



VILLAGE OF MONTGOMERY, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

MAY 1, 2013—APRIL 30, 2014



VILLAGE OF MONTGOMERY, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2014

Prepared by:

Justin VanVooren
Director of Finance

VILLAGE OF MONTGOMERY, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Principal Officials.....	i
Organization Chart	ii
Certificate of Achievement for Excellence in Financial Reporting	iii
Letter of Transmittal.....	iv-viii
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1-2
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis	MD&A 1-11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	3
Statement of Activities	4-5
Fund Financial Statements	
Governmental Funds	
Balance Sheet	6
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	9

VILLAGE OF MONTGOMERY, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Position.....	10
Statement of Revenues, Expenses and Changes in Fund Net Position.....	11
Statement of Cash Flows.....	12-13

Fiduciary Funds

Statement of Fiduciary Net Position	14
Statement of Changes in Fiduciary Net Position	15

Notes to Financial Statements	16-48
-------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual

General Fund	49-50
--------------------	-------

Schedule of Funding Progress

Illinois Municipal Retirement Fund.....	51
Police Pension Fund	52
Other Postemployment Benefit Plan.....	53

Schedule of Employer Contributions

Illinois Municipal Retirement Fund.....	54
Police Pension Fund	55
Other Postemployment Benefit Plan.....	56

Notes to Required Supplementary Information.....	57
--	----

VILLAGE OF MONTGOMERY, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND FINANCIAL
 STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Capital Improvement Fund.....	58
Debt Service Fund.....	59

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	60-63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	64-67
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Economic Development Fund.....	68
Police Drug Fund.....	69
Motor Fuel Tax Fund	70
Emergency 911 Fund.....	71
Police Gift Fund	72
Montgomery Crossings Special Service Area Fund.....	73
Blackberry Crossings Special Service Area Fund	74
Ogden Hill Special Service Area Fund.....	75
Marquis Pointe Special Service Area Fund	76
Baltimore Special Service Area Fund	77
Arbor Ridge Special Service Area Fund.....	78
Fairfield Way Special Service Area Fund.....	79
Foxmoor Special Service Area Fund	80
Tax Increment Financing District #1 Fund.....	81
Saratoga Springs Special Service Area Fund.....	82
Orchard Prairie North Special Service Area Fund.....	83
Blackberry Crossing West Special Service Area Fund	84
Fieldstone Special Service Area Fund	85
Vehicle Reserve Fund	86

VILLAGE OF MONTGOMERY, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND FINANCIAL
 STATEMENTS AND SCHEDULES (Continued)

MAJOR ENTERPRISE FUND

Combining Schedule of Net Position - Water Department Accounts.....	87
Combining Schedule of Revenues, Expenses and Changes in Net Position - Water Department Accounts	88
Combining Schedule of Cash Flows - Water Department Accounts.....	89
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	
Water Account.....	90
Water Improvement Account.....	91

INTERNAL SERVICE FUND

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	
Employee Insurance Fund	92

FIDUCIARY FUNDS

Police Pension Fund	
Statement of Net Position.....	93
Agency Funds	
Combining Statement of Changes in Assets and Liabilities	94-97

SUPPLEMENTAL DATA

Long-Term Debt Requirements	
General Obligation Alternate Revenue Source Bond Series of 2008A.....	98
General Obligation Alternate Revenue Source Bond Series of 2010.....	99
General Obligation Alternate Revenue Source Bond Series of 2011.....	100
General Obligation Alternate Revenue Source Bond Series of 2014.....	101
Governmental Activities Capital Lease.....	102
Waterworks System Alternate Revenue Source Bond Series of 2007	103
Waterworks System Alternate Revenue Source Bond Series of 2013	104
IEPA Loan Payable 2002	105
IEPA Loan Payable 2011	106

VILLAGE OF MONTGOMERY, ILLINOIS

TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
STATISTICAL SECTION	
Financial Trends	
Net Position by Component	107-108
Change in Net Position.....	109-112
Fund Balances of Governmental Funds	113
Changes in Fund Balances of Governmental Funds	114-115
Revenue Capacity	
Assessed Value and Actual Value of Taxable Property.....	116
Property Tax Rates - Direct and Overlapping Governments	117
Principal Property Taxpayers	118
Property Tax Levies and Collections	119
Total Sales Tax by Category	120
Direct and Overlapping Sales Tax Rates.....	121
Debt Capacity	
Ratios of Outstanding Debt by Type.....	122
Ratios of Net General Bonded Debt Outstanding	123
Direct and Overlapping Governmental Activities Debt.....	124
Legal Debt Margin Information	125
Pledged-Revenue Coverage	126
Demographic and Economic Information	
Demographic and Economic Information	127
Principal Employers	128
Operating Information	
Full-Time Equivalent Employees.....	129
Operating Indicators	130
Capital Asset Statistics.....	131
COMPLIANCE SECTION	
REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE WITH PUBLIC ACT 85-1142.....	132

INTRODUCTORY SECTION

VILLAGE OF MONTGOMERY

Principal Officials
April 30, 2014

VILLAGE PRESIDENT

Matthew Brolley

VILLAGE TRUSTEES

Stan Bond

Peter Heinz

Doug Marecek

Denny Lee

Theresa Sperling

Steve Jungermann

VILLAGE ADMINISTRATOR

Jeff Zoepfel

VILLAGE CLERK

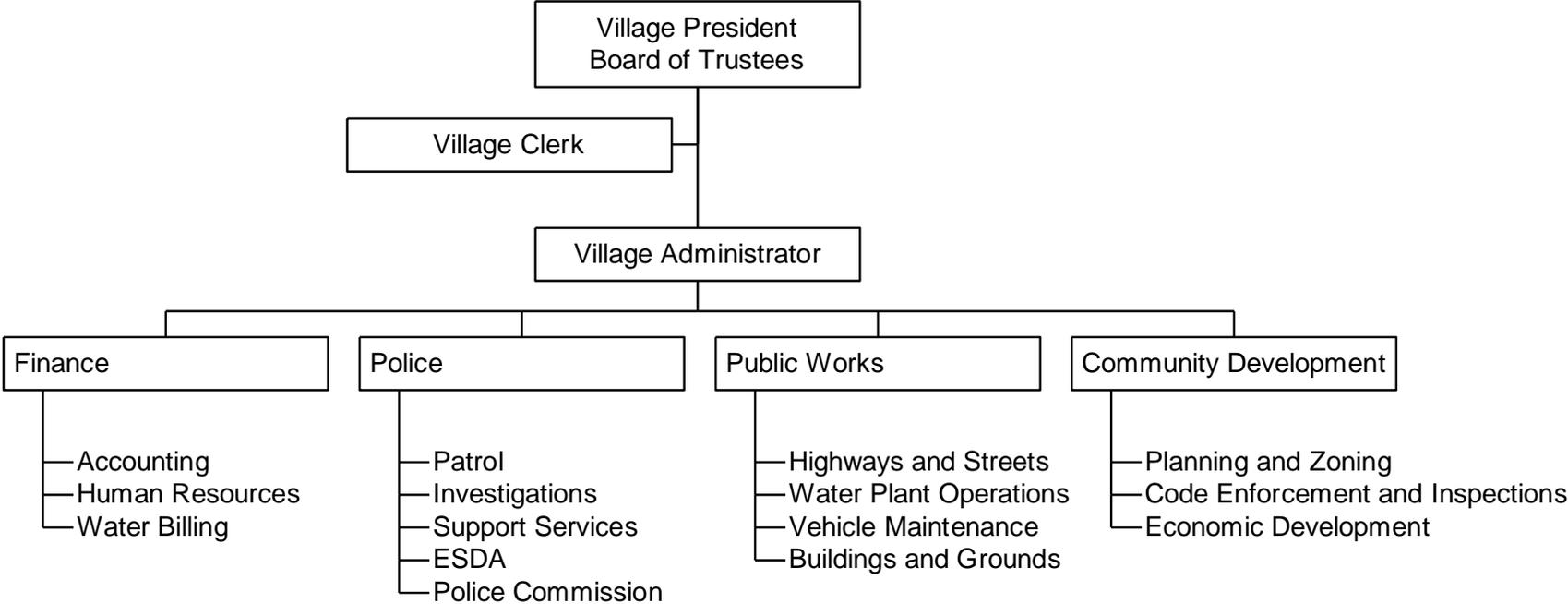
Heidi Dziedzic

DIRECTOR OF FINANCE

Justin VanVooren

VILLAGE OF MONTGOMERY, ILLINOIS

ORGANIZATION CHART





Government Finance Officers Association

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

Presented to

**Village of Montgomery
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2013

Executive Director/CEO



Village Board

Matt Brolley
Village President

October 15, 2014

Heidi Dzedzic
Village Clerk

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

Trustees:

Stan Bond
Peter Heinz
Steve Jungermann
Denny Lee
Doug Marecek
Theresa Sperling

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (GAAS) by an independent firm of certified public accountants. Pursuant to that requirement, the Comprehensive Annual Financial Report (CAFR) of the Village of Montgomery, Illinois (Village) for the fiscal year ended April 30, 2014, is hereby submitted.

Staff

Jeff Zoepfel
Village
Administrator

This report consists of management's representations concerning the finances of the Village. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the Village's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village's financial statements in conformity with GAAP. Because the cost of the internal controls should not exceed anticipated benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free of any material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Daniel Meyers
Chief of Police

Mike Pubentz
Dir. of Public Works

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 for the year ended April 30, 2014, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the Village's financial statements for the fiscal year ended April 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Richard Young
Dir. of Community
Development

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

Profile of the Village of Montgomery

The Village of Montgomery is a growing community nestled along the banks of the Fox River in northern Illinois, located in both southern Kane and northern Kendall counties. Situated approximately 40 miles southwest of Chicago, the Village is bordered by Aurora to the north and east, Oswego and Boulder Hill to the south, Sugar Grove to the northwest, and Yorkville to the southwest. Montgomery also sits at a strategic nexus of multiple regional transportation routes. One of its primary assets is its access to major

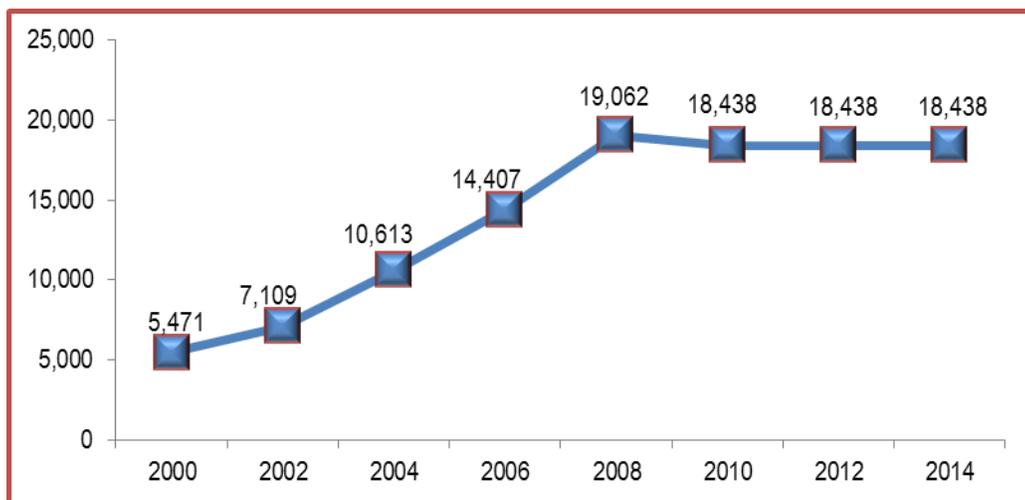
transportation corridors, including U.S. Route 30, U.S. Route 34, IL Route 47, and Interstate 88, which runs east-west approximately 3.5 miles north of the Village.

Montgomery was founded in 1835 by entrepreneur Daniel Gray, who purchased several land grants from the Federal government and pursued industrial development along the Fox River. The settlement was called "Graystown" for several years, but eventually he persuaded the other settlers to call the little village "Montgomery" after the county in New York that he and several other settlers had come from. Daniel Gray was a man of much energy and enterprise. No sooner had he settled in the place than he commenced improvements on a grand scale. A store, foundry, reaper and header manufacturing shop over 100 feet in length, a second foundry built of stone, and one of the best stone grist-mills in the country, appeared in rapid succession. The stone grist mill, built by Gray in 1853, has been beautifully restored and is listed on the National Register of Historic Places. The Village of Montgomery was incorporated in 1858.

Montgomery's early growth continued to align with its industrial roots. After a brief setback in growth, due to the arrival of the McCormick Works at Chicago that out competed Montgomery's reaper plant, the construction of the Chicago, Burlington & Quincy (CB&Q) Railroad reinvigorated local industrial activity. The rail line shipped Montgomery's produce, spring water, and livestock to Chicago markets. In 1899, Riverview Park (later Fox River Park) opened as an amusement park, which drew crowds from as far as Morris and Chicago on express interurbans. The park was replaced in 1943 by United Wallpaper Company and then by AT&T. Lyon Metallic, Montgomery's first modern factory, moved to Montgomery from Chicago in 1906, drawing a reverse commute from Aurora and further stabilizing the economy. The introduction of Caterpillar, the world's leading manufacturer of construction and mining equipment, further cemented the Village's strong industrial core.

For many years, Montgomery maintained a fairly stable population of around 5,000 residents, with 5,471 residents at the 2000 decennial census. However, a sharp increase in residential development after 2000 has altered the industrial character and transformed Montgomery into a more suburban community of 18,438 residents by the 2010 decennial census. Despite an astounding population increase of 237% in just ten years, Montgomery has been successful in maintaining its warm, small-town atmosphere. The graph below shows Montgomery's population growth throughout the years.

Montgomery's Population Growth



Policy making and legislative authority are vested in the Village Board, which consists of the Village President and six Village Trustees. The President is elected at-large to a four-year term and the Trustees are elected at-large to staggered four-year terms. The Village Clerk is also elected to a four year term. The Village Board is responsible for, among other things, passing ordinances and resolutions, adopting the budget, and appointing a full-time professional Village Administrator. The Village Administrator is responsible for the day-to-day operations and staffing of the Village.



The Village Board, pictured from left to right, includes: front row – Village Trustee Pete Heinz, Village President Matt Brolley, Village Trustee Denny Lee; back row – Village Trustee Doug Marecek, Village Clerk Heidi Dziedzic, Village Trustee Steve Jungermann, Village Trustee Theresa Sperling, and Village Trustee Stan Bond.

The Village of Montgomery is committed to providing their citizens with a full range of services including police protection, the construction and maintenance of highways, streets and infrastructure, water treatment and distribution, planning and zoning, and general administrative services.

The annual budget serves as the foundation for the Village's financial planning and control. The operating departments prepare their budget requests and submit them to the Finance Department in January. Upon receipt of the departmental budget requests, the Finance Department compiles the draft budget. Revenue estimates are prepared by the Finance Department based upon historical trends, economic forecasts of

authoritative sources, and anticipated activities and events in the community which are expected to have a local economic impact. The product is the budget as proposed by the Director of Finance to the Village Administrator. The Village Administrator reviews all departmental budget requests, ensures that they are consistent with the priorities and guidance of the Village Board, and fashions a feasible fiscal plan. The overall goal of the process is to have the Village Administrator recommend a balanced budget to the Village Board for review and adoption. The Village Board and staff conduct a series of meetings beginning in February and ending in April. 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; the close of the Village's previous fiscal year.

Local Economy

Municipal revenue streams traditionally have been reasonably constant and predictable. For municipalities in their growth stage, such as Montgomery, expenditure growth frequently exceeds revenue needed to fund new operating and capital programs. The budget cycle provides an opportunity to review lists of new services and programs which could be provided to residents and enhance the Village.

The Village has faced unprecedented challenges over the last couple of years under the Great Recession. Although the recession has ended, the economic recovery continues to be slow amid high unemployment and a decimated housing market with high inventories. The Village has seen the number of foreclosures drop and expects that trend to continue, while purchases of homes already foreclosed upon have been on the increase. The recent economic hardships have dramatically changed the landscape of municipal finance.

The Great Recession hit just as the Village was spending millions of dollars on capital improvements to pay for the dramatic increase in the Village's population. The Village had also seen an increase in the demand for services due to Montgomery's tremendous population growth and had to hire more employees. Health insurance and police pension contributions had increased more than 50% during this time period as well. The Village had to take action to reverse the trend before it depleted its financial reserves. Over the past four years the Village has reduced staffing; moved \$150,000 of snow removal expenditures to the Motor Fuel Tax Fund from the General Fund; reduced or removed salary increases; and eliminated the local Dispatch Center (savings of approximately \$200,000 to use regional dispatch center KenCom).

The Village moved to a pay for performance plan in fiscal year 2013 – 2014 whereby non-represented and Public Works Local 150 union employees will only be given an increase in November based solely on performance. The Police Patrol union employees will still receive the cost of living adjustment (COLA) and step increases as outlined in their contract.

Overall, the Village has taken numerous steps to eliminate the effects of the economic downturn. The Finance Department will continue to analyze the budget during fiscal year 2014 – 2015 as the economic recovery takes hold. The Village wants to ensure the recovery continues and revenue sources come in at or above expectations, while expenditures/expenses come in at or below expectations. A change either way will make it necessary for the Village to reexamine the budget during fiscal year 2014 – 2015.

Long-Term Financial Planning

The Village completed a Five-Year Capital Improvement Program (CIP) for fiscal year 2015 through fiscal year 2019 in association with the fiscal year 2015 operating budget. The Village currently uses only one year for its budgeting, but will update its procedures during fiscal year 2015 to include a three-year financial plan providing for all Village revenues and expenditures. Information will be gathered from each department

regarding major capital projects and changes in operating levels and services that may be needed over the next several years.

Cash Management Policies and Practices

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, and the Illinois Funds. The maturities of the investments range from being immediately accessible to one year. Short-term interest rates remained at historically low levels throughout fiscal year 2014 resulting in only a small amount of investment income. Accordingly, the Village examined its cash and investment practices and the Village Board approved a new investment policy during fiscal year 2014. Major changes in the length and type of investments, in accordance with the investment policy and State law, will be made during fiscal year 2015 to increase the amount of investment income. The Village will look to diversify its portfolio by adding the Illinois Metropolitan Investment Fund, U.S. Government Agency Securities, and Municipal Securities. In addition, the Village will build a laddered portfolio of securities extending out to three years to capture additional yield from longer maturities.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Montgomery for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2013. This was the eleventh consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for a twelfth certificate.

In addition, the Village also received the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award for its fiscal year 2013 – 2014 budget document. This was the second consecutive year the Village has received this award. In order to qualify for the Distinguished Budget Presentation Award, the Village's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my sincere appreciation to all employees of the Village who assisted and contributed to the preparation of this report. In addition, I would like to thank the Village President, Board of Trustees and Village Administrator for their unfailing support for maintaining the highest standards of professionalism in the management of the Village's finances.

Respectfully submitted,



Justin E. VanVooren, CMA, CPA
Director of Finance

FINANCIAL SECTION



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

630.566.8400 // www.sikich.com

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

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 (the Village), as of and for the year ended April 30, 2014, and the related notes to financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Montgomery, Illinois, as of April 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America..

Emphasis of Matter

As discussed in Note 14, the financial statements for the year ended April 30, 2013 have been restated for a change in accounting policy. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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 is not a required part of the basic financial statements. The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections and supplemental data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Naperville, Illinois
October 15, 2014

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

Management's Discussion and Analysis

April 30, 2014

As management of the Village of Montgomery, Illinois (the Village), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2014. Management's Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the our Letter of Transmittal, which can be found on pages iv through viii of this report, and the Village's financial statements, which begin on page 3 of this report. All amounts in the MD&A, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The Village net position as of April 30, 2014 was \$85,844. Of this amount, \$5,307 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position decreased by \$2,249 over the prior year. The decrease reflects approximately \$1,169 and \$1,081 decreases attributable to the general and water operations, respectively, of the Village. The decrease in general operations is a combination of an increase in general revenues as the economy recovers offset by the depreciation of capital assets and other expenses. The decrease in water operations is a result the ongoing depreciation of capital assets.
- As of April 30, 2014, the Village's governmental funds reported combined ending fund balances of \$6,915, an increase of \$459 over the prior year. Approximately 35.3% of this total amount, \$2,439, is available for spending at the Village's discretion (unassigned fund balance).
- In addition, the Village's proprietary funds reported combined ending net position of \$29,398, a decrease of \$1,073 over the prior year. Approximately 8.2% of this total amount, \$2,424, is available for spending at the Village's discretion (unrestricted net position) for proprietary purposes.

Overview of the Financial Statements

The focus of the financial statements is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden the basis for comparison (year to year or government to government) and enhance the Village's accountability.

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Village's assets and deferred outflows of resources, as well as liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-Type Activities). The Governmental Activities reflect the Village's basic services, including general government, public safety, highways and streets and sanitation. The Business-Type Activities include the waterworks and sewerage operations.

The government-wide financial statements can be found on pages 3 through 5 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains twenty-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvement Fund, and Debt Service Fund, all of which are considered to be major funds. Data from the remaining twenty-one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 6 through 9 of this report.

Proprietary Funds. The Village maintains two different types of proprietary funds. Enterprise funds are used to report the same functions as presented in the business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for its water operation. Internal service funds are an accounting device used to accumulate and allocate costs internally amount the Village's various functions. The Village uses an internal service fund to account for providing insurance to Village employees. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water operation, which is considered to be a major fund of the Village, as well as the employee insurance fund.

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

The basic proprietary fund financial statements can be found on pages 10 through 13 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 14 through 15 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 through 48 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget to actual comparisons for the General Fund and the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 49 through 57 of this report.

Individual fund statements and schedules are presented immediately following the required supplementary information discussed above which can be found on pages 58 through 97 of this report.

Financial Analysis of the Village as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$85,844 as of April 30, 2014.

The largest portion of the Village's net position (89.9%) reflects its net investment in capital assets (e.g. land, infrastructure, buildings, improvements, vehicles, and equipment) less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for spending. Although the Village's investment in its

capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Condensed Statement of Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 10,440	\$ 11,861	\$ 4,596	\$ 2,494	\$ 15,036	\$ 14,355
Capital assets	61,547	63,825	36,336	34,843	97,883	98,668
Total assets	71,987	75,686	40,932	37,337	112,919	113,023
Deferred outflows						
Unamortized loss	221	138	-	2	221	140
Total deferred outflows	221	138	-	2	221	140
Liabilities						
Long-term liabilities	12,125	12,869	11,129	6,819	23,254	19,688
Other liabilities	911	2,648	604	240	1,515	2,888
Total liabilities	13,036	15,517	11,733	7,059	24,769	22,576
Deferred inflows						
Deferred taxes	2,527	2,493	-	-	2,527	2,493
Total deferred inflows	2,527	2,493	-	-	2,527	2,493
Net position						
Net investment in						
capital assets	50,230	51,637	26,975	28,096	77,205	79,733
Restricted	3,332	3,413	-	-	3,332	3,413
Unrestricted	3,083	2,764	2,224	2,184	5,307	4,948
Total net position	\$ 56,645	\$ 57,814	\$ 29,199	\$ 30,280	\$ 85,844	\$ 88,094

An additional portion of the Village's net position (3.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (6.2%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of April 30, 2014, the Village was able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The Village's total net position decreased by \$2,249 over the prior year. The decrease reflects approximately \$1,169 and \$1,081 decreases attributable to the general and water operations, respectively, of the Village. The decrease in general operations is a combination of an increase in general revenues as the economy recovers offset by the depreciation of capital assets and other expenses. The decrease in water operations is a result the ongoing depreciation of capital assets.

