kane County	146,340,376	25,150,166	59,513,310	600,802	459,791	232,064,445	0.35902	77,347,080	33.3%
	Kendall County	239,740,364	33,432,819	2,943,895	10,056	126,025	276,253,159	0.36340	91,992,302	

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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
VILLAGE DIRECT RATES										
Village of Montgomery										
General Corporate	0.2207	0.2193	0.2231	0.2066	0.2303	0.2450	0.2168	0.2107	0.1984	0.1927
IMRF	-	-	-	0.0166	0.0354	0.0587	0.0430	0.0344	0.0346	0.0345
Garbage Collection	0.1324	0.1324	0.0556	0.0300	0.0150	-	-	-	-	-
Liability Insurance	-	-	0.0186	0.0180	0.0329	0.0482	0.0293	0.0332	0.0367	0.0394
Social Security	-	-	0.0481	0.0683	0.0870	0.0755	0.0635	0.0553	0.0504	0.0493
Police Pension	0.1166	0.1118	0.1000	0.0894	0.1003	0.0711	0.0753	0.0553	0.0472	0.0473
Bond and Interest	-	-	-	-	-	-	-	0.0697	-	-
Prior Year Adjustment	-	-	-	-	-	-	(0.0486)	-	-	(0.0042)
OVERLAPPING RATES (REPRESENTATIVE)										
Kane County	0.4772	0.4677	0.4529	0.4292	0.3578	0.3467	0.3367	0.34519	0.3322	0.3428
Kane County Forest Preserve District	0.1985	0.1634	0.1520	0.1395	0.1270	0.1432	0.1905	0.17471	0.1974	0.1932
Aurora Township	0.2457	0.2333	0.2119	0.1909	0.1718	0.1612	0.1559	0.15009	0.1449	0.1450
Aurora Township Road District	0.0979	0.0964	0.0917	0.0847	0.0791	0.0776	0.0743	0.07151	0.0690	0.0691
Montgomery Fire District	0.3432	0.3445	0.3317	0.3988	0.5549	0.6789	0.6522	0.62425	0.6061	0.6015
Oswego Library	0.1910	0.1866	0.1810	0.1893	0.1893	0.1818	0.1483	0.18261	0.2082	0.2002
Fox Valley Park District	0.4368	0.4430	0.4202	0.4086	0.3995	0.4068	0.3846	0.37456	0.4037	0.4014
Unit School District Number 129	4.2372	4.1703	4.0182	4.0625	3.9066	3.8155	3.6786	3.56352	4.1252	4.1724
Community College District Number 516	0.4358	0.4295	0.4131	0.4043	0.4134	0.4099	0.3933	0.39836	0.3950	0.4322
Total Overlapping Rates	6.6633	6.5347	6.2727	6.3078	6.1994	6.2216	6.0144	5.8848	6.4817	6.5578
TOTAL ALL RATES (REPRESENTATIVE)	7.1330	6.9982	6.7181	6.7367	6.7003	6.7201	6.3937	6.3434	6.8490	6.9168

* 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 Seven Years Ago

2008				2000			
Taxpayer	Taxable	Rank	Percentage	Taxpayer	Taxable	Rank	Percentage
United Facilities, Inc.	$ 9,375,147	1	1.85%	United Facilities	$ 7,466,903	1	4.49%
Wal-Mart Stores, Inc.	8,309,181	2	1.64%	Centerpoint Properties Trust	3,616,118	2	2.18%
2125 Rochester Property, LLC	5,288,025	3	1.04%	Meritex Developments, Inc.	2,412,632	3	1.45%
IP Eat Five LLC	3,686,048	4	0.73%	Settlers Land Mall Association	1,868,673	4	1.12%
Menard, Inc.	3,595,587	5	0.71%	Freeport Farm & Fleet, Inc.	1,853,813	5	1.12%
Monmouth Capital Corporation	2,914,332	6	0.57%	Hunt Midwest Illinois, LLC	1,595,961	6	0.96%
Centerpoint Properties Trust	2,891,968	7	0.57%	Kmart Corp.	1,462,045	7	0.88%
2001 Baseline Road, LLC	2,844,009	8	0.56%	Lyon Metal Products, LLC.	1,440,262	8	0.87%
Freeport Farm & Fleet, Inc.	2,172,563	9	0.43%	Old Kent Bank Trust No 4459	1,135,802	9	0.68%
North Star Trust Company	2,166,532	10	0.43%	American National Bank & Trsut Chicago Trust No 141573-01	1,129,113	10	0.68%
TOTAL	$ 43,243,392			TOTAL	$ 23,981,322		
2008 EAV = $507,509,920			8.53%	2002 EAV = $166,236,909			14.43%

