

NOTICE OF CORRECTION

VILLAGE OF MONTGOMERY

Kendall and Kane Counties, Illinois

\$4,840,000* General Obligation Bonds (Alternate Revenue Source), Series 2023

Selling on:

Tuesday, October 10, 2023
Between 10:45 and 11:00 A.M., C.D.T.
(Open Speer Auction)

Referencing the Official Statement and Notification of Sale dated September 28, 2023
for the above referenced bond issue:

The Optional Redemption Date has been updated as follows:

The Bonds are callable in whole or in part on any date on or after **December 30, 2032**, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot.

The following tables included under the heading “**FINANCIAL INFORMATION**” have been updated to include preliminary results for the Fiscal Year Ended April 30, 2023.

Statement of Net Position – Governmental Activities
Statement of Activities – Governmental Activities
General Fund – Balance Sheet
General Fund – Revenues and Expenditures
Water Fund – Statement of Net Position
Water Fund – Statement of Revenues, Expenses and Changes in Net Position

The Village does not expect that there will be material differences between the Fiscal Year 2023 information provided in these tables and the information presented in the Audited Financial Statements. The Village currently expects the Audited Financial Statements to be finalized and available after the sale of the Bonds. Assuming the Audited Financial Statements are available when the Final Official Statement is printed, the Audited Financial Statements will be included in the Final Official Statement.

On page 5 of the Notice of Sale, the maximum coupon rate has been updated as follows:

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The differential between the highest rate bid and the lowest rate bid shall not exceed three percent (3%). No coupon shall exceed **5.50%**. All bids must be for all of the Bonds, must be for not less than \$4,791,600.

Revised October 3, 2023

For additional information please contact:

Anthony Miceli
Senior Vice President
Phone: (312) 529-5881
Email: amiceli@speerfinancial.com

**Subject to change.*

New Issue
 Date of Sale: Tuesday, October 10, 2023
 Between 10:45 and 11:00 A.M., C.D.T.
 (Open Speer Auction)

Investment Rating:
 S&P Global Ratings ... AA/Stable

Official Statement

Subject to compliance by the Village with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. For the years beginning after December 31, 2022, interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.



\$4,840,000*
VILLAGE OF MONTGOMERY
Kendall and Kane Counties, Illinois
General Obligation Bonds (Alternate Revenue Source), Series 2023

Dated Date of Delivery Bank Qualified Book-Entry Due Serially December 30, 2038-2048

The \$4,840,000* General Obligation Bonds (Alternate Revenue Source), Series 2023 (the "Bonds") are being issued by the Village of Montgomery, Kane and Kendall Counties, Illinois (the "Village"). Interest is payable semiannually on June 30 and December 30 of each year, commencing June 30, 2024. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 30 in the following years and amounts.

AMOUNTS*, MATURITIES, INTEREST RATES, YIELDS OR PRICES AND CUSIP NUMBERS⁽¹⁾

Principal Amount*	Due Dec. 30	Interest Rate	Price or Yield	CUSIP Number(1)	Principal Amount*	Due Dec. 30	Interest Rate	Price or Yield	CUSIP Number(1)
\$355,000.....	2038	_____	_____	_____	\$455,000.....	2044	_____	_____	_____
370,000.....	2039	_____	_____	_____	475,000.....	2045	_____	_____	_____
385,000.....	2040	_____	_____	_____	495,000.....	2046	_____	_____	_____
400,000.....	2041	_____	_____	_____	515,000.....	2047	_____	_____	_____
415,000.....	2042	_____	_____	_____	540,000.....	2048	_____	_____	_____
435,000.....	2043	_____	_____	_____					

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

The Bonds are callable in whole or in part on any date on or after December 30, 2032, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot. See "OPTIONAL REDEMPTION" herein.

PURPOSE, LEGALITY AND SECURITY

The Bond proceeds are being used (i) to finance enhancements to the Village's Waterworks System (the "System"), and (ii) to pay the costs of issuing the Bonds. See "THE PROJECT" herein.

In the opinion of Bond Counsel, the Bonds will constitute valid and legally binding obligations of the Village payable from: (a) (i) together with the Village's outstanding General Obligation Alternate Bonds, Series 2013 and General Obligation Alternate Bonds, Series 2017, the net revenues to be derived from the operation of the System, (ii) collections distributed to the Village from taxes imposed under the Income Tax Act of the State of Illinois as amended, or substitute taxes thereof as provided by the State of Illinois in the future, and (b) ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See "DESCRIPTION OF THE BONDS" herein.

This Official Statement is dated October 3, 2023, and has been prepared under the authority of the Village. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Official Statement Sales Calendar". Additional copies may be obtained from Ms. Jennifer Milewski, Director of Finance, Village of Montgomery, 200 N. River St., Montgomery, Illinois 60538, or from the Municipal Advisor to the Village:



*Subject to change.