The Village's unrestricted net position increased by \$359 during the current fiscal year which reflects the increase in general revenues noted above. In addition, the majority of restricted net position is legally restricted to either economic development or certain capital projects. The Village's net investment in capital assets decreased by \$2,528 during the current fiscal year. The Village added \$3,987 of new capital assets, disposed of \$69 of existing capital assets, and had depreciation of \$4,737 during the year.

Table 2
Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 3,026	\$ 2,632	\$ 4,115	\$ 4,008	\$ 7,141	\$ 6,640
Operating grants and contributions	606	634	-	-	606	634
Capital grants and contributions	196	5,635	39	2,269	235	7,904
General revenues:						
Property taxes	2,607	2,570	-	-	2,607	2,570
Other taxes	6,669	6,243	-	-	6,669	6,243
Other	285	409	1	2	286	411
Total revenues	13,389	18,123	4,155	6,279	17,544	24,402
Expenses:						
General government	3,216	3,090	-	-	3,216	3,090
Public safety	5,001	5,016	-	-	5,001	5,016
Highways and streets	4,609	3,818	-	-	4,609	3,818
Sanitation	1,265	1,159	-	-	1,265	1,159
Interest	467	497	-	-	467	497
Water and sewer	-	-	5,236	5,098	5,236	5,098
Total expenses	14,558	13,580	5,236	5,098	19,794	18,678
Change in net position	(1,169)	4,543	(1,081)	1,181	(2,250)	5,724
Net position, May 1	57,814	53,271	30,280	29,099	88,094	82,370
Net position, April 30	\$ 56,645	\$ 57,814	\$ 29,199	\$ 30,280	\$ 85,844	\$ 88,094

Governmental activities. Governmental activities decreased the Village's net position by \$1,169. Key elements of this decrease are as follows:

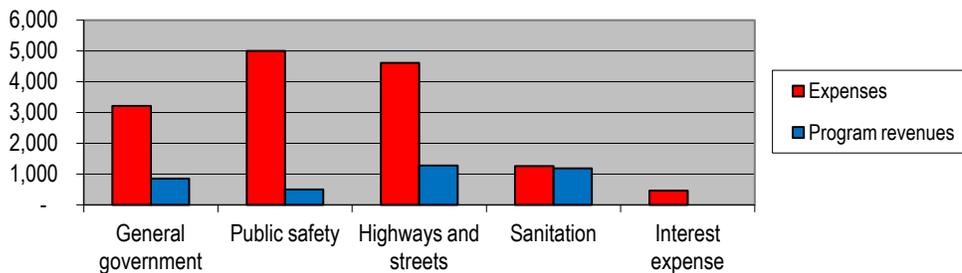
Governmental revenues decreased by \$4,734 (26.1%). Components of this decrease are as follows:

- Capital grants and contributions decreased by \$5,439 (96.5%) due mainly to acceptance of developer contributions in fiscal year 2013 which were not present in fiscal year 2014.
- Charges for services increased by \$394 (15.0%) which reflects the increased contribution of funds to the Vehicle Reserve Fund (internal service fund).
- Other taxes increased by \$426 (6.8%) due mostly to the recovery of the economy and resulting increase in state and local taxes.

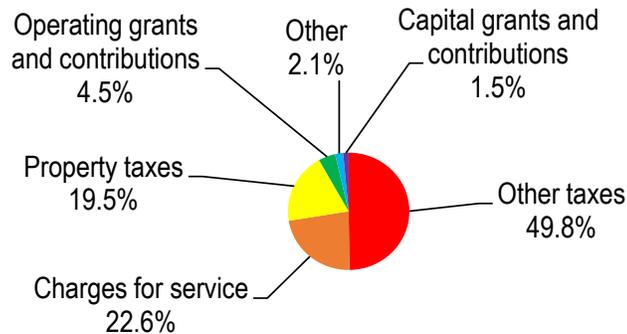
Governmental expenses increased by \$978 (7.2%). Components of this increase are as follows:

- Internal service fund charges to the governmental funds increased by \$318 (2.3%). This reflects a concentration by the Village on reestablishing the Vehicle Reserve Fund.
- The Village purchased a parcel of land adjacent to the Village Hall for \$105 (0.8%). This land will ultimately be used to assist in the redevelopment of the Village's downtown area.
- Salaries, including overtime, increased by \$101 (0.7%). This increase reflects additional employees hired during fiscal year 2014, as well as wage increases for existing employees.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type activities. Business-type activities decreased the Village's net position by \$1,081. Key elements of this decrease are as follows:

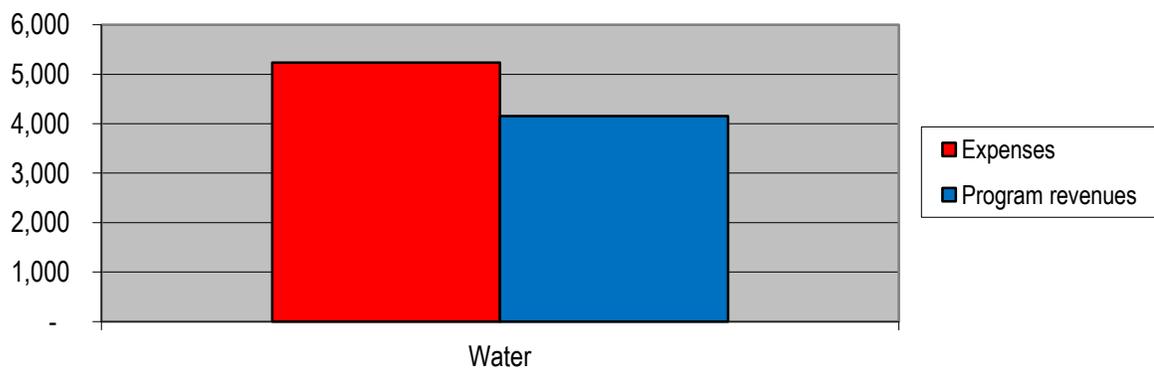
Business-type revenues decreased by \$2,124 (33.8%). Components of this decrease are as follows:

- Capital grants and contributions decreased by \$2,230 (98.3%) due mainly to acceptance of developer contributions in fiscal year 2013 which were not present in fiscal year 2014.

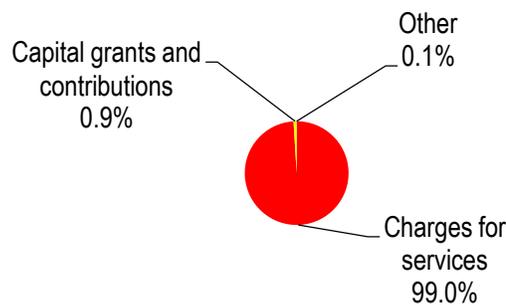
Business-type expenses increased by \$138 (2.7%). Components of this increase are as follows:

- Depreciation of business-type capital assets increased by \$118 (2.3%) due mainly to depreciation on the developer contributions accepted during fiscal year 2013.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of April 30, 2014, the Village's governmental funds reported combined ending fund balances of \$6,915, an increase of \$459 over the prior year. Approximately 35.3% of this total amount, \$2,439, is available for spending at the Village's discretion (unassigned fund balance). The remainder of fund balance is either nonspendable, restricted, or assigned to indicate that it is 1) not in spendable form (\$755), 2) restricted for particular purposes (\$3,332), or 3) assigned for particular purposes (\$389).

The General Fund is the chief operating fund of the Village. As of April 30, 2014, unassigned fund balance of the General Fund was \$2,799. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28.2% (3.4 months) of the total General Fund expenditures, while total fund balance represents 35.8% (4.3 months) of total General Fund expenditures.

The fund balance of the General Fund increased by \$4 to a total of \$3,554 of fund balance at the end of the current fiscal year. The key factors in this increase are 1) increase in state and local taxes due mostly to the recovery of the economy, 2) decreases in dispatch services expenditures, and 3) a transfer of resources to reestablish the Vehicle Reserve Fund.

The fund deficit of the Capital Improvement Fund was reduced by \$214 to a total of \$323 of fund deficit at the end of the current fiscal year. The early repayment of the loan made to a church for the purchase of the old Village Hall accounted for nearly all of the decrease.

The fund balance of the Debt Service Fund increased by \$3 to a total of \$59 of fund balance at the end of the current fiscal year. The timing of receipts versus payment of debt principal and interest accounted for the increase.

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

The Water Fund had a decrease in net position of \$1,081 to a total of \$29,199 of net position at the end of the current fiscal year. Approximately 7.6% of that total is unrestricted net position. Other factors concerning the finances of the Water Fund have already been addressed in the discussion of the Village's business-type activities.

The Employee Insurance Fund had an increase in net position of \$7 to a total of \$199 of net position at the end of the current fiscal year. The Village keeps a balance in this fund to offset any unexpected increases in health and dental insurance for employees.

General Fund Budgetary Highlights

It has been a policy of the Village to not adopt budget amendments during or after the fiscal year. This year was no exception and no General Fund budget amendments occurred during the current fiscal year.

The General Fund revenues were more than the budget by \$448 or 4.7%. The most significant differences between budgeted and actual revenues included 1) state sales tax was \$157 higher than budget to new businesses and the recovery of the economy, 2) reimbursement of professional service fees was \$108 higher than budget due to development and building recovery, and 3) refuse removal revenue was \$72 higher than budgeted due to an increase in price and new residents.

The General Fund expenditures were less than the budget by \$628 or 6.7%. The most significant differences between budgeted and actual expenditures included 1) contributions to the Vehicle Reserve Fund were \$320 higher than budget due to a concentration by the Village on reestablishing the fund, 2) the

Village spent an unbudgeted \$105 on a parcel of land adjacent to the Village Hall which will be used to assist in the redevelopment of the Village downtown area, 3) refuse removal expenditures were \$64 higher than budgeted due to an increase in price and new residents.

Capital Asset and Debt Administration

Capital Assets. The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2014, amounts to \$97,883 (net of accumulated depreciation). This investment in capital assets includes land (including rights-of-way), buildings, improvements other than buildings, vehicles and equipment, and infrastructure (including streets, storm sewers, water mains, water pumping and storage facilities, and sanitary sewers).

Major capital asset events during the current fiscal year included the following:

- The Village purchased a parcel of land adjacent to the Village Hall for \$105. This land will ultimately be used to assist in the redevelopment of the Village's downtown area.
- A total of eight vehicle replacements, as well as the replacement of a Public Works brush chipper, were made during the year totaling \$459. The vehicles replaced included seven Police squads and a Public Works bucket truck.
- The Boulder Hill water main project began in fiscal year 2013 – 2014, where the Village spent \$2,903. The overall project replaces approximately 18,000 feet of water main in the unincorporated Boulder Hill Subdivision to remediate water main quality, small diameter water main, and water main looping issues.
- Depreciation of governmental and business-type activities capital assets totaling \$2,808 and \$1,929, respectively, was taken during the year.

The following schedule summarizes the Village's capital assets.

Table 3
Capital Assets

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Land	\$ 17,933	\$ 17,828	\$ 17	\$ 17	\$ 17,950	\$ 17,845
Construction in progress	1	-	231	231	232	231
Infrastructure	34,775	34,775	54,961	51,539	89,736	86,314
Buildings	22,311	22,311	-	-	22,311	22,311
Improvements other than buildings	1,175	1,175	-	-	1,175	1,175
Vehicles and equipment	2,935	2,545	464	464	3,399	3,009
Less:						
Accumulated depreciation	(17,583)	(14,810)	(19,337)	(17,409)	(36,920)	(32,219)
Total capital assets	\$ 61,547	\$ 63,824	\$ 36,336	\$ 34,842	\$ 97,883	\$ 98,666

Additional information regarding the capital assets can be found in note 6 on pages 30 through 31 of this report.

Long-term Debt. At the end of the current fiscal year, the Village had total debt outstanding of \$22,596 (excluding other postemployment benefit, net pension obligation, and compensated absences). This amount is partially comprised of six general obligation alternate revenue bonds which pledge sales, use, and telecommunications taxes, as well as net revenues of the water system. These bonds further pledge the full faith and credit of the Village should the alternate revenue source be insufficient. The Village abates the property taxes on the Series 2007, Series 2008A, Series 2010, Series 2011, Series 2013, and Series 2014 bonds. The remaining amount of debt outstanding is comprised of two Illinois Environmental Protection Agency (IEPA) loans backed by the net revenues of the water system. The Village's debt increased by \$3,522 (18.5%) during fiscal year 2014.

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

- The Village issued \$3,335 Taxable General Obligation Alternate Refunding Bonds, Series 2014 to advance refund \$3,050 of the General Obligation Alternate Revenue Source Bonds, Series 2010.
- The Village issued \$4,590 General Obligation Alternate Revenue Source Bonds, Series 2013 to fund various water system improvements.
- The Village made its regularly scheduled payments of principal (\$1,480) and interest on the existing outstanding debt.

The following schedule summarizes the Village's indebtedness.

Table 4
Long-Term Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 11,337	\$ 12,325	\$ 6,431	\$ 1,974	\$ 17,768	\$ 14,299
Capital lease	201	-	-	-	201	-
IEPA loans	-	-	4,627	4,775	4,627	4,775
Total long-term debt	\$ 11,538	\$ 12,325	\$ 11,058	\$ 6,749	\$ 22,596	\$ 19,074

Additional information regarding the Village's long-term debt can be found in note 8 on pages 32 through 39 of this report.

Economic Factors and Next Year's Budgets and Rates

The Village's single largest revenue source is sales tax. The Village receives a one percent state sales tax on retail sales of tangible personal property within the Village. Sales tax is collected by the State and is remitted to the Village three months after the liability occurs. Sales tax revenue has nearly doubled from \$1.6 million to \$2.9 million over the last 10 years through the expansion of the commercial and retail sector in Montgomery. In fact, sales tax stayed fairly consistent even through the Great Recession. The Village has budgeted for a 22.5% increase in fiscal year 2014 – 2015 due to the addition of a major business.

The Village, as a service driven organization, continues to expend the greatest percentage of its budget on personal services (wages and benefits). For fiscal year 2014 – 2015, personal services expenditures are expected to total \$6,514,575 or 26.17% of total budgeted expenditures. This is an increase of 4.75% over the fiscal year 2013 – 2014 budgeted expenditures of \$6,218,890. Performance based increases of 0% to 5% were budgeted for non-represented employees. The Village negotiated a new 3-year agreement during fiscal year 2014 with MAP #333 (Metropolitan Alliance of Police) representing patrol officers through April 30, 2016. This contract includes a cost of living increase of 2% each year as well as step increases. In addition, the Village has an existing agreement with IUOE Local 150 (International Union of Operating Engineers) representing Public Works field employees through April 30, 2015. This contract includes performance based increases of 1% to 4%.

The Village will raise resident and non-resident water and sewer service base charges by approximately \$2.75, as well as usage rates by 4% to cover lower usage trends and higher operating expenses including increases in electric costs for pump and lift stations, new requirements from the state and federal governments regarding drinking water, installation costs of replacement water meters, and improvements to wells and lift stations.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Justin E. VanVooren, Director of Finance, Village of Montgomery, 200 North River Street, Montgomery, IL 60538.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 4,418,899	\$ 3,751,232	\$ 8,170,131
Receivables (Net of Allowances for Uncollectibles)			
Property Taxes	2,526,745	-	2,526,745
Accounts	608,838	844,493	1,453,331
Accrued Interest	8	-	8
Prepaid Items	122,681	-	122,681
Due from Other Governments	1,253,461	-	1,253,461
Notes Receivable	1,467,775	-	1,467,775
Due to (from) Fiduciary Funds	41,215	-	41,215
Capital Assets not Being Depreciated	17,934,084	247,533	18,181,617
Capital Assets Being Depreciated (Net of Accumulated Depreciation)	43,613,151	36,088,710	79,701,861
Total Assets	71,986,857	40,931,968	112,918,825
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding	220,733	-	220,733
Total Deferred Outflows of Resources	220,733	-	220,733
Total Assets and Deferred Outflows of Resources	72,207,590	40,931,968	113,139,558
LIABILITIES			
Accounts Payable	678,580	326,053	1,004,633
Retainage Payable	-	123,066	123,066
Accrued Payroll	112,799	11,885	124,684
Accrued Interest	111,917	106,388	218,305
Due to Others	7,436	-	7,436
Unearned Revenue	-	36,000	36,000
Noncurrent Liabilities			
Due Within One Year	786,557	692,452	1,479,009
Due in More than One Year	11,338,586	10,436,909	21,775,495
Total Liabilities	13,035,875	11,732,753	24,768,628
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	2,526,745	-	2,526,745
Total Deferred Inflows of Resources	2,526,745	-	2,526,745
Total Liabilities and Deferred Inflows of Resources	15,562,620	11,732,753	27,295,373
NET POSITION			
Net Investment in Capital Assets	50,229,557	26,974,755	77,204,312
Restricted for			
Subdivision Maintenance	656,233	-	656,233
Subdivision Improvements	64,026	-	64,026
Economic Development	1,709,407	-	1,709,407
Public Safety	193,492	-	193,492
Highways and Streets	709,218	-	709,218
Unrestricted	3,083,037	2,224,460	5,307,497
TOTAL NET POSITION	\$ 56,644,970	\$ 29,199,215	\$ 85,844,185

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2014

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 3,215,504	\$ 749,477	\$ 5,870	\$ 96,985
Public Safety	5,001,049	478,482	21,342	-
Highways and Streets	4,608,540	607,452	578,626	98,726
Sanitation	1,265,497	1,190,325	-	-
Interest	466,594	-	-	-
Total Governmental Activities	14,557,184	3,025,736	605,838	195,711
Business-Type Activities				
Water Department	5,235,850	4,114,506	-	39,361
Total Business-Type Activities	5,235,850	4,114,506	-	39,361
TOTAL PRIMARY GOVERNMENT	\$ 19,793,034	\$ 7,140,242	\$ 605,838	\$ 235,072

	Net (Expense) Revenue and Change in Net Position		
	Governmental Activities	Business-Type Activities	Total
	\$ (2,363,172)	\$ -	\$ (2,363,172)
	(4,501,225)	-	(4,501,225)
	(3,323,736)	-	(3,323,736)
	(75,172)	-	(75,172)
	(466,594)	-	(466,594)
	<u>(10,729,899)</u>	-	<u>(10,729,899)</u>
	-	(1,081,983)	(1,081,983)
	-	(1,081,983)	(1,081,983)
	<u>(10,729,899)</u>	<u>(1,081,983)</u>	<u>(11,811,882)</u>
General Revenues			
Taxes			
Property	2,607,364	-	2,607,364
Replacement	76,855	-	76,855
Sales	2,851,053	-	2,851,053
Utility	1,391,352	-	1,391,352
Local Use	316,541	-	316,541
Video Gaming	17,477	-	17,477
Shared Income Taxes	1,796,712	-	1,796,712
Franchise Fees	218,343	-	218,343
Investment Income	16,143	1,373	17,516
Miscellaneous	269,258	-	269,258
Total	<u>9,561,098</u>	<u>1,373</u>	<u>9,562,471</u>
CHANGE IN NET POSITION	<u>(1,168,801)</u>	<u>(1,080,610)</u>	<u>(2,249,411)</u>
NET POSITION, MAY 1	57,503,830	30,279,825	87,783,655
Prior Period Adjustment	<u>309,941</u>	-	<u>309,941</u>
NET POSITION, MAY 1, RESTATED	<u>57,813,771</u>	<u>30,279,825</u>	<u>88,093,596</u>
NET POSITION, APRIL 30	<u>\$ 56,644,970</u>	<u>\$ 29,199,215</u>	<u>\$ 85,844,185</u>

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2014

	General	Capital Improvement	Debt Service	Nonmajor Governmental Funds	Total
ASSETS					
Cash and Investments	\$ 1,780,167	\$ 250,248	\$ 101,339	\$ 2,147,505	\$ 4,279,259
Property Taxes Receivable	2,096,375	-	-	430,370	2,526,745
Accounts Receivable	522,482	86,356	-	-	608,838
Accrued Interest Receivable	8	-	-	-	8
Prepaid Items	63,250	-	-	-	63,250
Due from Other Governments	1,065,549	99,504	-	88,408	1,253,461
Notes Receivable	-	-	-	1,467,775	1,467,775
Due from Other Funds	37,239	-	-	-	37,239
Due from Fiduciary Funds	-	-	-	41,215	41,215
Advance to Other Funds	691,533	-	-	-	691,533
TOTAL ASSETS	\$ 6,256,603	\$ 436,108	\$ 101,339	\$ 4,175,273	\$ 10,969,323
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 493,294	\$ 59,787	\$ 42,306	\$ 83,193	\$ 678,580
Accrued Payroll	112,799	-	-	-	112,799
Deposits Payable	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Others	-	7,436	-	-	7,436
Due to Other Funds	-	-	-	37,239	37,239
Advance from Other Funds	-	691,533	-	-	691,533
Total Liabilities	606,093	758,756	42,306	120,432	1,527,587
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes	2,096,375	-	-	430,370	2,526,745
Total Deferred Inflows of Resources	2,096,375	-	-	430,370	2,526,745
FUND BALANCES					
Nonspendable					
Long-Term Advance	691,533	-	-	-	691,533
Prepaid Items	63,250	-	-	-	63,250
Restricted for					
Economic Development	-	-	-	1,709,407	1,709,407
Public Safety	-	-	-	193,492	193,492
Highways and Streets	-	-	-	709,218	709,218
Subdivision Maintenance	-	-	-	656,233	656,233
Subdivision Improvements	-	-	-	64,026	64,026
Unrestricted					
Assigned for Debt Service	-	-	59,033	-	59,033
Assigned for Capital	-	-	-	329,933	329,933
Unassigned	2,799,352	(322,648)	-	(37,838)	2,438,866
Total Fund Balances (Deficit)	3,554,135	(322,648)	59,033	3,624,471	6,914,991
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,256,603	\$ 436,108	\$ 101,339	\$ 4,175,273	\$ 10,969,323