(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 2008 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
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	1,736,208	100.02%
2008	1,834,151	N/A	N/A

Data Sources

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

TOTAL SALES TAX BY CATEGORY

Last Ten Calendar Years

Calendar Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Merchandise	$ 347,842	$ -	$ -	$ -	$ -	$ 46,555	$ -	$ -	$ 355,410	$ 729,003
Food	176,245	298,847	292,703	200,948	182,394	110,718	146,174	173,280	160,131	194,116
Drinking and Eating Places	99,910	109,643	134,591	130,504	137,309	147,639	152,032	155,338	157,769	147,972
Apparel	-	-	-	-	-	3,966	3,036	597	1,448	63
Furniture & H.H. & Radio	7,940	39,567	39,432	38,103	30,237	13,063	22,355	30,670	32,733	28,375
Lumber, Building Hardware	94,527	94,843	87,158	86,646	93,073	98,904	114,295	109,828	195,045	122,690
Automobile and Filling Stations	193,006	223,297	265,699	277,149	217,531	225,444	254,228	374,028	404,344	375,967
Drugs and Miscellaneous Retail	112,161	123,681	151,483	154,682	150,369	177,810	186,622	230,920	278,838	250,922
Agriculture and All Others	189,620	354,897	347,429	361,104	314,781	310,854	300,209	325,595	327,456	331,206
Manufacturers	79,029	85,802	69,324	70,916	73,915	127,328	156,083	186,236	216,569	161,465
Unclassified	-	-	-	-	-	-	-	-	30,660	-
TOTAL	$ 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	$ 2,341,779
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)
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%
2009	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

	Governmental Activities	Business-Type Activities				
Fiscal Year Ended	General Obligation Bonds	General Obligation Bonds	Installment Loans	Total Primary Government	Percentage of Personal Income*	Per Capita*
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
2009	15,410,000	3,015,000	868,464	19,293,464	4.65%	1,130.79

* Information on personal income and population can be found on page 96.

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
2000	$ 5,945,000	$ 105,442.00	$ 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
2009	15,410,000	-	15,410,000	3.03%	903

Data Sources

Audited Financial Statements

VILLAGE OF MONTGOMERY, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2009

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village	Village Share of Debt
School District #115	$ 92,475,774	7.34%	$ 6,787,722
School District #129	114,930,000	6.37%	7,321,041
School District #131	70,866,568	4.05%	2,870,096
School District #302	88,168,525	3.61%	3,182,884
School District #308	301,715,935	11.98%	36,145,569
Community College District #516	74,570,796	4.86%	3,624,141
Total Schools	742,727,598		59,931,453
Kane County	71,475,000	1.49%	1,064,978
Kendall County	39,872,158	8.42%	3,357,236
Kane County Forest Preserve District	248,800,866	1.49%	3,707,133
Kendall County Forest Preserve District	49,490,000	8.42%	4,167,058
Fox Valley Park District	66,044,540	8.92%	5,891,173
Oswego Park District	7,560,000	4.49%	339,444
Oswego Library District	8,800,000	23.84%	2,097,920
Sugar Grove Library District	7,505,000	13.38%	1,004,169
Total Other Governments	499,547,564		21,629,111
TOTAL OVERLAPPING BONDED DEBT	$ 1,242,275,162		$ 81,560,564

Overlapping and bonded debt percentages based on 2008 EAV, the most current available.