(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The Village is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth within this Official Statement.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the Village from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the Village.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the Village, shall constitute a “Final Official Statement” of the Village with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled “Final Official Statement” rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the Village and, while believed to be reliable, is not guaranteed as to completeness. **THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE VILLAGE SINCE THE RESPECTIVE DATES THEREOF.**

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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APPENDIX C - PROPOSED FORMS OF OPINION OF BOND COUNSEL

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OFFICIAL BID FORM

OFFICIAL NOTICE OF SALE

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notice of Sale and the Official Bid Form, which are provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

Issuer:	Village of Montgomery, Kane and Kendall Counties, Illinois (the “Village”).
Issue:	\$4,840,000* General Obligation Bonds (Alternate Revenue Source), Series 2023 (the “Bonds”).
Dated Date:	Date of delivery, expected to be on or about October 25, 2023.
Interest Due:	Each June 30 and December 30, commencing June 30, 2024.
Principal Due:	Serially, December 30, commencing December 30, 2038 through 2048, as detailed on the cover page of this Official Statement.
Optional Redemption:	The Bonds are callable in whole or in part on any date on or after December 30, 2032, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot. See “ OPTIONAL REDEMPTION ” herein.
Authorization:	The Bonds are being issued pursuant to the provisions of the Illinois Municipal Code (the “Municipal Code”), the Local Government Debt Reform Act (the “Debt Reform Act”) of the State of Illinois and a bond ordinance adopted by the President and Board of Trustees of the Village on the 9 th day of October, 2023, as supplemented by a related notification of sale.
Security:	In the opinion of Bond Counsel, the Bonds will constitute valid and legally binding obligations of the Village payable from: (a) (i) together with the Village’s outstanding General Obligation Alternate Bonds, Series 2013 and General Obligation Alternate Bonds, Series 2017, the net revenues to be derived from the operation of the System, (ii) collections distributed to the Village from taxes imposed under the Income Tax Act of the State of Illinois as amended, or substitute taxes thereof as provided by the State of Illinois in the future, and (b) ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See “ DESCRIPTION OF THE BONDS ” herein.
Investment Rating:	The Bonds have been rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, New York, New York (“S&P”). See “ INVESTMENT RATING ” herein.
Purpose:	The Bond proceeds are being used (i) to finance enhancements to the System, and (ii) to pay the costs of issuing the Bonds. See “ THE PROJECT ” herein.
Tax Exemption:	Chapman and Cutler LLP, Chicago, Illinois, will provide an opinion as to the federal tax exemption of the interest on the Bonds as discussed under “ TAX EXEMPTION ” in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
Bank Qualification:	The Bonds are “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See “ QUALIFIED TAX-EXEMPT OBLIGATIONS ” herein.
Bond Registrar/Paying Agent:	Amalgamated Bank of Chicago, Chicago, Illinois.
Delivery:	The Bonds are expected to be delivered on or about October 25, 2023.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. See APPENDIX B herein.
Denomination:	\$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Chicago, Illinois.

*Subject to change.

VILLAGE OF MONTGOMERY, ILLINOIS

Board of Trustees

Matthew Brolley
President

Matt Bauman
Tom Betsinger

Dan Gier
Steve Jungermann

Doug Marecek
Theresa Sperling

Officials

Debbie Buchanan
Village Clerk

Jeffrey Zoepfel
Village Administrator

Jennifer Milewski
Director of Finance

Mickey, Wilson, Weiler, Renzi, Lenert & Julien, P.C.
Corporation Counsel

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning the Village of Montgomery, Kane and Kendall Counties, Illinois (the “Village”), in connection with the offering and sale of its \$4,840,000* General Obligation Bonds (Alternate Revenue Source), Series 2023 (the “Bonds”). The Bonds are being issued pursuant to the Illinois Municipal Code, as amended, the Local Government Debt Reform Act of the State of Illinois, as amended, and bond ordinance adopted by the President and Board of Trustees of the Village (the “Board”) on the 9th day of October, 2023, as supplemented by a related notification of sale (the “Bond Ordinance”).

This Official Statement contains “forward-looking statements” that are based upon the Village’s current expectations and its projections about future events. When used in this Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “pro-forma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the Village. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the Village nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

*Subject to change.

DESCRIPTION OF THE BONDS

Security for the Bonds

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (“*Bond Counsel*”), are valid and legally binding upon the Village and are payable from (a)(i) together with the Village’s outstanding General Obligation Alternate Bonds, Series 2013 (the “*Series 2013 Bonds*”), and General Obligation Alternate Bonds, Series 2017 (the “*Series 2017 Bonds*” and, together with the Series 2013 Bonds, the “*Prior Alternate Bonds*”), the Net System Revenues (as hereinafter defined) of the waterworks system of the Village (the “*System*”), and (ii) collections distributed to the Village from taxes imposed under the Income Tax Act of the State of Illinois, as amended, or substitute taxes therefor as provided for by the State of Illinois in the future (the “*Income Tax Revenues*” and, together with the Net System Revenues, the “*Pledged Revenues*”) and (b) ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount (the “*Pledged Taxes*,” and together with the Pledged Revenues, the “*Pledged Moneys*”), except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Definitions

When used in this section, the following terms shall have the meanings ascribed below:

“*Additional Bonds*” means any bonds issued in the future on a parity with and sharing ratably and equally in the Pledged Revenues with the Bonds and the Prior Alternate Bonds.