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 POSITION**

April 30, 2014

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 6,914,991
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	61,547,235
Internal service fund is reported on the statement of net position but not on the governmental fund financial statements	199,071
Loss on refundings are reported as a deferred outflow of resources on the statement of net position	220,733
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	(11,130,000)
Capital lease payable	(201,467)
Accrued interest payable	(111,917)
Unamortized bond premium	(206,944)
Net pension obligation	(64,641)
Net other postemployment benefit obligation	(40,482)
Compensated absences payable	(481,609)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 56,644,970</u>

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, 2014

	General	Capital Improvement	Debt Service	Nonmajor Governmental Funds	Total
REVENUES					
Property Taxes	\$ 2,174,697	\$ -	\$ -	\$ 432,667	\$ 2,607,364
Other Taxes	3,343,720	1,309,558	-	578,626	5,231,904
Shared Income Taxes	1,796,712	-	-	-	1,796,712
Licenses and Permits	401,960	-	-	-	401,960
Charges for Services	1,633,731	12,337	-	647,275	2,293,343
Intergovernmental	115,630	72,884	-	25,841	214,355
Fines and Forfeits	270,112	-	-	31,334	301,446
Investment Income	7,588	897	-	7,658	16,143
Miscellaneous	139,442	489,083	-	109,599	738,124
Total Revenues	9,883,592	1,884,759	-	1,833,000	13,601,351
EXPENDITURES					
Current					
General Government	2,591,419	36,227	-	46,358	2,674,004
Public Safety	4,175,242	-	-	167,166	4,342,408
Highways and Streets	1,903,813	-	-	1,108,954	3,012,767
Sanitation	1,265,497	-	-	-	1,265,497
Capital Outlay	-	30,732	-	453,034	483,766
Debt Service					
Principal Retirement	-	-	1,190,000	107,966	1,297,966
Interest and Fiscal Charges	-	-	474,225	-	474,225
Total Expenditures	9,935,971	66,959	1,664,225	1,883,478	13,550,633
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(52,379)	1,817,800	(1,664,225)	(50,478)	50,718
OTHER FINANCING SOURCES (USES)					
Transfers In	56,133	-	1,599,525	25,459	1,681,117
Transfers (Out)	-	(1,604,116)	-	(77,001)	(1,681,117)
Capital Lease Issuance	-	-	-	309,433	309,433
Bonds Issued, at Par	-	-	3,335,000	-	3,335,000
Premium on Bonds Issued	-	-	21,989	-	21,989
Payment to Escrow Agent	-	-	(3,289,345)	-	(3,289,345)
Sale of Capital Assets	-	-	-	31,176	31,176
Total Other Financing Sources (Uses)	56,133	(1,604,116)	1,667,169	289,067	408,253
NET CHANGE IN FUND BALANCES	3,754	213,684	2,944	238,589	458,971
FUND BALANCES (DEFICIT), MAY 1	3,552,106	(542,738)	56,089	3,357,307	6,422,764
Prior Period Adjustments	(1,725)	6,406	-	28,575	33,256
FUND BALANCES (DEFICIT), MAY 1 RESTATED	3,550,381	(536,332)	56,089	3,385,882	6,456,020
FUND BALANCES (DEFICIT), APRIL 30	\$ 3,554,135	\$ (322,648)	\$ 59,033	\$ 3,624,471	\$ 6,914,991

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, 2014

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS \$ 458,971

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report refundings and capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities

Capitalized expenditures 565,022
Loss on disposal of capital assets (34,345)

Certain amounts reported as unavailable revenues in governmental funds are reported as revenues on the statement of activities (244,144)

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 (17,925)
Net pension obligation (11,036)
Net other postemployment benefit obligation (13,330)
Principal 1,297,966
Change in interest 58,510
Amortization of bond premium 27,674

The internal service fund change in net position 7,417

The issuance of debt is reported as an other financing source (use) in governmental funds but not on the statement of activities

Capital lease proceeds (309,433)
Bonds issued at par (3,335,000)
Premium on bonds issued (21,989)
Payment to escrow agent 3,289,345

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 (2,807,951)
Amortization of loss on refunding (78,553)

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (1,168,801)

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

April 30, 2014

	Business-Type Activities	Governmental Activities
	Water	Internal Service
CURRENT ASSETS		
Cash and Investments	\$ 3,751,232	\$ 139,640
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accounts	844,493	-
Prepaid Items	-	59,431
Total Current Assets	<u>4,595,725</u>	<u>199,071</u>
NONCURRENT ASSETS		
Capital Assets not Being Depreciated	247,533	-
Capital Assets Being Depreciated		
Cost	55,425,845	-
Accumulated Depreciation	<u>(19,337,135)</u>	<u>-</u>
Net Capital Assets	<u>36,336,243</u>	<u>-</u>
Total Noncurrent Assets	<u>36,336,243</u>	<u>-</u>
Total Assets	<u>40,931,968</u>	<u>199,071</u>
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized Loss on Refunding	<u>-</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>40,931,968</u>	<u>199,071</u>
CURRENT LIABILITIES		
Accounts Payable	326,053	-
Retainage Payable	123,066	-
Accrued Payroll	11,885	-
Interest Payable	106,388	-
Unearned Revenue	36,000	-
Current Portion of Compensated Absences	7,078	-
Current Portion of Bonds and IEPA Loan Payable	<u>685,374</u>	<u>-</u>
Total Current Liabilities	<u>1,295,844</u>	<u>-</u>
NONCURRENT LIABILITIES		
Compensated Absences	63,700	-
General Obligation Bonds Payable	6,006,249	-
IEPA Loan Payable	<u>4,366,960</u>	<u>-</u>
Total Noncurrent Liabilities	<u>10,436,909</u>	<u>-</u>
Total Liabilities	<u>11,732,753</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	26,974,755	-
Unrestricted	<u>2,224,460</u>	<u>199,071</u>
TOTAL NET POSITION	<u>\$ 29,199,215</u>	<u>\$ 199,071</u>

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

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

For the Year Ended April 30, 2014

	Business-Type Activities	Governmental Activities
	Water	Internal Service
OPERATING REVENUES		
Charges for Services	\$ 4,031,937	\$ 760,169
Total Operating Revenues	4,031,937	760,169
OPERATING EXPENSES		
Personal Services	1,461,997	-
Contractual Services	225,355	-
Repairs and Maintenance	520,826	-
Insurance	86,196	752,752
Utilities	292,348	-
Supplies and Miscellaneous	242,186	-
Capital Outlay	35,720	-
Depreciation and Amortization	1,916,942	-
Total Operating Expenses	4,781,570	752,752
OPERATING INCOME (LOSS)	(749,633)	7,417
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	1,373	-
Connection Fees and Reimbursements	82,569	-
Interest Expense and Fiscal Charges	(454,280)	-
Total Non-Operating Revenues (Expenses)	(370,338)	-
NET INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	(1,119,971)	7,417
CAPITAL GRANTS AND CONTRIBUTIONS	39,361	-
CHANGE IN NET POSITION	(1,080,610)	7,417
NET POSITION, MAY 1	30,279,825	191,654
NET POSITION, APRIL 30	\$ 29,199,215	\$ 199,071

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2014

	Business-Type Activities	Governmental Activities
	Water	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	\$ 4,083,079	\$ 158,969
Receipts from Interfund Services	-	601,200
Payments for Interfund Services	(822,775)	-
Payments to Suppliers	(1,095,390)	(812,183)
Payments to Employees	(638,157)	-
	<u>1,526,757</u>	<u>(52,014)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Connection Fees and Reimbursements	95,947	-
	<u>95,947</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(3,422,110)	-
Capital Grants and Loans	39,361	-
Principal Payments on Long-Term Debt	(533,228)	-
Bond Proceeds	4,590,000	-
Loan Proceeds	95,595	-
Interest Paid	(227,090)	-
	<u>542,528</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Restricted Investments	5,689	-
Interest Received	1,618	-
	<u>7,307</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,172,539	(52,014)
CASH AND CASH EQUIVALENTS, MAY 1	1,578,693	191,654
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 3,751,232	\$ 139,640

(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, 2014

	Business-Type Activities	Governmental Activities
	Water	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (749,633)	\$ 7,417
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities		
Depreciation and Amortization	1,916,942	-
Changes in Assets and Liabilities		
Accounts Receivable	51,142	-
Prepaid Expenses	-	(59,431)
Accounts Payable	221,261	-
Retainage Payable	85,980	-
Accrued Payroll	338	-
Accrued Compensated Absences	727	-
	\$ 1,526,757	\$ (52,014)
NET CASH FROM OPERATING ACTIVITIES		
NONCASH TRANSACTIONS		
None	\$ -	\$ -

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION

April 30, 2014

	Police Pension	Agency
ASSETS		
Cash and Short-Term Investments	\$ 316,375	\$ 3,486,600
Receivables		
Accounts Receivable	-	44,275
Accrued Interest Receivable	35,448	-
Investments		
U.S. Agency Obligations	1,115,939	-
U.S. Treasury Obligations	126,184	-
Municipal Bonds	402,146	-
Insurance Company Contracts - Separate Accounts	1,665,796	-
Corporate Bonds	1,310,800	-
Equity Mutual Funds	2,021,430	-
Common Stock	504,055	-
		<hr/>
Total Assets	7,498,173	\$ 3,530,875
		<hr/>
LIABILITIES		
Accounts Payable	-	\$ 4,000
Deposits Payable	-	43,800
Due to Other Funds	-	41,215
Due to Others	-	714,152
Due to Bondholders	-	2,727,708
		<hr/>
Total Liabilities	-	\$ 3,530,875
		<hr/>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
	<hr/>	
	\$ 7,498,173	
	<hr/>	

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
POLICE PENSION FUND**

For the Year Ended April 30, 2014

ADDITIONS

Contributions	
Employer	\$ 388,546
Employee	<u>169,632</u>
Total Contributions	<u>558,178</u>
Investment Income	
Net Appreciation in Fair Value of Investments	351,521
Interest	<u>210,401</u>
Total Investment Income	561,922
Less Investment Expense	<u>(14,829)</u>
Net Investment Income	<u>547,093</u>
Total Additions	<u>1,105,271</u>

DEDUCTIONS

Payments to Retired Members	373,857
Refunds	49,666
Administration	<u>4,927</u>
Total Deductions	<u>428,450</u>

NET INCREASE 676,821

**NET POSITION HELD IN TRUST
FOR PENSION BENEFITS**

May 1	<u>6,821,352</u>
April 30	<u><u>\$ 7,498,173</u></u>

See accompanying notes to financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2014

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 restricted or committed monies (special revenue funds), the funds restricted, committed or assigned for 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).

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 position 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 accounted for in another fund.

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

The Debt Service Fund is used to account for the repayment of the 2008A, 2010, 2011, and 2014 general obligation alternate revenue source bonds that are being repaid with utility taxes restricted for the repayment of the bonds.

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 escrows 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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 non-operating.

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/unavailable revenue on its financial statements. Unearned/unavailable revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned/unavailable 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.

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Cash Equivalents

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

f. Investments

Investments of the Village consist of money market accounts, certificates of deposit with various local financial institutions, various marketable securities, pooled investments and insurance company annuity contracts. Investments are stated at fair value, except for non-negotiable certificates and other 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, \$25,000 for software, \$50,000 for buildings and land improvements, \$50,000 for easements 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:

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	20
Equipment	7 - 10
Vehicles	5 - 10
Water Distribution System	25 - 50
Other Infrastructure	25
Software	5

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 gains/losses on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount while unamortized gains/losses on refundings are reported as deferred inflows/deferred outflows. Bond issuance costs are reported as expenses in the period incurred.

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 Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or are legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions are adopted via ordinance and can only be changed by a subsequent ordinance. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Finance Director by Board Policy No. 03-07. Any residual fund balance in the General Fund and any deficit fund balance of any other governmental fund are reported as unassigned.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned funds and then unassigned funds. The Village has established fund balance reserve policies for its general fund. The policy requires unassigned fund balance to be maintained in the general fund equivalent to 25% of the audited expenditures excluding capital transfers.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net invested in capital assets represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets.

None of the restricted net position or restricted fund balance results from enabling legislation adopted by the Village.

l. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Village has one item that qualifies for reporting in this category. It is the unamortized loss on refunding reported in the government-wide statement of net position. A gain or loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

m. 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.

n. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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 Government 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.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price at which the investment could be sold.

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

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.

a. Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 105% of all bank balances in excess of federal depository insurance with the collateral held by an independent third party or by the Federal Reserve Bank. At April 30, 2014, all of the Village's deposits are covered by federal depository insurance or collateral.

b. Village Investments

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 three years from the date of purchase, except if matched to anticipated cash flow requirement (e.g., bond proceeds), in which case the maximum maturity is five years.

In accordance with its investment policy, 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 diversifying its portfolio and by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. Illinois Funds and the money market funds are rated AAA by Standard and Poor's.

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

b. Village Investments (Continued)

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.

Concentration of credit risk - In accordance with the Village's investment policy, with the exception of U.S. Treasury and U.S. agency securities, as well as Illinois Funds, IMET and Illinois Trust no more than 90% of the Village's total investment portfolio will be invested in a single security type and no more than 50% of the Village's total investment portfolio will be invested with a single financial institution.

c. Police Pension Fund Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Police Pension Fund's deposits may not be returned to them. The Police Pension Fund's 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 Police Pension Fund's agent. At April 30, 2014, all of the Police Pension Fund's deposits were covered by federal depository insurance or collateral.

d. Police Pension Fund Investments

The following table presents the investments and maturities, where applicable, of the Police Pension securities as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Debt Securities					
U.S. Agency Obligations	\$ 1,115,939	\$ 149,064	\$ 563,688	\$ 387,479	\$ 15,708
U.S. Treasury Obligations	126,184	-	101,172	25,012	-
State and Local Obligations	402,146	-	81,409	239,227	81,510
Corporate Securities	1,310,800	169,680	825,228	315,892	-
TOTAL	2,955,069	\$ 318,744	\$ 1,571,497	\$ 967,610	\$ 97,218
Other Securities					
Insurance Company Contracts - Separate Accounts	1,665,796				
Equity Mutual Funds	2,021,430				
Common Stock	504,055				
TOTAL INVESTMENTS	\$ 7,146,350				

2. CASH AND INVESTMENTS (Continued)

d. Police Pension Fund Investments (Continued)

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 to 15 years and 30% to mature within 0 to 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 or corporate securities that are explicitly or implicitly guaranteed by the United States Government or corporate bonds rated in the highest four rating categories. The U.S. agency obligations, state and bond obligations and corporate securities for which ratings were available, range from BBB+ to AA+.

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 Police Pension Fund's name. Bond and equity mutual funds are not subject to custodial credit risk.

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

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

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. NOTES RECEIVABLE

a. 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, 2014:

- During the fiscal year 2006, the Village entered into an installment note with EDM Associates, Inc., in the amount of \$120,000. During the fiscal year 2011, the remaining balance was assumed by Ridgeline Consultants LLC. 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, 2014 was \$26,959.
- During the fiscal year 2014, the Village entered into an installment note with Butterball, LLC, in the amount of \$1,500,000. The note is payable in monthly installments of \$13,141 through November 2023, which includes 1.0% interest on the unpaid balance. The outstanding balance of this note as of April 30, 2014 was \$1,440,816.

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

Year Ending April 30,	Amount
2015	\$ 171,592
2016	171,592
2017	157,789
2018	157,687
2019	157,687
2020	157,687
2021	157,687
2022	157,687
2023	157,687
2024	<u>92,461</u>
Total Principal and Interest	1,539,556
Interest	<u>(71,781)</u>
TOTAL PRINCIPAL	<u>\$ 1,467,775</u>

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. NOTES RECEIVABLE (Continued)

b. Mortgage Receivable

During the year ended April 30, 2011 the Village entered into an agreement with an unrelated third party to sell Lots 4 and 5 of Bierworth Addition to Aurora Township, in the Township of Aurora, Kane County, Illinois, as well as the building on those lots, for a purchase price of \$453,300. The purchase price consisted of a down payment of \$180,300 and a note receivable of \$273,000. The note receivable is due in monthly payments of \$1,727 as principal and interest amortized over 20 years with interest at the rate of 4.5%, which commenced on June 18, 2010. The outstanding balance of the note as of April 30, 2013 was \$244,144. The note was paid off during the fiscal year ending April 30, 2014.

4. RECEIVABLES

The following receivables are included in due from other governments on the statement of net position:

GOVERNMENTAL ACTIVITIES	
Sales Tax	\$ 632,644
Local Use Tax	76,464
Court Fines	11,696
Telecommunications Tax	119,088
Infrastructure Maintenance	54,416
Video Gaming	6,483
Income Tax	282,248
Grants	27,104
Personal Property Replacement Tax	9,326
Motor Fuel Tax	<u>33,992</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,253,461</u>

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

GOVERNMENTAL ACTIVITIES	
Utility Tax	\$ 86,356
Cable Franchise Fees	38,658
Due from Developer	53,304
Engineering Fees	145,863
Garbage	<u>284,657</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 608,838</u>

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. RECEIVABLES (Continued)

BUSINESS-TYPE ACTIVITIES	
Water Sales	\$ 841,696
Tap On Fees	<u>2,797</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 844,493</u>

5. INDIVIDUAL FUND DISCLOSURES

Individual fund advances are as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Improvement	<u>\$ 691,533</u>

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

- \$691,533 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:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 56,133	\$ -
Capital Improvement	-	1,604,116
Debt Service	1,599,525	-
Nonmajor Governmental	<u>25,459</u>	<u>77,001</u>
TOTAL	<u>\$ 1,681,117</u>	<u>\$ 1,681,117</u>

The purposes of the significant individual fund transfers are as follows:

- \$1,599,525 transferred from the Capital Improvements Fund to the Debt Service Fund to fund debt payments with utility and telecommunication taxes. The transfer will not be repaid.
- \$56,133 transferred from the Emergency 911 Fund, Revolving Loan Fund, and Capital Improvement Fund to the General Fund is to offset the costs of dispatch service, Light Road, and reimbursement. The transfer will not be repaid.

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. INDIVIDUAL FUND DISCLOSURES (Continued)

The following funds reported deficit fund balances at April 30, 2014:

Fund	Deficit Fund Balance
Capital Improvement	\$ 322,648
Baltimore Special Service Area Fund	599
Tax Increment Financing District #2 Fund	37,239

6. CAPITAL ASSETS

a. 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	\$ 9,771,696	\$ 105,000	\$ -	\$ 9,876,696
Land Right of Way	8,056,400	-	-	8,056,400
Construction in progress	-	988	-	988
Total Capital Assets not Being Depreciated	17,828,096	105,988	-	17,934,084
Capital Assets Being Depreciated				
Buildings and Improvements	22,310,653	-	-	22,310,653
Land Improvements	1,175,377	-	-	1,175,377
Equipment and Vehicles	2,545,310	459,034	69,545	2,934,799
Infrastructure	34,774,665	-	-	34,774,665
Total Capital Assets Being Depreciated	60,806,005	459,034	69,545	61,195,494
Less Accumulated Depreciation for				
Buildings and Improvements	5,938,121	1,115,533	-	7,053,654
Land Improvements	1,154,509	4,222	-	1,158,731
Equipment and Vehicles	1,983,085	297,209	35,200	2,245,094
Infrastructure	5,733,877	1,390,987	-	7,124,864
Total Accumulated Depreciation	14,809,592	2,807,951	35,200	17,582,343
Total Capital Assets Being Depreciated, Net	45,996,413	(2,348,917)	34,345	43,613,151
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 63,824,509	\$ (2,242,929)	\$ 34,345	\$ 61,547,235

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. CAPITAL ASSETS (Continued)

a. (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 16,533	\$ -	\$ -	\$ 16,533
Construction in Progress	231,000	-	-	231,000
Total Capital Assets not Being Depreciated	247,533	-	-	247,533
Capital Assets Being Depreciated				
Water Distribution System	51,539,290	3,422,110	-	54,961,400
Motor Equipment	189,085	-	-	189,085
Miscellaneous Equipment	275,359	-	-	275,359
Total Capital Assets Being Depreciated	52,003,734	3,422,110	-	55,425,844
Less Accumulated Depreciation for				
Water Distribution System	16,957,533	1,924,668	-	18,882,201
Equipment and Machinery	189,084	-	-	189,084
Miscellaneous Equipment	261,970	3,879	-	265,849
Total Accumulated Depreciation	17,408,587	1,928,547	-	19,337,134
Total Capital Assets Being Depreciated, Net	34,595,147	1,493,563	-	36,088,710
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 34,842,680	\$ 1,493,563	\$ -	\$ 36,336,243

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

GOVERNMENTAL ACTIVITIES	
General Government	\$ 651,758
Public Safety	584,544
Highways and Streets, Including Depreciation of General Infrastructure Assets	<u>1,571,649</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,807,951</u></u>

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 2013 levy was passed on December 9, 2013.

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. PROPERTY TAX CALENDAR (Continued)

- Property taxes for the 2013 levy are due to the County Collector in two installments, June 1, 2014 and September 1, 2014.
- Significant amounts of property taxes for the 2013 levy will be distributed to the Village during June, July, August and September of 2014. The remaining distributions are expected to be received in October and November 2014.
- The 2014 tax levy, which attached as an enforceable lien on property as of January 1, 2014, has not been recorded as a receivable as of April 30, 2014 as the tax has not yet been levied by the Village, and will not be levied until December 2014 and, therefore, the levy is not measurable at April 30, 2014.

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, 2014:

	Balance May 1, Restated	Issuances	Repayments/ Refundings	Balance April 30	Current Portion
2008A General Obligation Alternate Revenue Source Bonds	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -
2010 General Obligation Alternate Revenue Source Refunding Bonds	5,920,000	-	3,950,000	1,970,000	340,000
2011 General Obligation Alternate Revenue Source Refunding Bonds	4,115,000	-	290,000	3,825,000	300,000
2014 Taxable General Obligation Alternate Refunding Bonds	-	3,335,000	-	3,335,000	-
Capital Lease	-	309,433	107,966	201,467	98,396
Bond Premium	290,299	21,989	105,344	206,944	-
Other Postemployment Benefit*	27,152	13,330	-	40,482	-
Net Pension Obligation*	53,605	11,036	-	64,641	-
Compensated Absences*	463,684	64,293	46,368	481,609	48,161
TOTAL GOVERNMENTAL ACTIVITIES LONG-TERM DEBT	\$ 12,869,740	\$ 3,755,081	\$ 4,499,678	\$ 12,125,143	\$ 786,557

* Repaid by the General Fund.