Data Sources

Kane and Kendall Clerks

VILLAGE OF MONTGOMERY, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	$ 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	$ 43,842,393
Total Net Debt Applicable to Limit	890,000	805,000	720,000	10,030,000	1,235,000	1,010,000	775,000	775,000	275,000	-
Legal Debt Margin	$ 8,881,971	$ 9,618,382	$ 10,745,354	$ 4,307,933	$ 16,769,293	$ 21,355,134	$ 26,537,111	$ 34,347,639	$ 40,355,104	$ 43,842,393
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.108%	7.723%	6.280%	69.954%	6.859%	4.516%	2.838%	2.256%	0.681%	0.000%

Legal Debt Margin Calculation for Fiscal 2009	
Assessed Value	$ 508,317,604
Legal Debt Margin	8.625%
Debt Limit	43,842,393
Debt Applicable to Limit	-
Legal Debt Margin	$ 43,842,393

Data Sources

Audited Financial Statements

VILLAGE OF MONTGOMERY, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

	General Obligation Alternate Revenue Source Waterworks Bonds					
				Debt Service		
Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2009	2,900,870	2,323,735	577,135	330,539	172,271	1.14782

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
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%
2009	17,062	414,862,530	24,315	10.40%

N/A - Not available

Data Source

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2009				2001			
Employer	Employees	Rank	Percentage of Total Village Population	Employer	Employees	Rank	Percentage of Total Village Population
Lyon Workspace Products, LLC	400	1	2.34%	Lyon Workspace Products, LLC	600	1	10.97%
Eby-Brown Co., LLC.	400	1	2.34%	Customized Solutions, LLC	450	2	8.23%
The Dial Corporation	400	1	2.34%	The Dial Corporation	400	3	7.31%
Fox River Foods, Inc.	340	4	1.99%	Processed Plastic Co.	300	4	5.48%
Aurora Bearing Co.	250	5	1.47%	CMT, Inc.	200	5	3.66%
Hermann Gadco, LLC.	200	6	1.17%	Fox River Foods, Inc.	200	6	3.66%
Weyerhaeuser Co.	150	7	0.88%	General American Door Company	200	7	3.66%
Aurora Metals Division, LLC	135	8	0.79%	Aurora Metals Division, LLC	160	8	2.92%
The Lakone Co.	95	9	0.56%	Willamette Industries, Inc.	150	9	2.74%
TOTAL	2,370		13.89%	Commonwealth Edison Co.	110	10	2.01%
				TOTAL	2,770		50.63%

Data Source

2009 Illinois Manufacturers Directory, 2009 Illinois Services Directory, Selective telephone survey.
2001 Illinois Manufacturers Directory, 2001 Illinois Services Directory, Selective telephone survey.

VILLAGE OF MONTGOMERY, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
GENERAL GOVERNMENT										
Administration	3	2	2	2	1.75	1.75	2.75	3.5	3.5	3
Finance	0.5	5	5	6	4.75	5.75	5.75	5.75	5.75	5.75
Building	2.5	4.5	5.5	5.5	4.25	4.75	5.5	5	5	0
Community Development	N/A	1	1	1	1	2	2	3.75	3.75	5
PUBLIC SAFETY										
Police										
Sworn Officers	15	15	16	17	19	19	22	25	25	23
Civilians/Other	6.5	7	11	11	8.5	8.5	10	10	10	11
PUBLIC WORKS										
Administration	1	2	2	2	1.5	1.5	2	3	3	2
Street Maintenance	8	8	7	8	8	8	8	8	8	7
Water Operations	1	1	1	1	1	1	2	2	2	2
Building Maintenance	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1	1
Fleet Maintenance	1	1	1	1	1	1	1	1.5	1.5	1.5
TOTAL	38.5	46.5	51.5	54.5	50.75	53.25	62	68.5	68.5	61.25

N/A - Not available

Data Sources

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
POLICE										
Physical Arrests	328	376	359	434	528	239	508	565	703	N/A
Parking Violations	102	258	213	434	294	392	621	547	597	N/A
Traffic Violations	439	683	736	789	1,812	3,030	3,243	2,978	4,715	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	1.25
WATER										
New Connections	N/A	N/A	N/A	N/A	815	1,429	636	782	251	49
Water Main Breaks	58	57	45	58	63	44	60	56	55	67
Average Daily Consumption	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	2,583,000
Peak Daily Consumption	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	4,120,000

N/A - Not available

Data Sources

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	2	2	2	3	3	3	3	3	3	3
Patrol Units	N/A	N/A	N/A	9	11	12	13	15	15	15
PUBLIC WORKS										
Residential Streets (miles)	N/A	N/A	N/A	53	53	53	53	53	53	58
WATER										
Water Mains (miles)	N/A	N/A	N/A	44.6	44.6	95	95	95	95	98
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)	2.8	2.8	2.8	2.8	4.8	4.8	4.8	4.8	4.8	4.8

N/A - Not available

Data Sources

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