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

a. Governmental Activities (Continued)

Governmental activities long-term debt payable at April 30, 2014 is comprised of the following issues:

General Obligation Alternate Revenue Source Bonds, Series 2008A 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. \$ 2,000,000

General Obligation Alternate Revenue Source Refunding Bonds Series 2010 dated June 1, 2010 payable from utility, telecommunication and sales taxes payable to the Village. These bonds were partially refunded in the fiscal year ending April 30, 2014. The remaining bonds are due in annual amounts of \$340,000 to \$605,000 through December 1, 2017 with interest payable each June 1 and December 1 at rates from 2.00% to 4.00%, and are being repaid by the Debt Service Fund. 1,970,000

General Obligation Alternate Revenue Source Refunding Bonds Series 2011 dated December 15, 2011 payable from utility, telecommunication and sales taxes payable to the Village. The bonds are due in annual amounts of \$205,000 to \$450,000 through December 1, 2024 with interest payable each June 1 and December 1 at rates from 2.00% to 3.125%, and are being repaid by the Debt Service Fund. 3,825,000

Taxable General Obligation Alternate Refunding Bonds Series 2014 dated April 29, 2014 payable from utility, telecommunication and sales taxes payable to the Village. The bonds are due in annual amounts of \$630,000 to \$710,000 through December 1, 2024 with interest payable each June 1 and December 1 at rates from 3.00% to 3.50%, and are being repaid by the Debt Service Fund. 3,335,000

The Village entered into a capital lease on June 6, 2013 of \$309,008 to purchase six public safety vehicles. The principal is paid in annual installments of \$107,966 over three years including interest at 4.75%. The lease is being repaid by the Vehicle Reserve Fund. 201,467

TOTAL GOVERNMENTAL ACTIVITIES DEBT PAYABLE \$ 11,331,467

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

a. Governmental Activities (Continued)

Debt service to maturity for these issues is as follows:

Fiscal Year	Series 2008A General Obligation Alternate Revenue Source Bonds		Series 2010 General Obligation Alternate Revenue Source Refunding Bonds		Series 2011 General Obligation Alternate Revenue Source Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2015	\$ -	\$ 100,000	\$ 340,000	\$ 71,275	\$ 300,000
2016	-	100,000	475,000	61,075	250,000	89,950
2017	-	100,000	550,000	42,075	205,000	84,950
2018	-	100,000	605,000	24,200	205,000	80,850
2019	1,000,000	100,000	-	-	375,000	76,750
2020	1,000,000	50,000	-	-	385,000	68,312
2021	-	-	-	-	395,000	59,168
2022	-	-	-	-	405,000	49,294
2023	-	-	-	-	420,000	38,663
2024	-	-	-	-	435,000	27,113
2025	-	-	-	-	450,000	14,063
TOTAL	\$ 2,000,000	\$ 550,000	\$ 1,970,000	\$ 198,625	\$ 3,825,000	\$ 685,063

Fiscal Year	Series 2014 Taxable General Obligation Alternate Refunding Bonds		Capital Lease Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2015	\$ -	\$ 62,622	\$ 98,396	\$ 9,570	\$ 738,396
2016	-	106,340	103,071	4,896	828,071	362,261
2017	-	106,340	-	-	755,000	333,365
2018	-	106,340	-	-	810,000	311,390
2019	-	106,340	-	-	1,375,000	283,090
2020	-	106,340	-	-	1,385,000	224,652
2021	630,000	106,340	-	-	1,025,000	165,508
2022	645,000	87,440	-	-	1,050,000	136,734
2023	665,000	68,090	-	-	1,085,000	106,753
2024	685,000	48,140	-	-	1,120,000	75,253
2025	710,000	24,850	-	-	1,160,000	38,913
TOTAL	\$ 3,335,000	\$ 929,182	\$ 201,467	\$ 14,466	\$ 11,331,467	\$ 2,377,336

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

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

The following is a summary of changes in Business-Type Activities/Enterprise Fund long-term debt of the Village for the year ended April 30, 2014:

	Balance May 1	Issuances	Repayments	Balance April 30	Current Portion
2007 General Obligation Alternative Revenue Source Refunding Bonds	\$ 1,965,000	\$ -	\$ 290,000	\$ 1,675,000	\$ 305,000
2013 General Obligation Alternate Bonds	-	4,590,000	-	4,590,000	120,000
IEPA Loans Payable	4,774,966	95,595	243,228	4,627,333	260,374
Bond Premium	8,909	171,285	13,944	166,250	-
Compensated Absences	70,051	7,732	7,005	70,778	7,078
TOTAL ENTERPRISE FUND	\$ 6,818,926	\$ 4,864,612	\$ 554,177	\$ 11,129,361	\$ 692,452

Total Business-Type Activities/Enterprise Fund bonded debt payable at April 30, 2014 is comprised of the following issues:

General Obligation Alternative Revenue Source Refunding 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. \$ 1,675,000

General Obligation Alternate Bonds, Series 2013, 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 \$120,000 to \$280,000 from December 1, 2015 through December 1, 2038, with interest at 3% - 4% payable each June 1 and December 1. 4,590,000

Installment Loan Payable #1 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. 594,703

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

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

Installment Loan Payable #2 agreement with the Illinois Environmental Protection Agency for advances of up to \$4,336,971 for rehabilitation of the water treatment plant, drilling of well #15, installation of well #15 water main and improvements to well #14. The advances bear interest at 1.250% and require semiannual payments of principal and interest. \$ 4,032,630

TOTAL ENTERPRISE FUND DEBT PAYABLE \$ 10,892,333

Debt service to maturity for these issues is as follows:

Fiscal Year	Series 2007 Bond		Series 2013 Bond	
	Principal	Interest	Principal	Interest
2015	\$ 305,000	\$ 66,162	\$ 120,000	\$ 169,900
2016	320,000	54,116	125,000	166,300
2017	335,000	41,476	125,000	162,550
2018	350,000	28,242	130,000	158,800
2019	365,000	14,418	135,000	154,900
2020	-	-	140,000	150,850
2021	-	-	145,000	146,650
2022	-	-	145,000	142,300
2023	-	-	150,000	137,950
2024	-	-	155,000	133,450
2025	-	-	160,000	128,800
2026	-	-	165,000	122,400
2027	-	-	175,000	115,800
2028	-	-	180,000	108,800
2029	-	-	190,000	101,600
2030	-	-	195,000	94,000
2031	-	-	205,000	86,200
2032	-	-	210,000	78,000
2033	-	-	220,000	69,600
2034	-	-	230,000	60,800
2035	-	-	240,000	51,600
2036	-	-	245,000	42,000
2037	-	-	255,000	32,200
2038	-	-	270,000	22,000
2039	-	-	280,000	11,200
TOTAL	<u>\$ 1,675,000</u>	<u>\$ 204,414</u>	<u>\$ 4,590,000</u>	<u>\$ 2,648,650</u>

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

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

Fiscal Year	IEPA Loan#1		IEPA Loan #2		Total Principal	Total Interest
	Principal	Interest	Principal	Interest		
2015	\$ 59,276	\$ 15,514	\$ 201,098	\$ 49,782	\$ 685,374	\$ 301,358
2016	60,872	13,918	203,620	47,260	709,492	281,594
2017	62,511	12,279	206,173	44,707	728,684	261,012
2018	64,194	10,596	208,758	42,122	752,952	239,760
2019	65,922	8,868	211,376	39,504	777,298	217,690
2020	67,698	7,092	214,027	36,853	421,725	194,795
2021	69,521	5,269	216,711	34,169	431,232	186,088
2022	71,393	3,397	219,428	31,452	435,821	177,149
2023	73,316	1,474	222,178	28,702	445,494	168,126
2024	-	-	224,965	25,915	379,965	159,365
2025	-	-	227,786	23,094	387,786	151,894
2026	-	-	230,642	20,238	395,642	142,638
2027	-	-	233,534	17,346	408,534	133,146
2028	-	-	236,462	14,418	416,462	123,218
2029	-	-	239,427	11,453	429,427	113,053
2030	-	-	242,429	8,451	437,429	102,451
2031	-	-	245,469	5,411	450,469	91,611
2032	-	-	248,547	2,333	458,547	80,333
2033	-	-	-	-	220,000	69,600
2034	-	-	-	-	230,000	60,800
2035	-	-	-	-	240,000	51,600
2036	-	-	-	-	245,000	42,000
2037	-	-	-	-	255,000	32,200
2038	-	-	-	-	270,000	22,000
2039	-	-	-	-	280,000	11,200
TOTAL	\$ 594,703	\$ 78,407	\$ 4,032,630	\$ 483,210	\$ 10,892,333	\$ 3,414,681

c. Special Service Area 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, 2014, \$117,848 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 were paid from escrow during the fiscal year ended April 30, 2012. The refunding special assessment bonds, dated December 1, 2006, were outstanding as of April 30, 2014 and totaled \$11,466,962. 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, 2014, there was one IDRB outstanding with an original par value of \$7,100,000.

f. Pledged Revenues

The Village has issued Alternate Revenue Source Bonds for which they have pledged future revenue streams. The Series 2007 General Obligation Alternate Revenue Source Bonds, issued for various water system improvements, are payable by a pledge of the Village's water operations revenue. The 2007 bonds have a remaining total pledge of \$1,879,414, with the bonds maturing December 1, 2018. During the current fiscal year, the pledge of water revenues for the 2007 bonds of \$367,618 was approximately 8.85% of total water revenues.

The 2008A General Obligation Alternate Revenue Source Bonds, issued for the construction of the Village Hall, are payable from a pledge of sales tax, telecommunication and use tax, with a remaining total pledge of \$2,550,000 with the bonds maturing December 1, 2019. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$100,000 was approximately 2.74% of total sales, telecommunication and use tax.

8. LONG-TERM DEBT (Continued)

f. Pledged Revenues (Continued)

The 2010 General Obligation Alternate Revenue Source Refunding Bonds, issued to refund the Series 2002A General Obligation Alternate Revenue Source Bonds, are payable from a pledge of sales tax, telecommunication and use tax, with a remaining total pledge of \$2,168,625 with the bonds maturing December 1, 2017. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$1,107,275 was approximately 30.34% of total sales, telecommunication and use tax.

The 2011 General Obligation Alternate Revenue Source Refunding Bonds, issued to refund the Series 2005 General Obligation Alternate Revenue Source Bonds, are payable from a pledge of sales tax, telecommunication and use tax, with a remaining total pledge of \$4,510,063 with the bonds maturing December 1, 2024. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$391,750 was approximately 10.73% of total sales, telecommunication and use tax.

The 2013 General Obligation Alternate Revenue Source Bonds, issued for various water system improvements, are payable from a pledge of the Village's water operations revenue, with a remaining total pledge of \$7,238,650 with the bonds maturing December 1, 2038. During the current fiscal year, the pledge of water revenues of \$80,231 was approximately 1.93% of total water operations revenue.

The 2014 Taxable General Obligation Alternate Refunding Bonds, issued to refund a portion the Series 2010 General Obligation Alternate Revenue Source Bonds, are payable from a pledge of sales tax, telecommunication and use tax, with a remaining total pledge of \$4,264,182 with the bonds maturing December 1, 2024. During the current fiscal year, no debt service was required to be paid.

g. Refunding

On April 29, 2014, the Village issued \$3,335,000 Taxable General Obligation Alternate Refunding Bonds, Series 2014, to advance refund, through an in-substance defeasance, \$3,050,000 of the General Obligation Alternate Revenue Source Bonds, Series 2010. The bonds will be paid from escrow on December 1, 2014, December 1, 2015, December 1, 2016 and December 1, 2017. Through the refunding, the Village increased its debt service by \$927,182 and achieved an economic loss of \$226,875. The amount of bonds outstanding to be paid from escrow at April 30, 2014 was \$3,050,000.

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, 2014, for the current or prior claim years. In addition, the Village provides health insurance to its employees through a third party indemnity policy. The Village pays an annual premium to the insurance company for its coverage. Settled claims have not exceeded the coverage in the current or preceding two fiscal years.

10. COMMITMENTS AND CONTINGENCIES

Economic Incentive

The Village has entered into economic development agreements with three companies in Montgomery to provide sales tax rebates. The agreements require the Village to rebate to the companies different levels of additional sales tax generated by the facilities. The total expenditures paid during the year ended April 30, 2014 was \$584,660, and the total cumulative expenditures incurred to date in rebates of current development agreements was \$3,863,995.

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 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.

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

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. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) 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.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten 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 IMRF as specified by statute. The employer contribution for fiscal year ended April 30, 2014 was 13.44% 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 April 30, 2014, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	7
Current Employees	
Vested	11
Nonvested	13
	<hr/>
TOTAL	<u>31</u>

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired as police officers prior to January 1, 2011) attaining the age of 50 or older 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 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% 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% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired as police officers on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

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 January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2014, the Village's contribution was 21.23% of covered payroll.

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

b. Significant Investments

Significant investments are defined as investments in any one organization that represent 5% or more of plan net assets for the Police Pension Plan (other than U.S. Government guaranteed obligations). At April 30, 2014, the Village had two separate annuity contracts and one equity mutual fund that were valued at greater than 5% of the total plan net assets for the Police Pension Plan. Information for IMRF is not available.

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial Valuation Date	December 31, 2011	May 1, 2013
Actuarial Cost Method	Entry-age Normal	Projected Unit Credit
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	30 Years, Open	28 Years, Closed
Significant Actuarial Assumptions		
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	7.00% Compounded Annually
b) Projected Salary Increase - Attributable to Inflation	4.00% Compounded Annually	5.50% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	0.4% to 10.0%	N/A
d) Postretirement Benefit Increases	3.00%	3.00%

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs (Continued)

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.

	Fiscal Year	Illinois Municipal Retirement	Police Pension
Annual Pension Cost (APC)	2012	\$ 282,337	\$ 293,908
	2013	322,234	363,719
	2014	307,891	399,582
Actual Contribution	2012	\$ 282,337	\$ 324,493
	2013	322,234	331,778
	2014	307,891	388,546
Percentage of APC Contributed	2012	100.00%	110.40%
	2013	100.00%	91.21%
	2014	100.00%	97.23%
NPO (Asset)	2012	\$ -	\$ 21,664
	2013	-	53,605
	2014	-	64,641

The net pension obligation (asset) has been calculated as follows as of April 30, 2014:

	<u>Police Pension</u>
Annual Required Contributions	\$ 397,879
Interest on Net Pension Obligation	3,751
Adjustment to Annual Required Contribution	<u>(2,048)</u>
Annual Pension Cost	399,582
Contributions Made	<u>388,546</u>
Increase in Net Pension Obligation	11,036
Net Pension Obligation (Asset), May 1, Restated*	<u>53,605</u>
NET PENSION OBLIGATION (ASSET), APRIL 30	<u>\$ 64,641</u>

*The net position obligation was restated at May 1, 2013 to change to the Projected Unit Credit actuarial cost method.

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

d. Funded Status

The funded status of the plans as of April 30, 2014, based on actuarial valuations performed as of December 31, 2013 for IMRF and April 30, 2014 for the Police Pension Fund 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)	\$ 6,112,238	\$ 10,137,331
Actuarial Value of Plan Assets	4,297,526	7,538,608
Unfunded Actuarial Accrued Liability (UAAL)	1,814,712	2,598,723
Funded Ratio (Actuarial Value of Plan Assets/AAL)	70.31%	74.36%
Covered Payroll (Active Plan Members)	\$ 2,327,889	\$ 1,829,493
UAAL as a Percentage of Covered Payroll	77.96%	142.05%

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.

12. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides other postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and ILCS. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental activities.

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Benefits Provided

The Village provides continued health insurance coverage at the active employee rate to all eligible employees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the Village's retirement plans. For village non-uniformed employees (IMRF retirees), upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from the Village's insurance provider. Retired uniformed police personnel are allowed to continue in the Village's plan indefinitely.

c. Membership

At April 30, 2013, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	10
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	
Vested	27
Nonvested	23
	<hr/>
TOTAL	<u>60</u>
Participating Employers	<u>1</u>

d. Funding Policy

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

VILLAGE OF MONTGOMERY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2012	\$ 31,455	\$ 24,773	78.76%	\$ 20,563
April 30, 2013	31,362	24,773	78.99%	27,152
April 30, 2014	56,726	43,396	76.50%	40,482

The net OPEB obligation as of April 30, 2014, was calculated as follows:

Annual Required Contribution	\$ 56,576
Interest on Net OPEB Obligation	1,086
Adjustment to Annual Required Contribution	<u>(936)</u>
Annual OPEB Cost	56,726
Contributions Made	<u>43,396</u>
Increase in Net OPEB Obligation	13,330
Net OPEB Obligation, Beginning of Year	<u>27,152</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 40,482</u>

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2013 (most recent data available) was as follows:

Actuarial Accrued Liability (AAL)	\$ 882,324
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	882,324
Funded Ratio (Actuarial Value of Plan Assets/AAL)	N/A
Covered Payroll (Active Plan Members)	3,442,427
UAAL as a Percentage of Covered Payroll	N/A

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2013 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a discount rate of 5% and an initial healthcare cost trend rate of 8% with an ultimate healthcare inflation rate of 6%. Both rates include a 3% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2013 was 30 years.

13. SUBSEQUENT EVENTS

On May 8, 2014, the Village accepted a loan from the IEPA of \$2,570,986, subject to actual costs incurred, to improve the Village's waterworks system including a water main replacement program. The loan will be due in semi-annual installments commencing May 1, 2015 and will mature on November 1, 2034 with an interest rate of 1.995%. The construction of the assets that will be financed is expected to commence on June 1, 2014.

14. PRIOR PERIOD ADJUSTMENTS

At May 1, 2013, the Village increased net position of governmental activities by \$33,256, decreased fund balance in the General Fund by \$1,725, increased fund balance in the Capital Improvement Fund by \$6,406 and increased fund balance in the Motor Fuel Tax Fund by \$28,575 to correct grant revenue recognition. In addition, the Village increased net position of governmental activities by an additional \$276,685 to change actuarial cost methods for the police pension plan to the Projected Unit Credit method, which also reduced the net pension obligation.

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, 2014

	Original and Final Budget	Actual
REVENUES		
Property Taxes Including Road and Bridge	\$ 2,181,800	\$ 2,174,697
Other Taxes		
Sales	2,694,000	2,851,053
Personal Property Replacement	38,500	76,855
Photo and Local Use	298,695	316,541
Video Gaming	-	17,477
Utility	89,615	81,794
Total Other Taxes	<u>3,120,810</u>	<u>3,343,720</u>
State Shared Income Taxes	1,758,985	1,796,712
Licenses and Permits	326,170	401,960
Charges for Services	1,406,070	1,633,731
Intergovernmental	103,200	115,630
Fines and Forfeits	424,500	270,112
Investment Income	10,000	7,588
Miscellaneous	104,100	139,442
Total Revenues	<u>9,435,635</u>	<u>9,883,592</u>
EXPENDITURES		
Current		
General Government		
Elected Officials	140,715	163,587
Administration Office	490,555	416,522
Finance Office	585,420	374,572
Legal Services	157,620	166,713
Engineering Services	182,000	201,413
Community Development - Planning/Zoning	282,370	318,183
Community Development - Code Enforcement	273,195	272,769
Community Development - Economic Development	646,360	677,660
Total General Government	<u>2,758,235</u>	<u>2,591,419</u>
Public Safety		
Police Administration	525,380	563,349
Police Support Services	549,340	538,737
Police Patrol	2,639,730	2,817,620
Police Investigations	141,615	248,175
Police Commission	4,960	5,408
Emergency Services and Disaster Agency	2,200	1,953
Total Public Safety	<u>3,863,225</u>	<u>4,175,242</u>

(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, 2014

	Original and Final Budget	Actual
EXPENDITURES (Continued)		
Current (Continued)		
Highways and Streets		
Public Works Administration	\$ 118,135	\$ 127,897
Public Works Highways and Streets	783,230	1,041,255
Public Works Vehicle Maintenance	198,400	262,955
Public Works Buildings and Grounds	391,260	471,706
	<hr/>	<hr/>
Total Highways and Streets	1,491,025	1,903,813
	<hr/>	<hr/>
Sanitation		
Public Works Sanitation	1,170,795	1,224,299
Storm Sewer	25,000	41,198
	<hr/>	<hr/>
Total Sanitation	1,195,795	1,265,497
	<hr/>	<hr/>
Total Expenditures	9,308,280	9,935,971
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	127,355	(52,379)
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfers In	-	56,133
	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	56,133
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 127,355	3,754
	<hr/>	<hr/>
FUND BALANCE, MAY 1		3,552,106
Prior Period Adjustment		<hr/> (1,725)
FUND BALANCES, MAY 1, RESTATED		<hr/> 3,550,381
		<hr/>
FUND BALANCE, APRIL 30		\$ 3,554,135
		<hr/>

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2014

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)
2008	\$ 4,902,281	\$ 6,365,318	77.02%	\$ 1,463,037	\$ 2,756,757	53.07%
2009	4,682,596	5,999,912	78.04%	1,317,316	2,497,690	52.74%
2010	3,862,434	5,626,419	68.65%	1,763,985	2,307,168	76.46%
2011	4,040,584	6,117,528	66.05%	2,076,944	2,340,676	88.73%
2012	4,744,395	6,892,040	68.84%	2,147,645	2,480,122	86.59%
2013	4,297,526	6,112,238	70.31%	1,814,712	2,327,889	77.96%

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

April 30, 2014

Actuarial* Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(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)
2009	\$ 5,509,865	\$ 6,949,576	79.28%	\$ 1,439,711	\$ 1,370,759	105.03%
2010	6,047,147	8,293,467	72.91%	2,246,320	1,300,567	172.72%
2011	5,948,391	8,970,413	66.31%	3,022,022	1,392,700	216.99%
2012	6,424,550	9,719,250	66.10%	3,294,700	1,410,349	233.61%
2013	6,940,564	10,597,930	65.49%	3,657,366	1,638,052	223.28%
2014	7,538,608	10,137,331	74.36%	2,598,723	1,829,493	142.05%

*The actuarial valuations for April 30, 2009 and April 30, 2010 were prepared using the entry-age normal actuarial cost method. The actuarial valuations for April 30, 2011, April 30, 2012, April 30, 2013 and April 30, 2014 were prepared using the projected unit credit actuarial cost method.

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2014

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2010	\$ -	\$ 481,239	0.00%	\$ 481,239	\$ 3,868,449	12.44%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	-	882,324	0.00%	882,324	3,442,427	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010.

Information for prior years is not available.

N/A - Valuation not performed.

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

April 30, 2014

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2009	\$ 259,010	\$ 259,010	100.00%
2010	261,859	261,859	100.00%
2011	258,237	258,237	100.00%
2012	282,337	282,337	100.00%
2013	322,234	322,234	100.00%
2014	307,891	307,891	100.00%

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

April 30, 2014

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)*	Percentage Contributed
2009	\$ 221,667	\$ 238,474	92.95%
2010	239,611	337,385	71.02%
2011	241,802	290,008	83.38%
2012	324,493	292,583	110.91%
2013	331,778	363,170	91.36%
2014	388,546	397,879	97.65%

*The annual required contribution for April 30, 2009 and April 30, 2010 was determined using the entry-age normal actuarial cost method. The annual required contribution for April 30, 2011, April 30, 2012, April 30, 2013 and April 30, 2014 was determined using the projected unit credit actuarial cost method.

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2014

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 24,773	\$ 32,081	77.22%
2011	24,773	31,224	79.34%
2012	24,773	31,224	79.34%
2013	24,773	31,224	79.34%
2014	43,396	56,726	76.50%

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010.

Information for prior years is not available.

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2014

1. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted for all funds except for the Lakewood Special Assessments and Tax Increment Financing District #2. 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:

	Budget	Expenditures
General Fund	\$ 9,308,280	\$ 9,935,971
Debt Service Fund	1,599,525	1,664,225
Economic Development Fund	2,500	7,419
Police Drug Fund	10,750	76,826
Montgomery Crossings Special Service Area Fund	58,810	62,822
Blackberry Crossing West Special Service Area Fund	16,205	17,422
Baltimore Special Service Area Fund	24,725	25,511
Saratoga Springs Special Service Area Fund	6,780	13,764
Orchard Prairie North Special Service Area Fund	20,230	21,599
Fieldstone Special Service Area Fund	3,810	4,024
Vehicle Reserve Fund	165,000	561,000

**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

CAPITAL PROJECTS FUNDS

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

DEBT SERVICE FUNDS

Debt Service Fund - to account for the repayment of the 2008A, 2010, 2011 and 2014 general obligation alternate revenue source bonds that are being repaid with utility taxes.

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, 2014

	Original and Final Budget	Actual
REVENUES		
Other Taxes		
Utility Taxes	\$ 1,250,000	\$ 1,309,558
Charges for Services	-	12,337
Intergovernmental	96,000	72,884
Investment Income	10,550	897
Miscellaneous	2,000	489,083
	<hr/>	<hr/>
Total Revenues	1,358,550	1,884,759
	<hr/>	<hr/>
EXPENDITURES		
Current		
General Government	-	36,227
Capital Outlay	106,000	30,732
	<hr/>	<hr/>
Total Expenditures	106,000	66,959
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,252,550	1,817,800
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfer (Out)	(1,599,525)	(1,604,116)
	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(1,599,525)	(1,604,116)
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (346,975)	213,684
	<hr/>	<hr/>
FUND BALANCE (DEFICIT), MAY 1		(542,738)
		<hr/>
Prior Period Adjustment		6,406
		<hr/>
FUND BALANCES (DEFICIT), MAY 1, RESTATED		(536,332)
		<hr/>
FUND BALANCE (DEFICIT), APRIL 30		\$ (322,648)
		<hr/>

(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, 2014

	Original and Final Budget	Actual
REVENUES		
None	\$ -	\$ -
Total Revenues	-	-
EXPENDITURES		
Debt Service		
Principal Retirement	1,190,000	1,190,000
Interest and Fiscal Charges	409,525	474,225
Total Expenditures	1,599,525	1,664,225
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,599,525)	(1,664,225)
OTHER FINANCING SOURCES (USES)		
Transfers In	1,599,525	1,599,525
Bonds Issued, at Par	-	3,335,000
Premium on Bonds Issued	-	21,989
Payment to Escrow Agent	-	(3,289,345)
Total Other Financing Sources (Uses)	1,599,525	1,667,169
NET CHANGE IN FUND BALANCE	\$ -	2,944
FUND BALANCE, MAY 1		56,089
FUND BALANCE, APRIL 30		\$ 59,033

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Economic Development Fund - to account for the community development revolving loan program funded by a grant restricted to provide loans 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 restricted by the donors to be used for educational and equipment expenditures for the police force.

Montgomery Crossing Special Service Area Fund - to account for the special service area tax that is restricted for the maintenance of common areas in the Montgomery Crossing development.

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

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

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

Baltimore Special Service Area Fund - to account for the special service area tax that is restricted for the maintenance of common areas in the Baltimore development.

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

Tax Increment Financing (TIF) District #1 Fund - to account for the taxes restricted for expenditures incurred related to the Village's U.S. Route 30 and Fifth Street TIF District.

Tax Increment Financing (TIF) District #2 Fund - to account for the taxes restricted for expenditures incurred related to the Village's Orchard Road and Aucutt Road TIF District.

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

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

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

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

CAPITAL PROJECTS FUNDS

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2014

	<u>Special Revenue</u>			
	<u>Economic Development</u>	<u>Police Drug</u>	<u>Motor Fuel Tax</u>	<u>Emergency 911</u>
ASSETS				
Cash and Investments	\$ 122,661	\$ 86,815	\$ 671,985	\$ 106,488
Property Taxes Receivable	-	-	-	-
Due from Other Governments	-	-	88,408	-
Due from Fiduciary Funds	-	-	-	-
Notes Receivable	1,467,775	-	-	-
TOTAL ASSETS	\$ 1,590,436	\$ 86,815	\$ 760,393	\$ 106,488
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 8,478	\$ 51,175	\$ -
Due to Other Funds	-	-	-	-
Total Liabilities	-	8,478	51,175	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	8,478	51,175	-
FUND BALANCES				
Restricted for				
Economic Development	1,590,436	-	-	-
Public Safety	-	78,337	-	106,488
Highways and Streets	-	-	709,218	-
Subdivision Maintenance	-	-	-	-
Subdivision Improvements	-	-	-	-
Unrestricted				
Assigned for Capital	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,590,436	78,337	709,218	106,488
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,590,436	\$ 86,815	\$ 760,393	\$ 106,488

Special Revenue							
Police Gift	Montgomery Crossing Special Service Area	Blackberry Crossing Special Service Area	Ogden Hill Special Service Area	Marquis Pointe Special Service Area	Baltimorea Special Service Area	Arbor Ridge Special Service Area	
\$ 8,741	\$ 116,746	\$ 58,409	\$ 25,332	\$ 21,073	\$ 1,501	\$ 31,996	
-	65,346	18,005	20,025	12,024	27,470	18,800	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
\$ 8,741	\$ 182,092	\$ 76,414	\$ 45,357	\$ 33,097	\$ 28,971	\$ 50,796	
\$ 74	\$ 3,652	\$ 788	\$ 378	\$ 222	\$ 2,100	\$ 1,063	
-	-	-	-	-	-	-	
74	3,652	788	378	222	2,100	1,063	
-	65,346	18,005	20,025	12,024	27,470	18,800	
-	65,346	18,005	20,025	12,024	27,470	18,800	
74	68,998	18,793	20,403	12,246	29,570	19,863	
-	-	-	-	-	-	-	
8,667	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	113,094	57,621	24,954	20,851	-	30,933	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	(599)	-	
8,667	113,094	57,621	24,954	20,851	(599)	30,933	
\$ 8,741	\$ 182,092	\$ 76,414	\$ 45,357	\$ 33,097	\$ 28,971	\$ 50,796	

(This statement is continued on the following pages.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2014

	Special Revenue			
	Fairfield Way Special Service Area	Foxmoor Special Service Area	Tax Increment Financing District #1	Tax Increment Financing District #2
ASSETS				
Cash and Investments	\$ 95,633	\$ 108,899	\$ 118,971	\$ -
Property Taxes Receivable	65,215	67,399	38,850	-
Due from Other Governments	-	-	-	-
Due from Fiduciary Funds	41,215	-	-	-
Notes Receivable	-	-	-	-
TOTAL ASSETS	\$ 202,063	\$ 176,298	\$ 157,821	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 2,625	\$ 3,208	\$ -	\$ -
Due to Other Funds	-	-	-	37,239
Total Liabilities	2,625	3,208	-	37,239
DEFERRED INFLOWS OF RESOURCES				
Unavailable Property Taxes	65,215	67,399	38,850	-
Total Deferred Inflows of Resources	65,215	67,399	38,850	-
Total Liabilities and Deferred Inflows of Resources	67,840	70,607	38,850	37,239
FUND BALANCES				
Restricted for				
Economic Development	-	-	118,971	-
Public Safety	-	-	-	-
Highways and Streets	-	-	-	-
Subdivision Maintenance	134,223	105,691	-	-
Subdivision Improvements	-	-	-	-
Unrestricted				
Assigned for Capital	-	-	-	-
Unassigned	-	-	-	(37,239)
Total Fund Balances	134,223	105,691	118,971	(37,239)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 202,063	\$ 176,298	\$ 157,821	\$ -

Special Revenue				Capital Projects			Total
Saratoga Springs Special Service Area	Orchard Prairie North Special Service Area	Blackberry Crossing West Special Service Area	Fieldstone Special Service Area	Vehicle Reserve	Lakewood Special Assessments		
\$ 46,058	\$ 24,613	\$ 88,200	\$ 19,425	\$ 329,933	\$ 64,026	\$ 2,147,505	
7,530	22,480	62,996	4,230	-	-	430,370	
-	-	-	-	-	-	88,408	
-	-	-	-	-	-	41,215	
-	-	-	-	-	-	1,467,775	
\$ 53,588	\$ 47,093	\$ 151,196	\$ 23,655	\$ 329,933	\$ 64,026	\$ 4,175,273	
\$ 3,880	\$ 1,629	\$ 3,321	\$ 600	\$ -	\$ -	\$ 83,193	
-	-	-	-	-	-	37,239	
3,880	1,629	3,321	600	-	-	120,432	
7,530	22,480	62,996	4,230	-	-	430,370	
7,530	22,480	62,996	4,230	-	-	430,370	
11,410	24,109	66,317	4,830	-	-	550,802	
-	-	-	-	-	-	1,709,407	
-	-	-	-	-	-	193,492	
-	-	-	-	-	-	709,218	
42,178	22,984	84,879	18,825	-	-	656,233	
-	-	-	-	-	64,026	64,026	
-	-	-	-	329,933	-	329,933	
-	-	-	-	-	-	(37,838)	
42,178	22,984	84,879	18,825	329,933	64,026	3,624,471	
\$ 53,588	\$ 47,093	\$ 151,196	\$ 23,655	\$ 329,933	\$ 64,026	\$ 4,175,273	

(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, 2014

	Special Revenue			
	Economic Development	Police Drug	Motor Fuel Tax	Emergency 911
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	578,626	-
Charges for Services	-	-	5,832	81,045
Intergovernmental	-	-	25,841	-
Fines and Forfeits	-	31,334	-	-
Investment Income	7,539	-	116	-
Miscellaneous	-	-	-	-
Total Revenues	7,539	31,334	610,415	81,045
EXPENDITURES				
Current				
General Government	7,419	-	-	-
Public Safety	-	76,826	-	89,534
Highways and Streets	-	-	671,288	-
Capital Outlay	-	-	-	-
Debt Service				
Principal Retirement	-	-	-	-
Total Expenditures	7,419	76,826	671,288	89,534
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	120	(45,492)	(60,873)	(8,489)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	(11,542)	-	-	(40,000)
Capital Lease Issuance	-	-	-	-
Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	(11,542)	-	-	(40,000)
NET CHANGE IN FUND BALANCES	(11,422)	(45,492)	(60,873)	(48,489)
FUND BALANCES (DEFICIT), MAY 1	1,601,858	123,829	741,516	154,977
Prior Period Adjustments	-	-	28,575	-
FUND BALANCES (DEFICIT), MAY 1 RESTATED	1,601,858	123,829	770,091	154,977
FUND BALANCES (DEFICIT), APRIL 30	\$ 1,590,436	\$ 78,337	\$ 709,218	\$ 106,488

Special Revenue							
Police Gift	Montgomery Crossing Special Service Area	Blackberry Crossing Special Service Area	Ogden Hill Special Service Area	Marquis Pointe Special Service Area	Baltimorea Special Service Area	Arbor Ridge Special Service Area	
\$ -	\$ 65,121	\$ 18,342	\$ 20,022	\$ 12,022	\$ 27,471	\$ 22,669	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
2,697	-	-	-	-	-	-	
2,697	65,121	18,342	20,022	12,022	27,471	22,669	
-	-	-	-	-	-	-	
806	-	-	-	-	-	-	
-	62,822	17,422	12,300	6,624	25,511	19,870	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
806	62,822	17,422	12,300	6,624	25,511	19,870	
1,891	2,299	920	7,722	5,398	1,960	2,799	
-	-	-	-	25,459	-	-	
-	-	-	(25,459)	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	(25,459)	25,459	-	-	
1,891	2,299	920	(17,737)	30,857	1,960	2,799	
6,776	110,795	56,701	42,691	(10,006)	(2,559)	28,134	
-	-	-	-	-	-	-	
6,776	110,795	56,701	42,691	(10,006)	(2,559)	28,134	
\$ 8,667	\$ 113,094	\$ 57,621	\$ 24,954	\$ 20,851	\$ (599)	\$ 30,933	

(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, 2014

	Special Revenue			
	Fairfield Way Special Service Area	Foxmoor Special Service Area	Tax Increment Financing District #1	Tax Increment Financing District #2
REVENUES				
Property Taxes	\$ 64,989	\$ 67,341	\$ 37,726	\$ -
Other Taxes	-	-	-	-
Charges for Services	-	-	-	-
Intergovernmental	-	-	-	-
Fines and Forfeits	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	64,989	67,341	37,726	-
EXPENDITURES				
Current				
General Government	-	-	1,700	37,239
Public Safety	-	-	-	-
Highways and Streets	114,037	39,066	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal Retirement	-	-	-	-
Total Expenditures	114,037	39,066	1,700	37,239
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(49,048)	28,275	36,026	(37,239)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Capital Lease Issuance	-	-	-	-
Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	(49,048)	28,275	36,026	(37,239)
FUND BALANCES (DEFICIT), MAY 1	183,271	77,416	82,945	-
Prior Period Adjustments	-	-	-	-
FUND BALANCES (DEFICIT), MAY 1 RESTATED	183,271	77,416	82,945	-
FUND BALANCES (DEFICIT), APRIL 30	\$ 134,223	\$ 105,691	\$ 118,971	\$ (37,239)

Special Revenue				Capital Projects			Total Nonmajor Governmental
Saratoga Springs Special Service Area	Orchard Prairie North Special Service Area	Blackberry Crossing West Special Service Area	Fieldstone Special Service Area	Vehicle Reserve	Lakewood Special Assessments		
\$ 7,311	\$ 22,455	\$ 62,977	\$ 4,221	\$ -	\$ -	\$ 432,667	
-	-	-	-	-	-	578,626	
-	-	-	-	560,398	-	647,275	
-	-	-	-	-	-	25,841	
-	-	-	-	-	-	31,334	
-	-	-	-	-	3	7,658	
-	-	-	-	-	106,902	109,599	
7,311	22,455	62,977	4,221	560,398	106,905	1,833,000	
-	-	-	-	-	-	46,358	
-	-	-	-	-	-	167,166	
13,764	21,599	51,668	4,024	-	48,959	1,108,954	
-	-	-	-	453,034	-	453,034	
-	-	-	-	107,966	-	107,966	
13,764	21,599	51,668	4,024	561,000	48,959	1,883,478	
(6,453)	856	11,309	197	(602)	57,946	(50,478)	
-	-	-	-	-	-	25,459	
-	-	-	-	-	-	(77,001)	
-	-	-	-	309,433	-	309,433	
-	-	-	-	31,176	-	31,176	
-	-	-	-	340,609	-	289,067	
(6,453)	856	11,309	197	340,007	57,946	238,589	
48,631	22,128	73,570	18,628	(10,074)	6,080	3,357,307	
-	-	-	-	-	-	28,575	
48,631	22,128	73,570	18,628	(10,074)	6,080	3,385,882	
\$ 42,178	\$ 22,984	\$ 84,879	\$ 18,825	\$ 329,933	\$ 64,026	\$ 3,624,471	

(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, 2014

	Original and Final Budget	Actual
REVENUES		
Investment Income	\$ 1,230	\$ 7,539
Total Revenues	<u>1,230</u>	<u>7,539</u>
EXPENDITURES		
Current		
General Government	<u>2,500</u>	<u>7,419</u>
Total Expenditures	<u>2,500</u>	<u>7,419</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,270)</u>	<u>120</u>
OTHER FINANCING SOURCES (USES)		
Transfers (Out)	<u>-</u>	<u>(11,542)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(11,542)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,270)</u>	<u>(11,422)</u>
FUND BALANCE, MAY 1		<u>1,601,858</u>
FUND BALANCE, APRIL 30		<u><u>\$ 1,590,436</u></u>

(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, 2014

	Original and Final Budget	Actual
REVENUES		
Fines and Forfeits	\$ 29,500	\$ 31,334
Total Revenues	<u>29,500</u>	<u>31,334</u>
EXPENDITURES		
Current		
Public Safety	<u>10,750</u>	<u>76,826</u>
Total Expenditures	<u>10,750</u>	<u>76,826</u>
NET CHANGE IN FUND BALANCE	<u>\$ 18,750</u>	(45,492)
FUND BALANCE, MAY 1		<u>123,829</u>
FUND BALANCE, APRIL 30		<u>\$ 78,337</u>

(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, 2014

	Original and Final Budget	Actual
REVENUES		
Other Taxes		
Motor Fuel Taxes	\$ 479,868	\$ 578,626
Intergovernmental	37,748	25,841
Charges for Services	5,400	5,832
Investment Income	250	116
	<hr/>	<hr/>
Total Revenues	523,266	610,415
	<hr/>	<hr/>
EXPENDITURES		
Current		
Highways and Streets	865,400	671,288
	<hr/>	<hr/>
Total Expenditures	865,400	671,288
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (342,134)	(60,873)
	<hr/>	<hr/>
FUND BALANCE, MAY 1		741,516
		<hr/>
Prior Period Adjustment		28,575
		<hr/>
FUND BALANCE, MAY 1, RESTATED		770,091
		<hr/>
FUND BALANCE, APRIL 30		\$ 709,218
		<hr/> <hr/>

(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, 2014

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 40,000	\$ 81,045
Total Revenues	<u>40,000</u>	<u>81,045</u>
EXPENDITURES		
Current		
Public Safety	<u>150,000</u>	<u>89,534</u>
Total Expenditures	<u>150,000</u>	<u>89,534</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(110,000)</u>	<u>(8,489)</u>
OTHER FINANCING SOURCES (USES)		
Transfers (Out)	<u>-</u>	<u>(40,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(40,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (110,000)</u>	(48,489)
FUND BALANCE, MAY 1		<u>154,977</u>
FUND BALANCE, APRIL 30		<u><u>\$ 106,488</u></u>

(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, 2014

	Original and Final Budget	Actual
REVENUES		
Miscellaneous	\$ 250	\$ 2,697
Total Revenues	<u>250</u>	<u>2,697</u>
EXPENDITURES		
Current		
Public Safety	<u>1,000</u>	<u>806</u>
Total Expenditures	<u>1,000</u>	<u>806</u>
NET CHANGE IN FUND BALANCE	<u>\$ (750)</u>	1,891
FUND BALANCE, MAY 1		<u>6,776</u>
FUND BALANCE, APRIL 30		<u><u>\$ 8,667</u></u>

(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, 2014

	Original and Final Budget	Actual
REVENUES		
Property Taxes	\$ 65,345	\$ 65,121
Total Revenues	<u>65,345</u>	<u>65,121</u>
EXPENDITURES		
Current		
Highways and Streets	<u>58,810</u>	<u>62,822</u>
Total Expenditures	<u>58,810</u>	<u>62,822</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,535</u>	2,299
FUND BALANCE, MAY 1		<u>110,795</u>
FUND BALANCE, APRIL 30		<u>\$ 113,094</u>

(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, 2013

	Original and Final Budget	Actual
REVENUES		
Property Taxes	\$ 18,005	\$ 18,342
Total Revenues	<u>18,005</u>	<u>18,342</u>
EXPENDITURES		
Current		
Highways and Streets	<u>16,205</u>	<u>17,422</u>
Total Expenditures	<u>16,205</u>	<u>17,422</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,800</u>	920
FUND BALANCE, MAY 1		<u>56,701</u>
FUND BALANCE, APRIL 30		<u>\$ 57,621</u>

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OGDEN HILL SPECIAL SERVICE AREA FUND**

For the Year Ended April 30, 2014

	Original and Final Budget	Actual
REVENUES		
Property Taxes	\$ 20,000	\$ 20,022
Total Revenues	<u>20,000</u>	<u>20,022</u>
EXPENDITURES		
Current		
Highways and Streets	<u>18,000</u>	<u>12,300</u>
Total Expenditures	<u>18,000</u>	<u>12,300</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,000</u>	<u>7,722</u>
OTHER FINANCING SOURCES (USES)		
Transfers (Out)	<u>-</u>	<u>(25,459)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(25,459)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,000</u>	<u>(17,737)</u>
FUND BALANCE, MAY 1		<u>42,691</u>
FUND BALANCE, APRIL 30		<u><u>\$ 24,954</u></u>

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MARQUIS POINTE SPECIAL SERVICE AREA FUND**

For the Year Ended April 30, 2014

	Original and Final Budget	Actual
REVENUES		
Property Taxes	\$ 12,000	\$ 12,022
Total Revenues	<u>12,000</u>	<u>12,022</u>
EXPENDITURES		
Current		
Highways and Streets	<u>10,800</u>	<u>6,624</u>
Total Expenditures	<u>10,800</u>	<u>6,624</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,200</u>	<u>5,398</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>-</u>	<u>25,459</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>25,459</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,200</u>	30,857
FUND BALANCE (DEFICIT), MAY 1		<u>(10,006)</u>
FUND BALANCE, APRIL 30		<u>\$ 20,851</u>

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

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

For the Year Ended April 30, 2014

	Original and Final Budget	Actual
REVENUES		
Property Taxes	\$ 27,470	\$ 27,471
Total Revenues	<u>27,470</u>	<u>27,471</u>
EXPENDITURES		
Current		
Highways and Streets	<u>24,725</u>	<u>25,511</u>
Total Expenditures	<u>24,725</u>	<u>25,511</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,745</u>	1,960
FUND BALANCE (DEFICIT), MAY 1		<u>(2,559)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (599)</u>

(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, 2014

	Original and Final Budget	Actual
REVENUES		
Property Taxes	\$ 28,240	\$ 22,669
Total Revenues	<u>28,240</u>	<u>22,669</u>
EXPENDITURES		
Current		
Highways and Streets	<u>25,420</u>	<u>19,870</u>
Total Expenditures	<u>25,420</u>	<u>19,870</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,820</u>	2,799
FUND BALANCE, MAY 1		<u>28,134</u>
FUND BALANCE, APRIL 30		<u><u>\$ 30,933</u></u>

(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, 2014

	Original and Final Budget	Actual
REVENUES		
Property Taxes	\$ 65,215	\$ 64,989
Total Revenues	<u>65,215</u>	<u>64,989</u>
EXPENDITURES		
Current		
Highways and Streets	<u>137,895</u>	<u>114,037</u>
Total Expenditures	<u>137,895</u>	<u>114,037</u>
NET CHANGE IN FUND BALANCE	<u>\$ (72,680)</u>	(49,048)
FUND BALANCE, MAY 1		<u>183,271</u>
FUND BALANCE, APRIL 30		<u><u>\$ 134,223</u></u>

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

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

For the Year Ended April 30, 2014

	Original and Final Budget	Actual
REVENUES		
Property Taxes	\$ 67,400	\$ 67,341
Total Revenues	<u>67,400</u>	<u>67,341</u>
EXPENDITURES		
Current		
Highways and Streets	<u>60,660</u>	<u>39,066</u>
Total Expenditures	<u>60,660</u>	<u>39,066</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,740</u>	28,275
FUND BALANCE, MAY 1		<u>77,416</u>
FUND BALANCE, APRIL 30		<u>\$ 105,691</u>

(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 #1 FUND**

For the Year Ended April 30, 2014

	Original and Final Budget	Actual
REVENUES		
Property Taxes	\$ 33,000	\$ 37,726
Total Revenues	<u>33,000</u>	<u>37,726</u>
EXPENDITURES		
Current		
General Government	24,000	1,700
Capital Outlay	43,670	-
Total Expenditures	<u>67,670</u>	<u>1,700</u>
NET CHANGE IN FUND BALANCE	<u>\$ (34,670)</u>	36,026
FUND BALANCE, MAY 1		<u>82,945</u>
FUND BALANCE, APRIL 30		<u><u>\$ 118,971</u></u>

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SARATOGA SPRINGS SPECIAL SERVICE AREA FUND**

For the Year Ended April 30, 2014

	Original and Final Budget	Actual
REVENUES		
Property Taxes	\$ 7,530	\$ 7,311
Total Revenues	<u>7,530</u>	<u>7,311</u>
EXPENDITURES		
Current		
Highways and Streets	<u>6,780</u>	<u>13,764</u>
Total Expenditures	<u>6,780</u>	<u>13,764</u>
NET CHANGE IN FUND BALANCE	<u>\$ 750</u>	(6,453)
FUND BALANCE, MAY 1		<u>48,631</u>
FUND BALANCE, APRIL 30		<u>\$ 42,178</u>

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ORCHARD PRAIRIE NORTH SPECIAL SERVICE AREA FUND**

For the Year Ended April 30, 2014

	Original and Final Budget	Actual
REVENUES		
Property Taxes	\$ 22,480	\$ 22,455
Total Revenues	<u>22,480</u>	<u>22,455</u>
EXPENDITURES		
Current		
Highways and Streets	<u>20,230</u>	<u>21,599</u>
Total Expenditures	<u>20,230</u>	<u>21,599</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,250</u>	856
FUND BALANCE, MAY 1		<u>22,128</u>
FUND BALANCE, APRIL 30		<u>\$ 22,984</u>

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

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

For the Year Ended April 30, 2014

	Original and Final Budget	Actual
REVENUES		
Property Taxes	\$ 62,995	\$ 62,977
Total Revenues	<u>62,995</u>	<u>62,977</u>
EXPENDITURES		
Current		
Highways and Streets	<u>56,700</u>	<u>51,668</u>
Total Expenditures	<u>56,700</u>	<u>51,668</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,295</u>	11,309
FUND BALANCE, MAY 1		<u>73,570</u>
FUND BALANCE, APRIL 30		<u>\$ 84,879</u>

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

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

For the Year Ended April 30, 2014

	Original and Final Budget	Actual
REVENUES		
Property Taxes	\$ 4,230	\$ 4,221
Total Revenues	<u>4,230</u>	<u>4,221</u>
EXPENDITURES		
Current		
Highways and Streets	<u>3,810</u>	<u>4,024</u>
Total Expenditures	<u>3,810</u>	<u>4,024</u>
NET CHANGE IN FUND BALANCE	<u>\$ 420</u>	197
FUND BALANCE, MAY 1		<u>18,628</u>
FUND BALANCE, APRIL 30		<u><u>\$ 18,825</u></u>

(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, 2014

	Original and Final Budget	Actual
REVENUES		
Charges for Services	\$ 165,000	\$ 560,398
Total Revenues	<u>165,000</u>	<u>560,398</u>
EXPENDITURES		
Capital Outlay	165,000	453,034
Debt Service		
Principal Retirement	-	107,966
Total Expenditures	<u>165,000</u>	<u>561,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(602)</u>
OTHER FINANCING SOURCES (USES)		
Capital Lease Issuance	-	309,433
Sale of Capital Assets	2,000	31,176
Total Other Financing Sources (Uses)	<u>2,000</u>	<u>340,609</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 2,000</u></u>	340,007
FUND BALANCE (DEFICIT), MAY 1		<u>(10,074)</u>
FUND BALANCE, APRIL 30		<u><u>\$ 329,933</u></u>

(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 POSITION
WATER DEPARTMENT ACCOUNTS

April 30, 2014

	Water	Water Improvement	Eliminations	Total
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 2,740,950	\$ 1,010,282	\$ -	\$ 3,751,232
Accounts Receivable	841,696	2,797	-	844,493
Total Current Assets	3,582,646	1,013,079	-	4,595,725
Capital Assets not Being Depreciated	247,533	-	-	247,533
Capital Assets Being Depreciated				
Cost	55,425,845	-	-	55,425,845
Accumulated Depreciation	(19,337,135)	-	-	(19,337,135)
Net Capital Assets	36,336,243	-	-	36,336,243
Total Assets	39,918,889	1,013,079	-	40,931,968
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	39,918,889	1,013,079	-	40,931,968
CURRENT LIABILITIES				
Accounts Payable	73,126	252,927	-	326,053
Retainage Payable	-	123,066	-	123,066
Accrued Payroll	11,885	-	-	11,885
Interest Payable	106,388	-	-	106,388
Unearned Revenue	36,000	-	-	36,000
Current Portion of Compensated Absences	7,078	-	-	7,078
Current Portion of Bonds and IEPA Loan Payable	685,374	-	-	685,374
Total Current Liabilities	919,851	375,993	-	1,295,844
NONCURRENT LIABILITIES				
General Obligation Bonds Payable	6,006,249	-	-	6,006,249
IEPA Loan Payable	4,366,960	-	-	4,366,960
Compensated Absences	63,700	-	-	63,700
Total Noncurrent Liabilities	10,436,909	-	-	10,436,909
Total Liabilities	11,356,760	375,993	-	11,732,753
NET POSITION				
Net Investment in Capital Assets	26,974,755	-	-	26,974,755
Unrestricted	1,587,374	637,086	-	2,224,460
TOTAL NET POSITION	\$ 28,562,129	\$ 637,086	\$ -	\$ 29,199,215

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

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

For the Year Ended April 30, 2014

	Water			
	Water	Improvement	Eliminations	Total
OPERATING REVENUES				
Charges for Services	\$ 4,031,937	\$ -	\$ -	\$ 4,031,937
Total Operating Revenues	4,031,937	-	-	4,031,937
OPERATING EXPENSES				
Personal Services	1,461,997	-	-	1,461,997
Contractual Services	225,355	-	-	225,355
Repairs and Maintenance	370,336	150,490	-	520,826
Insurance	86,196	-	-	86,196
Utilities	292,348	-	-	292,348
Supplies and Miscellaneous	242,186	-	-	242,186
Depreciation and Amortization	1,916,942	-	-	1,916,942
Capital Outlay	-	35,720	-	35,720
Total Operating Expenses	4,595,360	186,210	-	4,781,570
OPERATING INCOME (LOSS)	(563,423)	(186,210)	-	(749,633)
NON-OPERATING REVENUES (EXPENSES)				
Investment Income	1,373	-	-	1,373
Connection Fees and Reimbursements	-	82,569	-	82,569
Grant Revenue	-	39,361	-	39,361
Interest Expense and Fiscal Charges	(292,696)	(161,584)	-	(454,280)
Total Non-Operating Revenues (Expenses)	(291,323)	(39,654)	-	(330,977)
NET INCOME (LOSS) BEFORE TRANSFERS	(854,746)	(225,864)	-	(1,080,610)
TRANSFERS				
Transfers In	-	1,982,307	(1,982,307)	-
Transfers (Out)	(1,982,307)	-	1,982,307	-
Total Transfers	(1,982,307)	1,982,307	-	-
CHANGE IN NET POSITION	(2,837,053)	1,756,443	-	(1,080,610)
NET POSITION (DEFICIT), MAY 1	31,399,182	(1,119,357)	-	30,279,825
NET POSITION, APRIL 30	\$ 28,562,129	\$ 637,086	\$ -	\$ 29,199,215

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

COMBINING SCHEDULE OF CASH FLOWS
WATER DEPARTMENT ACCOUNTS

For the Year Ended April 30, 2014

	Water	Water Improvement	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 4,083,079	\$ -	\$ -	\$ 4,083,079
Payments to Suppliers	(1,247,907)	152,517	-	(1,095,390)
Payments to Employees	(638,157)	-	-	(638,157)
Payments for Interfund Services	(822,775)	-	-	(822,775)
Net Cash from Operating Activities	1,374,240	152,517	-	1,526,757
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intrafund Services	(1,982,307)	1,982,307	-	-
Connection Fees and Reimbursements	-	95,947	-	95,947
Net Cash from Noncapital Financing Activities	(1,982,307)	2,078,254	-	95,947
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(3,422,110)	-	-	(3,422,110)
Capital Grants and Loans	-	39,361	-	39,361
Principal Payments on Long-Term Debt	(533,228)	-	-	(533,228)
Bond Proceeds	4,590,000	-	-	4,590,000
Loan Proceeds	95,595	-	-	95,595
Interest and Fiscal Charges Paid	(56,145)	(170,945)	-	(227,090)
Net Cash from Capital and Related Financing Activities	674,112	(131,584)	-	542,528
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of Restricted Investments	5,689	-	-	5,689
Interest Received	1,618	-	-	1,618
Net Cash from Investing Activities	7,307	-	-	7,307
NET INCREASE IN CASH AND CASH EQUIVALENTS	73,352	2,099,187	-	2,172,539
CASH AND CASH EQUIVALENTS, MAY 1	2,667,598	(1,088,905)	-	1,578,693
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 2,740,950	\$ 1,010,282	\$ -	\$ 3,751,232
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (563,423)	\$ (186,210)	\$ -	\$ (749,633)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities				
Depreciation and Amortization	1,916,942	-	-	1,916,942
Changes in Assets and Liabilities				
Accounts Receivable	51,142	-	-	51,142
Accounts Payable	(31,486)	252,747	-	221,261
Accrued Payroll	338	-	-	338
Retainage Payable	-	85,980	-	85,980
Accrued Compensated Absences	727	-	-	727
NET CASH FROM OPERATING ACTIVITIES	\$ 1,374,240	\$ 152,517	\$ -	\$ 1,526,757
NONCASH TRANSACTIONS				
None	\$ -	\$ -	\$ -	\$ -

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER ACCOUNT**

For the Year Ended April 30, 2014

	Original and Final Budget	Actual
OPERATING REVENUES		
Charges for Services	\$ 4,335,000	\$ 4,031,937
Total Operating Revenues	4,335,000	4,031,937
OPERATING EXPENSES		
Personal Services	1,415,140	1,461,997
Contractual Services	154,350	225,355
Repairs and Maintenance	415,000	370,336
Insurance	89,250	86,196
Utilities	329,750	292,348
Supplies and Miscellaneous	227,000	242,186
Depreciation and Amortization	-	1,916,942
Total Operating Expenses	2,630,490	4,595,360
OPERATING INCOME (LOSS)	1,704,510	(563,423)
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	1,000	1,373
Rental Income	75,000	-
Interest Expense and Fiscal Charges	(442,910)	(292,696)
Total Non-Operating Revenues (Expenses)	(366,910)	(291,323)
NET INCOME (LOSS) BEFORE TRANSFERS	1,337,600	(854,746)
TRANSFERS		
Transfers (Out)	(550,000)	(1,982,307)
Total Transfers	(550,000)	(1,982,307)
CHANGE IN NET POSITION	<u>\$ 787,600</u>	(2,837,053)
NET POSITION, MAY 1		<u>31,399,182</u>
NET POSITION, APRIL 30		<u>\$ 28,562,129</u>

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER IMPROVEMENT ACCOUNT

For the Year Ended April 30, 2014

	Original and Final Budget	Actual
OPERATING REVENUES		
None	\$ -	\$ -
Total Operating Revenues	<u>-</u>	<u>-</u>
OPERATING EXPENSES		
Repairs and Maintenance	5,020,360	3,290,125
Capital Outlay	35,000	35,720
Total Operating Expenses	<u>5,055,360</u>	<u>3,325,845</u>
OPERATING INCOME (LOSS)	<u>(5,055,360)</u>	<u>(3,325,845)</u>
NON-OPERATING REVENUES (EXPENSES)		
Connection Fees and Reimbursements	38,000	82,569
Grant Revenue	30,000	39,361
Interest Expense and Fiscal Charges	-	(161,584)
Total Non-Operating Revenues (Expenses)	<u>68,000</u>	<u>(39,654)</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>(4,987,360)</u>	<u>(3,365,499)</u>
TRANSFERS		
Transfers In	550,000	1,982,307
Total Transfers	<u>550,000</u>	<u>1,982,307</u>
NET INCOME (LOSS) - BUDGETARY BASIS	<u>(4,437,360)</u>	<u>(1,383,192)</u>
ADJUSTMENTS TO GAAP BASIS		
Capital Assets Capitalized	-	3,139,635
Bonds Issued, at Par	4,452,460	-
Total Adjustments to GAAP Basis	<u>4,452,460</u>	<u>3,139,635</u>
CHANGE IN NET POSITION	<u>\$ 15,100</u>	1,756,443
NET POSITION (DEFICIT), MAY 1		<u>(1,119,357)</u>
NET POSITION, APRIL 30		<u>\$ 637,086</u>

(See independent auditor's report.)

INTERNAL SERVICE FUND

Employee Insurance Fund - to account for revenues and expenses related to providing health insurance to Village employees.

VILLAGE OF MONTGOMERY, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
EMPLOYEE INSURANCE FUND**

For the Year Ended April 30, 2014

	Original and Final Budget	Actual
OPERATING REVENUES		
Charges for Services	\$ 712,200	\$ 760,169
Total Operating Revenues	<u>712,200</u>	<u>760,169</u>
OPERATING EXPENSES		
Insurance	<u>712,200</u>	<u>752,752</u>
Total Operating Expenses	<u>712,200</u>	<u>752,752</u>
CHANGE IN NET POSITION	<u>\$ -</u>	7,417
NET POSITION, MAY 1		<u>191,654</u>
NET POSITION, APRIL 30		<u><u>\$ 199,071</u></u>

(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.

Temporary CO Fund - to account for deposits held to ensure completion of final plans and projects on new commercial and residential construction.

VILLAGE OF MONTGOMERY, ILLINOIS

**STATEMENT OF NET POSITION
POLICE PENSION FUND**

April 30, 2014

ASSETS

Cash and Short-Term Investments	\$ 316,375
Receivables	
Accrued Interest Receivable	35,448
Investments	
U.S. Agency Obligations	1,115,939
U.S. Treasury Obligations	126,184
Municipal Bonds	402,146
Insurance Company Contracts - Separate Accounts	1,665,796
Corporate Bonds	1,310,800
Equity Mutual Funds	2,021,430
Common Stock	<u>504,055</u>
 Total Assets	 7,498,173

LIABILITIES

None	<u>-</u>
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**NET POSITION HELD IN TRUST FOR
PENSION BENEFITS**

\$ 7,498,173

(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, 2014

	Balances May 1	Additions	Deductions	Balances April 30
All Funds				
ASSETS				
Cash and Investments	\$ 3,394,380	\$ 1,531,746	\$ 1,439,526	\$ 3,486,600
Accounts Receivable	-	57,648	13,373	44,275
TOTAL ASSETS	\$ 3,394,380	\$ 1,589,394	\$ 1,452,899	\$ 3,530,875
LIABILITIES				
Accounts Payable	\$ 1,000	\$ 3,000	\$ -	\$ 4,000
Deposits Payable	-	43,800	-	43,800
Due to Other Funds	-	41,215	-	41,215
Due to Others	948,524	94,083	328,455	714,152
Due to Bondholders	2,444,856	1,407,296	1,124,444	2,727,708
TOTAL LIABILITIES	\$ 3,394,380	\$ 1,589,394	\$ 1,452,899	\$ 3,530,875
Talma Street Special Service Area Fund				
ASSETS				
Cash and Investments	\$ 19,600	\$ 23	\$ 178	\$ 19,445
TOTAL ASSETS	\$ 19,600	\$ 23	\$ 178	\$ 19,445
LIABILITIES				
Due to Others	\$ 19,600	\$ 23	\$ 178	\$ 19,445
TOTAL LIABILITIES	\$ 19,600	\$ 23	\$ 178	\$ 19,445

(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, 2014

	Balances		Additions		Deductions		Balances
	May 1						April 30
Escrow Fund							
ASSETS							
Cash and Investments	\$ 929,249	\$	76,000	\$	314,229	\$	691,020
TOTAL ASSETS	\$ 929,249	\$	76,000	\$	314,229	\$	691,020
LIABILITIES							
Accounts Payable	\$ 1,000	\$	1,000	\$	-	\$	2,000
Due to Others	928,249		75,000		314,229		689,020
TOTAL LIABILITIES	\$ 929,249	\$	76,000	\$	314,229	\$	691,020
Flexible Benefit Fund							
ASSETS							
Cash and Investments	\$ 675	\$	2,627	\$	675	\$	2,627
TOTAL ASSETS	\$ 675	\$	2,627	\$	675	\$	2,627
LIABILITIES							
Due to Others	\$ 675	\$	2,627	\$	675	\$	2,627
TOTAL LIABILITIES	\$ 675	\$	2,627	\$	675	\$	2,627

(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, 2014

	Balances May 1	Additions	Deductions	Balances April 30
Special Assessment Fund				
ASSETS				
Cash and Investments	\$ 2,444,844	\$ 1,407,296	\$ 1,124,444	\$ 2,727,696
TOTAL ASSETS	\$ 2,444,844	\$ 1,407,296	\$ 1,124,444	\$ 2,727,696
LIABILITIES				
Due to Bondholders	\$ 2,444,844	\$ 1,407,296	\$ 1,124,444	\$ 2,727,696
TOTAL LIABILITIES	\$ 2,444,844	\$ 1,407,296	\$ 1,124,444	\$ 2,727,696
Special Service Area No. 10 Fund				
ASSETS				
Cash and Investments	\$ 12	\$ -	\$ -	\$ 12
TOTAL ASSETS	\$ 12	\$ -	\$ -	\$ 12
LIABILITIES				
Due to Bondholders	\$ 12	\$ -	\$ -	\$ 12
TOTAL LIABILITIES	\$ 12	\$ -	\$ -	\$ 12

(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, 2014

	Balances		Additions		Deductions		Balances
	May 1						April 30
Cornell Special Service Area Fund							
ASSETS							
Accounts Receivable	\$ -		\$ 57,648		\$ 13,373		\$ 44,275
TOTAL ASSETS	\$ -		\$ 57,648		\$ 13,373		\$ 44,275
LIABILITIES							
Due to Other Funds	\$ -		\$ 41,215		\$ -		\$ 41,215
Due to Others	-		16,433		13,373		3,060
TOTAL LIABILITIES	\$ -		\$ 57,648		\$ 13,373		\$ 44,275
Temporary CO Fund							
ASSETS							
Cash and Investments	\$ -		\$ 45,800		\$ -		\$ 45,800
TOTAL ASSETS	\$ -		\$ 45,800		\$ -		\$ 45,800
LIABILITIES							
Accounts Payable	\$ -		\$ 2,000		\$ -		\$ 2,000
Deposits Payable	-		43,800		-		43,800
TOTAL LIABILITIES	\$ -		\$ 45,800		\$ -		\$ 45,800

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF MONTGOMERY, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION ALTERNATE REVENUE SOURCE
BOND SERIES OF 2008A**

April 30, 2014

Date of Issue	August 8, 2008
Date of Maturity	December 1, 2019
Authorized Issue	\$2,000,000
Denomination of Bonds	\$5,000
Interest Rates	5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2015	\$ -	\$ 100,000	\$ 100,000	2014	\$ 50,000	2014	\$ 50,000
2016	-	100,000	100,000	2015	50,000	2015	50,000
2017	-	100,000	100,000	2016	50,000	2016	50,000
2018	-	100,000	100,000	2017	50,000	2017	50,000
2019	1,000,000	100,000	1,100,000	2018	50,000	2018	50,000
2020	1,000,000	50,000	1,050,000	2019	25,000	2019	25,000
	<u>\$ 2,000,000</u>	<u>\$ 550,000</u>	<u>\$ 2,550,000</u>		<u>\$ 275,000</u>		<u>\$ 275,000</u>

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION ALTERNATE REVENUE SOURCE
BOND SERIES OF 2010**

April 30, 2014

Date of Issue	June 1, 2010
Date of Maturity	December 1, 2017
Authorized Issue	\$7,375,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2015	\$ 340,000	\$ 71,275	\$ 411,275	2014	\$ 35,637	2014	\$ 35,638
2016	475,000	61,075	536,075	2015	30,537	2015	30,538
2017	550,000	42,075	592,075	2016	21,037	2016	21,038
2018	605,000	24,200	629,200	2017	12,100	2017	12,100
	<u>\$ 1,970,000</u>	<u>\$ 198,625</u>	<u>\$ 2,168,625</u>		<u>\$ 99,311</u>		<u>\$ 99,314</u>

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION ALTERNATE REVENUE SOURCE
BOND SERIES OF 2011

April 30, 2014

Date of Issue	December 15, 2011
Date of Maturity	January 1, 2021
Authorized Issue	\$4,410,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 3.125%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2015	\$ 300,000	\$ 95,950	\$ 395,950	2014	\$ 47,975	2014	\$ 47,975
2016	250,000	89,950	339,950	2015	44,975	2015	44,975
2017	205,000	84,950	289,950	2016	42,475	2016	42,475
2018	205,000	80,850	285,850	2017	40,425	2017	40,425
2019	375,000	76,750	451,750	2018	38,375	2018	38,375
2020	385,000	68,312	453,312	2019	34,156	2019	34,156
2021	395,000	59,168	454,168	2020	29,584	2020	29,584
2022	405,000	49,294	454,294	2021	24,647	2021	24,647
2023	420,000	38,663	458,663	2022	19,331	2022	19,332
2024	435,000	27,113	462,113	2023	13,556	2023	13,557
2025	450,000	14,063	464,063	2024	7,031	2024	7,032
	<u>\$ 3,825,000</u>	<u>\$ 685,063</u>	<u>\$ 4,510,063</u>		<u>\$ 342,530</u>		<u>\$ 342,533</u>

(See independent auditor's report.)

VILLAGE OF MONTGOMERY, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION ALTERNATE REVENUE SOURCE
BOND SERIES OF 2014**

April 30, 2014

Date of Issue	April 29, 2014
Date of Maturity	December 1, 2024
Authorized Issue	\$3,335,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% - 3.50%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2015	\$ -	\$ 62,622	\$ 62,622	2014	\$ 9,452	2014	\$ 53,170
2016	-	106,340	106,340	2015	53,170	2015	53,170
2017	-	106,340	106,340	2016	53,170	2016	53,170
2018	-	106,340	106,340	2017	53,170	2017	53,170
2019	-	106,340	106,340	2018	53,170	2018	53,170
2020	-	106,340	106,340	2019	53,170	2019	53,170
2021	630,000	106,340	736,340	2020	53,170	2020	53,170
2022	645,000	87,440	732,440	2021	43,720	2021	43,720
2023	665,000	68,090	733,090	2022	34,045	2022	34,045
2024	685,000	48,140	733,140	2023	24,070	2023	24,070
2025	710,000	24,850	734,850	2024	12,425	2024	12,425
	<u>\$ 3,335,000</u>	<u>\$ 929,182</u>	<u>\$ 4,264,182</u>		<u>\$ 442,732</u>		<u>\$ 486,450</u>

(See independent auditor's page.)

VILLAGE OF MONTGOMERY, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GOVERNMENTAL ACTIVITIES
CAPITAL LEASE**

April 30, 2014

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2015	\$ 98,396	\$ 9,570	\$ 107,966
2016	103,071	4,896	107,967
	<u>\$ 201,467</u>	<u>\$ 14,466</u>	<u>\$ 215,933</u>

(See independent auditor's page.)

VILLAGE OF MONTGOMERY, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
WATERWORKS SYSTEM ALTERNATE REVENUE SOURCE
BOND SERIES OF 2007**

April 30, 2014

Date of Issue	December 3, 2007
Date of Maturity	December 1, 2018
Authorized Issue	\$3,020,000
Denomination of Bonds	\$5,000
Interest Rates	3.95%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2015	\$ 305,000	\$ 66,162	\$ 371,162	2014	\$ 33,081	2014	\$ 33,081
2016	320,000	54,116	374,116	2015	27,058	2015	27,058
2017	335,000	41,476	376,476	2016	20,738	2016	20,738
2018	350,000	28,242	378,242	2017	14,121	2017	14,121
2019	365,000	14,418	379,418	2018	7,209	2018	7,209
	<u>\$ 1,675,000</u>	<u>\$ 204,414</u>	<u>\$ 1,879,414</u>		<u>\$ 102,207</u>		<u>\$ 102,207</u>

(See independent auditor's page.)

VILLAGE OF MONTGOMERY, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
WATERWORKS SYSTEM ALTERNATE REVENUE SOURCE
BOND SERIES OF 2013

April 30, 2014

Date of Issue	June 11, 2013
Date of Maturity	December 1, 2038
Authorized Issue	\$4,590,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% - 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2015	\$ 120,000	\$ 169,900	\$ 289,900	2014	\$ 84,950	2014	\$ 84,950
2016	125,000	166,300	291,300	2015	83,150	2015	83,150
2017	125,000	162,550	287,550	2016	81,275	2016	81,275
2018	130,000	158,800	288,800	2017	79,400	2017	79,400
2019	135,000	154,900	289,900	2018	77,450	2018	77,450
2020	140,000	150,850	290,850	2019	75,425	2019	75,425
2021	145,000	146,650	291,650	2020	73,325	2020	73,325
2022	145,000	142,300	287,300	2021	71,150	2021	71,150
2023	150,000	137,950	287,950	2022	68,975	2022	68,975
2024	155,000	133,450	288,450	2023	66,725	2023	66,725
2025	160,000	128,800	288,800	2024	64,400	2024	64,400
2026	165,000	122,400	287,400	2025	61,200	2025	61,200
2027	175,000	115,800	290,800	2026	57,900	2026	57,900
2028	180,000	108,800	288,800	2027	54,400	2027	54,400
2029	190,000	101,600	291,600	2028	50,800	2028	50,800
2030	195,000	94,000	289,000	2029	47,000	2029	47,000
2031	205,000	86,200	291,200	2030	43,100	2030	43,100
2032	210,000	78,000	288,000	2031	39,000	2031	39,000
2033	220,000	69,600	289,600	2032	34,800	2032	34,800
2034	230,000	60,800	290,800	2033	30,400	2033	30,400
2035	240,000	51,600	291,600	2034	25,800	2034	25,800
2036	245,000	42,000	287,000	2035	21,000	2035	21,000
2037	255,000	32,200	287,200	2036	16,100	2036	16,100
2038	270,000	22,000	292,000	2037	11,000	2037	11,000
2039	280,000	11,200	291,200	2038	5,600	2038	5,600
	<u>\$ 4,590,000</u>	<u>\$ 2,648,650</u>	<u>\$ 7,238,650</u>		<u>\$ 1,324,325</u>		<u>\$ 1,324,325</u>

(See independent auditor's page.)

VILLAGE OF MONTGOMERY, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
LOAN PAYABLE 2002**

April 30, 2014

Date of Issue	February 23, 2002
Date of Maturity	December 1, 2022
Original Contract	\$1,128,780
Interest Rates	2.675%
Interest Dates	June 1 and December 1
Principal Maturity Date	June 1 and December 1
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2015	\$ 59,276	\$ 15,514	\$ 74,790
2016	60,872	13,918	74,790
2017	62,511	12,279	74,790
2018	64,194	10,596	74,790
2019	65,922	8,868	74,790
2020	67,698	7,092	74,790
2021	69,521	5,269	74,790
2022	71,393	3,397	74,790
2023	73,316	1,474	74,790
	<u>\$ 594,703</u>	<u>\$ 78,407</u>	<u>\$ 673,110</u>

(See independent auditor's page.)

VILLAGE OF MONTGOMERY, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
LOAN PAYABLE 2011**

April 30, 2014

Date of Issue	October 20, 2011
Date of Maturity	April 19, 2032
Original Contract	\$4,310,177
Interest Rates	1.25%
Interest Dates	April 19 and October 19
Principal Maturity Date	April 19 and October 19
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2015	\$ 201,098	\$ 49,782	\$ 250,880
2016	203,620	47,260	250,880
2017	206,173	44,707	250,880
2018	208,758	42,122	250,880
2019	211,376	39,504	250,880
2020	214,027	36,853	250,880
2021	216,711	34,169	250,880
2022	219,428	31,452	250,880
2023	222,178	28,702	250,880
2024	224,965	25,915	250,880
2025	227,786	23,094	250,880
2026	230,642	20,238	250,880
2027	233,534	17,346	250,880
2028	236,462	14,418	250,880
2029	239,427	11,453	250,880
2030	242,429	8,451	250,880
2031	245,469	5,411	250,880
2032	248,547	2,333	250,880
	<u>\$ 4,032,630</u>	<u>\$ 483,210</u>	<u>\$ 4,515,840</u>

(See independent auditor's page.)

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.

<u>Contents</u>	<u>Page(s)</u>
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.	107-115
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	116-121
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.	122-126
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.	127-128
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.	129-131

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

VILLAGE OF MONTGOMERY, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

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

Data Sources

Audited Financial Statements

2009	2010	2011	2012	2013	2014
\$ 36,431,647	\$ 41,540,031	\$ 45,586,500	\$ 47,292,952	\$ 51,636,819	\$ 50,229,557
2,580,672	3,055,679	3,226,346	3,313,822	3,379,946	3,332,376
(499,811)	433,352	2,190,183	2,419,305	2,487,065	3,083,037
\$ 38,512,508	\$ 45,029,062	\$ 51,003,029	\$ 53,026,079	\$ 57,503,830	\$ 56,644,970
\$ 24,102,567	\$ 25,878,294	\$ 26,651,346	\$ 27,255,898	\$ 28,096,145	\$ 26,974,755
-	-	-	-	-	-
637,045	1,244,447	1,865,399	1,842,862	2,183,680	2,224,460
\$ 24,739,612	\$ 27,122,741	\$ 28,516,745	\$ 29,098,760	\$ 30,279,825	\$ 29,199,215
\$ 60,534,214	\$ 67,418,325	\$ 72,237,846	\$ 74,548,850	\$ 79,732,964	\$ 77,204,312
2,580,672	3,055,679	3,226,346	3,313,822	3,379,946	3,332,376
137,234	1,677,799	4,055,582	4,262,167	4,670,745	5,307,497
\$ 63,252,120	\$ 72,151,803	\$ 79,519,774	\$ 82,124,839	\$ 87,783,655	\$ 85,844,185

VILLAGE OF MONTGOMERY, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008
EXPENSES				
Governmental Activities				
General Government	\$ 12,978,486	\$ 11,149,474	\$ 3,555,496	\$ 4,197,064
Public Safety	2,568,314	2,199,900	3,744,231	4,024,681
Highways and Streets	1,065,229	1,402,507	2,059,540	2,731,761
Sanitation	586,943	724,711	790,523	839,223
Interest	235,529	602,676	604,331	587,246
Total Governmental Activities Expenses	17,434,501	16,079,268	10,754,121	12,379,975
Business-Type Activities				
Waterworks	3,756,728	4,219,233	3,701,562	4,108,643
Total Business-Type Activities Expenses	3,756,728	4,219,233	3,701,562	4,108,643
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 21,191,229	\$ 20,298,501	\$ 14,455,683	\$ 16,488,618
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 2,810,092	\$ 2,416,565	\$ 2,890,579	\$ 1,784,591
Public Safety	297,572	293,353	376,138	297,352
Highways and Streets	18,052,041	836,032	563,135	319,583
Sanitation	530,973	651,986	720,168	818,426
Operating Grants and Contributions	458,096	377,076	419,065	550,422
Capital Grants and Contributions	78,000	31,180	50,000	18,243,217
Total Governmental Activities Program Revenues	22,226,774	4,606,192	5,019,085	22,013,591
Business-Type Activities				
Charges for Services	4,000,399	4,164,976	3,510,934	3,834,338
Capital Grants and Contributions	235,419	286,818	60,356	7,082,159
Total Business-Type Activities Program Revenues	4,235,818	4,451,794	3,571,290	10,916,497
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 26,462,592	\$ 9,057,986	\$ 8,590,375	\$ 32,930,088
NET REVENUE (EXPENSE)				
Governmental Activities	\$ 4,792,273	\$ (11,473,076)	\$ (5,735,036)	\$ 9,633,616
Business-Type Activities	479,090	232,561	(130,272)	6,807,854
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ 5,271,363	\$ (11,240,515)	\$ (5,865,308)	\$ 16,441,470

	2009	2010	2011	2012	2013	2014
\$	3,417,096	\$ 3,540,980	\$ 3,077,769	\$ 3,283,476	\$ 3,089,899	\$ 3,215,504
	3,943,129	4,144,033	4,127,345	4,581,789	5,048,569	5,001,049
	2,694,913	2,724,614	3,610,159	3,175,332	3,818,065	4,608,540
	889,190	997,054	1,030,129	1,062,656	1,159,173	1,265,497
	633,176	639,111	537,769	502,037	496,752	466,594
	11,577,504	12,045,792	12,383,171	12,605,290	13,612,458	14,557,184
	3,807,890	3,813,368	4,108,643	5,134,321	5,097,758	5,235,850
	3,807,890	3,813,368	4,108,643	5,134,321	5,097,758	5,235,850
\$	15,385,394	\$ 15,859,160	\$ 16,491,814	\$ 17,739,611	\$ 18,710,216	\$ 19,793,034
\$	887,648	\$ 791,624	\$ 1,343,545	\$ 520,260	\$ 479,102	\$ 749,477
	548,645	634,341	764,147	837,875	737,683	478,482
	59,138	75,614	168,046	74,715	281,136	607,452
	872,656	975,454	1,004,889	1,050,053	1,133,823	1,190,325
	488,826	476,945	1,413,932	620,940	601,387	605,838
	5,656,409	7,463,786	5,640,911	3,154,115	5,634,735	195,711
	8,513,322	10,417,764	10,335,470	6,257,958	8,867,866	3,827,285
	2,815,318	3,234,104	3,532,425	3,614,159	4,008,166	4,114,506
	1,623,918	2,881,397	1,919,667	2,025,506	2,268,670	39,361
	4,439,236	6,115,501	5,452,092	5,639,665	6,276,836	4,153,867
\$	12,952,558	\$ 16,533,265	\$ 15,787,562	\$ 11,897,623	\$ 15,144,702	\$ 7,981,152
\$	(3,064,182)	\$ (1,628,028)	\$ (2,047,701)	\$ (6,347,332)	\$ (4,744,592)	\$ (10,729,899)
	631,346	2,302,133	1,343,449	505,344	1,179,078	(1,081,983)
\$	(2,432,836)	\$ 674,105	\$ (704,252)	\$ (5,841,988)	\$ (3,565,514)	\$ (11,811,882)

VILLAGE OF MONTGOMERY, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Property Taxes	\$ 1,006,819	\$ 1,234,678	\$ 1,521,208	\$ 1,728,472
Other Taxes				
Replacement	45,184	55,485	61,644	69,384
Sales	1,467,350	1,684,446	1,799,426	2,308,243
Utility	1,120,536	1,308,029	1,281,322	1,492,570
Local Use	96,438	131,451	182,247	197,453
Video Gaming	-	-	-	-
State Shared Income Taxes	584,932	810,962	1,095,594	1,326,500
Franchise Fees	71,417	91,202	115,694	136,554
Donations	585,200	275,000	-	-
Investment Income	283,895	639,583	631,184	372,126
Miscellaneous	-	-	-	57,346
Special Item	(585,200)	-	-	-
Total Governmental Activities	4,676,571	6,230,836	6,688,319	7,688,648
Business-Type Activities				
Investment Income	23,805	63,499	43,868	1,373
Miscellaneous	21,271	21,271	32,129	-
Total Business-Type Activities	45,076	84,770	75,997	1,373
TOTAL PRIMARY GOVERNMENT	\$ 4,721,647	\$ 6,315,606	\$ 6,764,316	\$ 7,690,021
CHANGE IN NET POSITION				
Governmental Activities	\$ 9,468,844	\$ (5,242,240)	\$ 953,283	\$ 17,322,264
Business-Type Activities	524,166	317,331	(54,275)	6,809,227
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 9,993,010	\$ (4,924,909)	\$ 899,008	\$ 24,131,491

Data Source

Audited Financial Statements

	2009	2010	2011	2012	2013	2014
\$	2,107,824	\$ 2,538,391	\$ 2,131,202	\$ 2,258,978	\$ 2,570,184	\$ 2,607,364
	63,422	55,407	66,756	57,776	56,957	76,855
	2,539,423	2,434,337	2,590,760	1,489,230	2,690,164	2,851,053
	1,501,852	1,365,252	1,429,762	2,684,106	1,301,361	1,391,352
	238,046	206,509	250,488	1,350,780	303,898	316,541
	-	-	-	-	-	17,477
	1,454,677	1,355,129	1,330,267	264,029	1,661,642	1,796,712
	141,767	158,204	178,225	186,217	229,121	218,343
	-	-	-	-	-	-
	55,770	22,633	61,751	66,329	42,991	16,143
	38,165	23,636	11,030	12,937	366,025	269,258
	-	-	-	-	-	-
	8,140,946	8,159,498	8,050,241	8,370,382	9,222,343	9,561,098
	29,946	6,130	2,797	891	1,987	1,373
	55,606	74,866	47,758	75,780	-	-
	85,552	80,996	50,555	76,671	1,987	1,373
\$	8,226,498	\$ 8,240,494	\$ 8,100,796	\$ 8,447,053	\$ 9,224,330	\$ 9,562,471
\$	5,076,764	\$ 6,531,470	\$ 6,002,540	\$ 2,023,050	\$ 4,477,751	\$ (1,168,801)
	716,898	2,383,129	1,394,004	582,015	1,181,065	(1,080,610)
\$	5,793,662	\$ 8,914,599	\$ 7,396,544	\$ 2,605,065	\$ 5,658,816	\$ (2,249,411)

VILLAGE OF MONTGOMERY, ILLINOIS
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL FUND										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 701,124	\$ 691,533	\$ -	\$ -	\$ -	\$ -
Unreserved	2,290,618	2,224,385	1,768,713	1,442,677	769,038	1,338,650	-	-	-	-
Nonspendable	-	-	-	-	-	-	691,533	691,533	691,533	754,783
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted										
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	2,124,288	2,484,493	2,860,573	2,799,352
TOTAL GENERAL FUND	\$ 2,290,618	\$ 2,224,385	\$ 1,768,713	\$ 1,442,677	\$ 1,470,162	\$ 2,030,183	\$ 2,815,821	\$ 3,176,026	\$ 3,552,106	\$ 3,554,135
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 9,853,116	\$ 2,275,389	\$ 2,490,523	\$ 2,369,032	\$ 2,580,672	\$ 3,055,679	\$ -	\$ -	\$ -	\$ -
Unreserved										
Special Revenue	-	-	-	(92,759)	(24,412)	(6,226)	-	-	-	-
Capital Projects	3,722,114	8,540,237	7,951,924	(46,374)	(1,238,112)	(744,263)	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	3,226,346	3,226,351	3,379,946	3,332,376
Unrestricted										
Assigned	-	-	-	-	-	-	165,254	165,255	56,089	388,966
Unassigned	-	-	-	-	-	-	(59,236)	(59,234)	(565,377)	(360,486)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 13,575,230	\$ 10,815,626	\$ 10,442,447	\$ 2,229,899	\$ 1,318,148	\$ 2,305,190	\$ 3,332,364	\$ 3,332,372	\$ 2,870,658	\$ 3,360,856
TOTAL ALL GOVERNMENTAL FUNDS	\$ 15,865,848	\$ 13,040,011	\$ 12,211,160	\$ 3,672,576	\$ 2,788,310	\$ 4,335,373	\$ 6,148,185	\$ 6,508,398	\$ 6,422,764	\$ 6,914,991

The Village implemented GASB Statement No 54 for the fiscal year ended April 30, 2011.

Data Source

Audited Financial Statements

VILLAGE OF MONTGOMERY, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012*	2013	2014
REVENUES										
Property Taxes	\$ 1,006,819	\$ 1,234,678	\$ 1,521,208	\$ 1,728,472	\$ 2,107,824	\$ 2,538,391	\$ 2,131,202	\$ 2,258,978	\$ 2,570,184	\$ 2,607,364
Other Taxes	3,573,619	4,311,210	4,816,958	5,818,015	6,240,493	5,871,837	6,198,356	6,342,355	4,838,011	5,231,904
State Shared Income Taxes	-	-	-	-	-	-	-	-	1,661,642	1,796,712
Licenses and Permits	588,616	545,975	646,609	453,255	347,605	348,071	337,455	337,287	331,004	401,960
Charges for Services	3,264,425	3,424,173	3,478,950	2,584,045	3,406,271	2,318,607	2,658,910	1,771,386	1,890,891	2,293,343
Intergovernmental	259,173	116,026	133,084	105,561	123,206	199,193	908,238	147,133	127,585	214,355
Fines and Forfeits	189,384	199,954	203,147	157,644	239,539	327,227	333,126	416,324	435,958	301,446
Investment Income	283,895	639,586	630,181	372,126	55,770	22,633	61,751	66,329	42,991	16,143
Developer Contributions	-	-	-	362,323	-	148,541	-	-	-	-
Contributions from Property Owners	17,620,321	275,000	-	-	17,500	423	1,208	-	-	-
Miscellaneous	117,093	90,426	277,267	213,042	170,688	219,131	145,315	147,006	316,079	738,124
Total Revenues	26,903,345	10,837,028	11,707,404	11,794,483	12,708,896	11,994,054	12,775,561	11,486,798	12,214,345	13,601,351
EXPENDITURES										
Current										
General Government	2,460,660	2,899,901	3,135,761	3,974,221	3,185,821	2,744,480	2,665,677	2,939,574	2,475,369	2,674,004
Public Safety	2,413,434	2,613,421	3,428,954	3,495,453	3,389,865	3,532,943	3,449,377	3,961,199	4,533,205	4,342,408
Highways and Streets	1,221,536	1,701,273	1,789,485	2,237,906	1,640,752	1,403,559	2,259,801	1,802,261	2,350,369	3,012,767
Sanitation	586,943	724,711	775,807	839,223	889,190	997,054	1,030,129	1,062,656	1,159,173	1,265,497
Capital Outlay	17,165,363	10,600,641	2,339,488	8,614,925	5,540,861	485,739	501,212	53,213	117,786	483,766
Debt Service										
Principal	250,000	575,000	490,000	530,000	580,000	610,000	740,000	915,000	1,080,000	1,297,966
Interest and Fiscal Charges	407,559	513,548	611,130	594,812	609,961	658,300	599,438	561,575	435,339	474,225
Total Expenditures	24,505,495	19,628,495	12,570,625	20,286,540	15,836,450	10,432,075	11,245,634	11,295,478	12,151,241	13,550,633
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,397,850	(8,791,467)	(863,221)	(8,492,057)	(3,127,554)	1,561,979	1,529,927	191,320	63,104	50,718

Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012*	2013	2014
OTHER FINANCING SOURCES (USES)										
Transfers In	\$ 683,360	\$ 1,120,000	\$ 1,202,430	\$ 1,126,120	\$ 1,218,711	\$ 1,595,763	\$ 1,443,300	\$ 1,584,100	\$ 1,612,150	\$ 1,681,117
Transfers (Out)	(683,360)	(1,120,000)	(1,202,430)	(1,126,120)	(1,218,711)	(1,595,763)	(1,443,300)	(1,584,100)	(1,612,150)	(1,681,117)
Capital Lease Issuance	-	-	-	-	-	-	-	-	-	309,433
Bonds Issued, at Par	-	6,000,000	-	-	2,000,000	-	7,375,000	4,410,000	-	3,335,000
Premium on Bonds Issued	-	-	-	-	138,290	-	339,600	2,857	-	21,989
Payment to Escrow	-	-	-	-	-	-	(7,599,986)	(4,412,857)	-	(3,289,345)
Sale of Capital Assets	-	-	-	-	-	-	196,844.00	9,853	10,302	31,176
Total Other Funding Sources (Uses)	-	6,000,000	-	-	2,138,290	-	311,458	9,853	10,302	408,253
NET CHANGE IN FUND BALANCES	\$ (2,397,850)	\$ (2,791,467)	\$ (863,221)	\$ (8,492,057)	\$ (989,264)	\$ 1,561,979	\$ 1,841,385	\$ 201,173	\$ 73,406	\$ 458,971
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	9.84%	13.71%	10.40%	9.81%	11.18%	12.45%	12.31%	13.21%	12.81%	13.65%

Data Source

Audited Financial Statements

* Shared income taxes were reclassified to a nontax revenue in fiscal year 2012

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 Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Ratio of Total Assessed to Total Actual Value
2004	Kane County	\$ 72,341,408	\$ 17,567,292	\$ 42,686,651	\$ 486,155	\$ 333,474	\$ 133,414,980	0.49850	\$ 400,284,968	33.33%
	Kendall County	N/A	N/A	N/A	N/A	N/A	<u>125,892,016</u>	0.49850	<u>377,713,819</u>	
							<u>259,306,996</u>		<u>777,998,787</u>	
2005	Kane County	94,695,685	19,071,768	45,856,396	451,368	397,619	160,472,836	0.37930	481,466,655	33.33%
	Kendall County	N/A	N/A	N/A	N/A	N/A	<u>156,189,326</u>	0.37930	<u>468,614,839</u>	
							<u>316,662,162</u>		<u>950,081,494</u>	
2006	Kane County	130,150,023	20,713,506	50,224,319	470,773	388,241	201,946,862	0.43900	605,901,176	33.33%
	Kendall County	N/A	N/A	N/A	N/A	N/A	<u>205,272,490</u>	0.43900	<u>615,879,058</u>	
							<u>407,219,352</u>		<u>1,221,780,234</u>	
2007	Kane County	143,557,685	21,254,903	52,334,881	494,539	411,850	218,053,858	0.37274	654,226,997	33.33%
	Kendall County	225,221,844	24,443,380	3,215,940	10,056	128,586	<u>253,019,806</u>	0.36600	<u>759,135,332</u>	
							<u>471,073,664</u>		<u>1,413,362,329</u>	
2008	Kane County	146,340,376	25,150,166	59,513,310	600,802	459,791	232,064,445	0.35902	696,262,961	33.33%
	Kendall County	239,740,364	33,432,819	2,943,895	10,056	126,025	<u>276,253,159</u>	0.36340	<u>828,842,361</u>	
							<u>508,317,604</u>		<u>1,525,105,322</u>	
2009	Kane County	145,339,543	24,471,644	55,883,059	719,732	502,703	226,916,681	0.36852	680,818,125	33.33%
	Kendall County	246,603,488	35,351,375	3,124,055	10,056	103,780	<u>285,192,754</u>	0.36635	<u>855,663,828</u>	
							<u>512,109,435</u>		<u>1,536,481,953</u>	
2010	Kane County	132,284,981	23,970,816	55,212,581	761,544	537,493	212,767,415	0.41543	638,366,082	33.33%
	Kendall County	217,611,681	36,767,375	2,947,971	10,056	142,280	<u>257,479,363</u>	0.41562	<u>772,515,341</u>	
							<u>470,246,778</u>		<u>1,410,881,423</u>	
2011	Kane County	115,406,949	21,077,188	46,500,648	907,720	553,817	184,446,322	0.47468	553,394,305	33.33%
	Kendall County	200,255,016	33,611,185	2,800,573	10,056	128,645	<u>236,805,475</u>	0.47463	<u>710,487,474</u>	
							<u>421,251,797</u>		<u>1,263,881,779</u>	
2012	Kane County	105,322,142	20,071,750	43,379,949	970,041	424,227	170,168,109	0.53046	510,555,383	33.33%
	Kendall County	183,611,931	31,452,582	2,828,579	10,056	139,612	<u>218,042,760</u>	0.53053	<u>654,193,699</u>	
							<u>388,210,869</u>		<u>1,164,749,082</u>	
2013	Kane County	95,690,557	15,885,918	42,166,350	1,054,188	409,843	155,206,856	0.57264	465,667,135	33.33%
	Kendall County	173,665,059	31,035,606	2,773,279	10,056	189,690	<u>207,673,690</u>	0.58242	<u>623,083,378</u>	
							<u>362,880,546</u>		<u>1,088,750,513</u>	

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
VILLAGE DIRECT RATES										
Village of Montgomery										
General Corporate	0.2450	0.2168	0.2107	0.1984	0.1927	0.1883	0.1999	0.2283	0.2459	0.2573
IMRF	0.0587	0.0430	0.0344	0.0346	0.0345	0.0390	0.0461	0.0527	0.0580	0.0606
Garbage Collection	-	-	-	-	-	-	-	-	-	-
Liability Insurance	0.0482	0.0293	0.0332	0.0367	0.0394	0.0458	0.0461	0.0527	0.0682	0.0714
Social Security	0.0755	0.0635	0.0553	0.0504	0.0493	0.0487	0.0543	0.0621	0.0580	0.0606
Police Pension	0.0711	0.0753	0.0553	0.0472	0.0473	0.0468	0.0691	0.0789	0.1004	0.1227
Bond and Interest	-	-	0.0697	-	-	-	-	-	-	-
Prior Year Adjustment	-	(0.0486)	-	-	(0.0042)	-	(0.0001)	-	-	-
Total Direct Rates	0.4985	0.3793	0.4586	0.3673	0.3590	0.3686	0.4154	0.4747	0.5305	0.5726
OVERLAPPING RATES (REPRESENTATIVE)										
Kane County	0.3467	0.3367	0.3452	0.3322	0.3428	0.3398	0.3730	0.3990	0.4336	0.4623
Kane County Forest Preserve District	0.1432	0.1905	0.1747	0.1974	0.1932	0.1997	0.2201	0.2609	0.2710	0.3039
Aurora Township	0.1612	0.1559	0.1501	0.1449	0.1450	0.1486	0.1664	0.1882	0.2162	0.2517
Aurora Township Road District	0.0776	0.0743	0.0715	0.0690	0.0691	0.0703	0.0764	0.0860	0.0978	0.1104
Montgomery Fire District	0.6789	0.6522	0.6242	0.6061	0.6015	0.6207	0.6769	0.7000	0.7000	0.8000
Oswego Library	0.1818	0.1483	0.1826	0.2082	0.2002	0.2018	0.2207	0.2453	0.2726	0.2999
Fox Valley Park District	0.4068	0.3846	0.3746	0.4037	0.4014	0.4122	0.4803	0.5286	0.5863	0.6280
Unit School District Number 129	3.8155	3.6786	3.5635	4.1252	4.1724	4.1835	4.2740	5.1603	5.8896	6.6667
Community College District Number 516	0.4099	0.3933	0.3984	0.3950	0.4322	0.4043	0.4070	0.4710	0.5312	0.5807
Total Overlapping Rates	6.2216	6.0144	5.8848	6.4817	6.5578	6.5809	6.8948	8.0393	8.9983	10.1036
TOTAL ALL RATES (REPRESENTATIVE)	7.2186	6.7730	6.8020	7.2163	7.2758	6.9495	7.3102	8.5140	9.5288	10.6762

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

Data Source

Office of the Kane County Clerk (Code AU013 represents 16.5% of equalized assessed value)

VILLAGE OF MONTGOMERY, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS (1)

Last Year and Nine Years Ago

2013				2004			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
United Facilities, Inc.	\$ 9,603,598	1	2.65%	United Facilities	\$ 6,682,041	1	2.58%
Wal-Mart Stores, Inc.	5,441,216	2	1.50%	Centerpoint Properties	3,336,748	2	1.29%
Menards, Inc.	3,187,856	3	0.88%	Williamette Industries, Inc.	2,627,193	3	1.01%
Fox River Foods, Inc.	2,781,422	4	0.77%	Meritex Developments, Inc.	2,552,942	4	0.98%
Staf Montgomery, LLC	2,709,745	5	0.75%	Settlers Land Mall Association	2,025,448	5	0.78%
IP Eat Five	2,549,845	6	0.70%	Freeport Farm & Fleet Inc.	1,970,578	6	0.76%
Centerpoint Properties	2,371,133	7	0.65%	Hunt Midwest Illinois, Inc.	1,730,485	7	0.67%
Monmouth Capital Corporation	2,249,601	8	0.62%	Kmart Corp.	1,590,207	8	0.61%
JC Penny Properties, Inc.	2,188,961	9	0.60%	Inland Commercial Property Management Inc.	1,393,898	9	0.54%
Victorian Apartments LLC	<u>1,827,876</u>	10	<u>0.50%</u>	Gusto Packaging	<u>1,369,837</u>	10	<u>0.53%</u>
TOTAL	<u>\$ 34,911,253</u>			TOTAL	<u>\$ 25,279,377</u>		
2013 EAV = \$362,880,546			<u>9.62%</u>	2004 EAV = \$259,306,996			<u>9.75%</u>

(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 2013 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

Levy Year	Collected Within the Fiscal Year of the Levy			Collected in Subsequent Years		Percentage
	Tax Levied	Amount	Levy	Amount	Total Collected	
2004	\$ 1,150,023	\$ 1,150,019	100.00%	\$ 279	\$ 1,150,298	100.02%
2005	1,279,445	1,279,562	100.01%	4,839	1,284,401	100.39%
2006	1,684,986	1,667,661	98.97%	-	1,667,661	98.97%
2007	1,735,855	1,735,135	99.96%	1,073	1,736,208	100.02%
2008	1,834,151	1,830,130	99.78%	-	1,830,130	99.78%
2009	1,881,028	1,878,698	99.88%	-	1,878,698	99.88%
2010	1,952,586	1,951,512	99.94%	-	1,951,512	99.94%
2011	1,999,478	1,995,607	99.81%	-	1,995,607	99.81%
2012	2,059,447	2,052,971	99.69%	-	2,052,971	99.69%
2013	2,096,375	N/A	N/A	N/A	N/A	N/A

Note - the percentage collected may exceed 100% due to the use of a weighted average of taxes levied by two counties.

Data Sources

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

TOTAL SALES TAX BY CATEGORY

Last Ten Calendar Years

Calendar Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Merchandise	\$ 135,185	\$ 161,920	\$ 156,861	\$ 355,410	\$ 729,003	\$ 727,772	\$ 758,004	\$ 624,501	\$ 751,216	\$ 731,581
Food	133,278	167,787	173,279	160,131	194,116	175,861	156,322	172,562	186,712	179,076
Drinking and Eating Places	147,639	152,032	155,338	157,769	147,971	166,372	188,509	166,753	177,489	174,763
Apparel	6,452	6,276	2,260	1,448	72	-	-	4,210	14,541	14,019
Furniture & H.H. & Radio	31,008	32,198	30,670	32,733	28,375	14,894	16,054	17,684	2,374	22,547
Lumber, Building Hardware	98,904	114,295	109,827	195,045	323,201	282,213	265,305	293,067	337,541	381,898
Automobile and Filling Stations	226,628	258,240	374,027	407,522	429,644	259,857	301,975	427,877	371,747	439,511
Drugs and Miscellaneous Retail	177,808	186,622	230,921	278,838	250,920	277,069	301,107	287,564	299,006	329,801
Agriculture and All Others	310,854	300,209	325,596	327,456	331,207	329,266	380,789	375,008	376,804	385,633
Manufacturers	127,329	156,084	186,235	216,569	161,464	112,243	108,189	131,142	138,385	170,761
Censored	54,907	50,376	19,959	27,482	24,762	21,247	30,842	150,838	24,506	8,346
TOTAL	\$ 1,449,992	\$ 1,586,039	\$ 1,764,973	\$ 2,160,403	\$ 2,620,735	\$ 2,366,794	\$ 2,507,096	\$ 2,651,206	\$ 2,680,321	\$ 2,837,936
VILLAGE PORTION OF STATE SALES TAX	1.00%									

The above numbers are the total sales tax dollars received by the Village before applicable sales tax rebates.

Censored - The State will not release data if 4 or fewer businesses are included in a particular category for each County.

Data Source

Illinois Department of Revenue SIC Reporting
Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES (1)

Last Ten Fiscal Years

Fiscal Year	General Merchandise				
	Village Portion of State Rate	State and Other Rates (Kane County)	State and Other Rates (Kendall County)	Total Rate Village (Kane County)	Total Rate Village (Kendall County)
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%	5.75%	6.50%	6.75%
2008	1.0%	5.50%	6.25%	6.50%	7.25%
2009	1.0%	6.00%	6.25%	7.00%	7.25%
2010	1.0%	6.00%	6.25%	7.00%	7.25%
2011	1.0%	6.00%	6.25%	7.00%	7.25%
2012	1.0%	6.00%	6.25%	7.00%	7.25%
2013	1.0%	6.00%	6.25%	7.00%	7.25%
2014	1.0%	6.00%	6.25%	7.00%	7.25%

(1) The rates listed in this table apply to sales of general merchandise. Sales of food not prepared for immediate consumption, drugs and titled vehicles are subject to a different tax rate. This rate is 1.75% for sales of food and 7.00% for sales of titled vehicles.

Data Source

Village and State Records

VILLAGE OF MONTGOMERY, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Alternate Revenue Source Bonds	Capital Lease Payable	General Obligation Alternate Revenue Source Bonds	Installment Loans			
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
2010	14,800,000	-	2,770,000	816,563	3,586,563	0.86%	210.21
2011	13,985,000	-	2,515,000	763,245	17,263,245	3.85%	936.29
2012	13,115,000	-	2,245,000	4,825,560	20,185,560	4.50%	1,094.78
2013	12,325,300	-	1,973,909	4,774,966	19,074,175	4.00%	1,034.50
2014	11,336,945	201,467	6,431,249	4,627,334	22,596,995	4.73%	1,225.57

* Information on personal income and population can be found on page 127.

Data Source

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Alternate Revenue Source Bonds	Less: Amounts Available in Debt Service Fund	Net Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2005	\$ 17,870,060	\$ 6,980	\$ 17,863,080	6.89%	\$ 1,683.13
2006	19,815,000	38,432	19,776,568	6.25%	1,863.43
2007	18,315,000	39,732	18,275,268	4.49%	1,268.50
2008	17,285,000	41,040	17,243,960	3.66%	1,196.92
2009	18,425,000	-	18,425,000	3.62%	1,079.89
2010	17,570,000	-	17,570,000	3.43%	1,029.77
2011	16,500,000	33,063	16,466,937	3.50%	893.10
2012	15,360,000	33,063	15,326,937	3.64%	831.27
2013	14,299,209	56,089	14,243,120	3.67%	772.49
2014	17,768,194	59,033	17,709,161	4.88%	960.47

Data Sources

Audited Financial Statements

VILLAGE OF MONTGOMERY, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2014

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village	Village Share of Debt
Total Direct Governmental Activities Bonded Debt	\$ 17,768,194	100.00%	\$ 17,768,194
Less: Self-supported Debt	(17,768,194)	100.00%	(17,768,194)
NET DIRECT BONDED DEBT	-		-
School District #115	80,956,441	7.81%	6,322,698
School District #129	82,485,000	6.16%	5,081,076
School District #131	82,852,436	4.32%	3,579,225
School District #302	105,434,793	4.41%	4,649,674
School District #308	370,325,727	10.75%	39,810,016
Community College District #516	75,085,000	4.57%	3,431,385
Total Schools	797,139,397		62,874,074
Kane County	63,555,000	1.32%	838,926
Kendall County	37,933,762	8.22%	3,118,155
Kane County Forest Preserve District	190,305,866	1.32%	2,512,037
Kendall County Forest Preserve District	48,071,000	8.22%	3,951,436
Fox Valley Park District	54,820,000	8.69%	4,763,858
Oswegoland Park District	6,790,000	4.64%	315,056
Oswego Library District	8,080,000	21.11%	1,705,688
Sugar Grove Library District	6,225,000	12.87%	801,158
Total Other Governments	415,780,628		18,006,314
TOTAL OVERLAPPING BONDED DEBT	1,212,920,025		80,880,388
TOTAL DIRECT AND OVERLAPPING BONDED DEBT	\$ 1,212,920,025		\$ 80,880,388

Overlapping and bonded debt percentages based on 2013 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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 22,365,134	\$ 27,312,111	\$ 35,122,639	\$ 40,630,104	\$ 43,842,393	\$ 44,192,914	\$ 40,558,785	\$ 36,332,967	\$ 33,483,187	\$ 31,298,447
Total Net Debt Applicable to Limit	1,010,000	775,000	775,000	275,000	-	-	-	-	-	-
Legal Debt Margin	\$ 21,355,134	\$ 26,537,111	\$ 34,347,639	\$ 40,355,104	\$ 43,842,393	\$ 44,192,914	\$ 40,558,785	\$ 36,332,967	\$ 33,483,187	\$ 31,298,447
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.516%	2.838%	2.256%	0.681%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Legal Debt Margin Calculation for Fiscal 2014

Assessed Value	\$ 362,880,546
Legal Debt Margin	<u>8.625%</u>
Debt Limit	31,298,447
Debt Applicable to Limit	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 31,298,447</u>

Data Sources

Audited Financial Statements

VILLAGE OF MONTGOMERY, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	General Obligation Alternate Revenue Source Bonds and IEPA Loans						Coverage
	Water Charges and Other	Less: Operating Expenses ¹	Net Available Revenue	Debt Service			
				Principal	Interest		
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	
2010	3,315,100	2,263,878	1,051,222	296,901	141,983	2.39522	
2011	3,582,980	2,499,547	1,083,433	308,298	131,614	2.46284	
2012	3,690,830	3,476,530	214,300	324,734	119,749	0.48213	
2013	4,010,153	3,127,373	882,780	419,238	183,683	1.46417	
2014	4,115,879	2,864,628	1,251,251	533,228	227,090	1.64569	

¹ Excludes Depreciation and Amortization

Data Source

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income (1)	Unemployment Rate (2)
2005	10,613	\$ 258,055,095	\$ 24,315	5.68%
2006	10,613	258,055,095	24,315	4.18%
2007	14,407	350,306,205	24,315	4.68%
2008	14,407	350,306,205	24,315	6.13%
2009	17,062	414,862,530	24,315	10.18%
2010	17,062	414,862,530	24,315	10.27%
2011	18,438	448,319,970	24,315	9.62%
2012	18,438	448,319,970	24,315	8.72%
2013	18,438	477,212,316	25,882	8.80%
2014 (3)	18,438	477,783,894	25,913	5.40%

Data Source

(1) US Census Bureau, 2008-2012 American Community Survey 5-Year Estimates.

(2) Illinois Department of Employment Security, Kane and Kendall Counties

(3) Illinois Department of Employment Security, Kane and Kendall Counties, August 2014

VILLAGE OF MONTGOMERY, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

2014				2005			
Employer	Employees	Rank	Percentage of Total Village Population	Employer	Employees	Rank	Percentage of Total Village Population
Caterpillar, Inc.	3,100	1	16.81%	L & D Group	800	1	7.54%
Performance Food Service	538	2	2.92%	Eby-Brown Co., LLC	400	2	3.77%
Butterball	430	3	2.33%	The Dial Corporation	400	3	3.77%
VVF Illinois Services	350	4	1.90%	Fox River Foods, Inc.	340	4	3.20%
Eby-Brown Co., LLC	329	5	1.78%	Processed Plastic Co.	300	5	2.83%
Wal-Mart	286	6	1.55%	General American Door Company	200	6	1.88%
Aurora Bearing Co.	250	7	1.36%	Weyerhaeuser Co.	150	7	1.41%
ComEd	200	8	1.08%	CMT, Inc.	120	8	1.13%
Hormann, LLC	200	9	1.08%	Aurora Metals Division, LLC	112	9	1.06%
Aurora Metals Division, LLC	<u>150</u>	10	<u>0.81%</u>	ComEd	<u>110</u>	10	<u>1.04%</u>
TOTAL	<u>5,833</u>		<u>31.62%</u>	TOTAL	<u>2,932</u>		<u>27.63%</u>

Data Source

2014 Illinois Manufacturers Directory, 2014 Illinois Services Directory, Selective telephone survey.

2005 Illinois Manufacturers Directory, 2005 Illinois Services Directory, Selective telephone survey.

VILLAGE OF MONTGOMERY, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL GOVERNMENT										
Administration	1.75	2.75	3.50	3.50	3.00	3.00	4.00	3.00	3.88	2.38
Finance	5.75	5.75	5.75	5.75	5.75	4.50	4.50	4.50	5.50	5.50
Building	5.00	6.00	5.00	5.00	-	-	-	-	-	-
Community Development	2.00	2.00	3.75	3.75	5.00	5.00	5.00	3.50	3.50	4.70
PUBLIC SAFETY										
Police										
Sworn Officers	19.00	22.00	25.00	25.00	23.00	23.00	23.00	23.00	23.00	25.00
Civilians/Other	8.50	10.00	10.00	10.00	11.00	11.00	11.00	11.00	3.00	3.00
PUBLIC WORKS										
Administration	1.50	2.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Street Maintenance	8.00	8.00	8.00	8.00	7.00	7.00	7.00	8.00	7.00	8.50
Water Operations	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Building Maintenance	N/A	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00	1.00
Fleet Maintenance	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00
TOTAL	53.50	62.50	68.50	68.50	61.25	60.00	61.00	58.00	52.88	56.08

N/A - Not available

Data Sources

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
POLICE										
Physical Arrests	528	239	508	565	703	845	930	912	2,221	994
Parking Violations	294	392	621	547	597	670	826	786	1,316	1,273
Traffic Violations	1,812	3,030	3,243	2,978	4,715	4,314	3,940	4,023	4,141	2,474
PUBLIC WORKS										
Street Resurfacing (miles) or	-	-	-	-	-	-	-	1.50	0.60	1.14
Street Reconstruction (miles)	1.39	2.41	0.53	1.75	1.50	1.25	-	-	-	-
WATER										
New Connections	815	1,429	636	782	251	49	85	63	60	30
Water Main Breaks	63	44	60	56	55	67	55	57	53	56
Average Daily Consumption	2,272,781	2,255,232	2,389,921	2,459,795	2,642,000	2,583,000	2,694,800	2,721,750	2,441,000	2,156,394
Peak Daily Consumption	3,501,000	4,150,000	4,596,000	4,332,000	4,539,000	4,120,000	4,159,000	4,200,590	3,907,000	3,563,800

Data Sources

Village Records

VILLAGE OF MONTGOMERY, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Calendar Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	3	3	3	3	3	3	4	4	4	4
Patrol Units	11	12	13	15	15	15	15	15	19	19
PUBLIC WORKS										
Residential Streets (miles)	53	53	53	53	53	58	74.3	76	76	76
WATER										
Water Mains (miles)	44.6	95	95	95	95	98	110	114	114	117
Fire Hydrants	N/A	N/A	N/A	N/A	N/A	N/A	1,050	1,372	1,372	1,680
Storage Capacity (millions of gallons)	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	5.8

N/A - Not available

Data Sources

Village Records

COMPLIANCE SECTION



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

630.566.8400 // www.sikich.com

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE WITH PUBLIC ACT 85-1142

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

We have examined management's assertion that the Village of Montgomery, Illinois, complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the fiscal year ended April 30, 2014 for Tax Increment Financing District #1. As discussed in that representation letter, management is responsible for the Village of Montgomery, Illinois' compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village of Montgomery, Illinois' compliance based on our examination.

Our examination was made in accordance with the standards established by the American Institute of Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village of Montgomery, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village of Montgomery, Illinois' compliance with statutory requirements.

In our opinion, management's assertion that the Village of Montgomery, Illinois, complied with the aforementioned requirements for the fiscal year ended April 30, 2014, is fairly stated in all material respects.

A handwritten signature in black ink that reads 'Sikich LLP'.

Naperville, Illinois
October 15, 2014