“*Bond Fund*” means the Village of Montgomery 2023 Alternate Bond Fund established under the Bond Ordinance.

“*Fiscal Year*” means that twelve-calendar month period beginning on the first day of May of any calendar year and ending on the last day of April of such calendar year.

“*Net System Revenues*” means the System Revenues minus Operation and Maintenance Costs.

“*Operation and Maintenance Costs*” means all costs of operating, maintaining and routine repair of the System, including wages, salaries, costs of materials and supplies, power, fuel, insurance, purchase of water and sewage treatment services (including all payments by the Village pursuant to long term contracts for such services as and to the extent provided in such contracts); but excluding debt service, depreciation, or any reserve requirements; and otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

“*Outstanding*” when used with reference to the Bonds, the Prior Alternate Bonds and Additional Bonds means such of those bonds which are outstanding and unpaid; *provided, however*, such term shall not include any of the Bonds, Prior Alternate Bonds or Additional Bonds (a) which have matured and for which moneys are on deposit with proper paying agents or are otherwise sufficiently available to pay all principal thereof and interest thereon or (b) the provision for payment of which has been made by the Village by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all the principal of and interest on such Bonds, Prior Alternate Bonds and Additional Bonds.

“*System Revenues*” means all income from whatever source derived from the System, including (a) investment income on all accounts of the Sewer Fund; (b) connection, permit and inspection fees and the like; (c) penalties and delinquency charges; and (d) capital development, reimbursement, or recovery charges and the like; but excluding expressly (i) non-recurring income from the sale of property of the System; (ii) governmental or other grants; and (iii) advances or grants made from the Village; and as otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

“*Water Fund*” or “*Fund*” means the Waterworks Fund of the Village previously created and continued hereunder.

Flow of Funds

Upon the issuance of the Bonds, the System shall continue to be operated on a Fiscal Year basis. All of the System Revenues shall be set aside as collected and be deposited into that certain Water Fund and in an account in a bank designated by the Board which Water Fund shall constitute a trust fund for the sole purpose of carrying out the covenants, terms, and conditions of the Bond Ordinance. There shall be and there are hereby created or continued separate accounts in the Fund to be known as the “Operation and Maintenance Account,” the “Senior Lien Bond and Interest Account,” the “Depreciation Account” and the “Surplus Account,” to which there shall be credited on or before the first day of each month by the financial officer of the Village, without any further official action or direction, in the order in which said accounts are hereinafter mentioned, all moneys held in the Water Fund, in accordance with the following provisions:

(a) Operation and Maintenance Account:

There shall be credited to or retained in the Operation and Maintenance Account an amount sufficient, when added to the amount then on deposit in said Account, to establish or maintain a balance to an amount not less than the amount considered necessary to pay Operation and Maintenance Costs for the then current month.

(b) Senior Lien Bond and Interest Account:

(1) There will be paid into the Senior Lien Bond and Interest Account in each month after the required payments have been made into the account described above, a fractional amount of the interest becoming due on the next succeeding interest payment date on the Bonds, the Prior Alternate Bonds and any Additional Bonds then Outstanding (collectively, the “*Outstanding System Obligations*”), and a fractional amount of the principal becoming due on the next succeeding principal maturity date of the Outstanding System Obligations. Such amounts in the Senior Lien Bond and Interest Account will then be immediately transferred to the separate bond funds for each series of Outstanding System Obligations including, with respect to the Bonds, the Pledged Revenues Account of the Bond Fund (each as hereinafter defined). Such deposits shall be made into the Senior Lien Bond and Interest Account until there has been accumulated in the respective bond fund for each series of the Outstanding System Obligations (including, with respect to the Bonds, the Bond Fund), on or before the month preceding such maturity date of interest or principal, or both, an amount sufficient to pay such principal or interest, or both, of all Outstanding System Obligations.

(2) In computing the fractional amount to be set aside each month in the Senior Lien Bond and Interest Account, the fraction shall be so computed that sufficient funds will be set aside and will be available for the prompt payment of such principal of and interest on the Outstanding System Obligations as the same will become due. For each month, such amount shall be not less than one-fifth of the interest becoming due on the next succeeding interest payment date and not less than one-tenth of the principal becoming due on the next succeeding principal payment date, in each case on each series of Outstanding System Obligations.

(3) Deposits to the Senior Lien Bond and Interest Account may be suspended in any Fiscal Year at such time as there is a sufficient sum, held in cash and investments, with respect to each series of the Outstanding System Obligations, in the respective bond fund for such series of the Outstanding System Obligations (including, with respect to the Bonds, the Bond Fund) to meet all of the principal and interest requirements of the Outstanding System Obligations for the balance of such Fiscal Year, but such credits shall be resumed at the beginning of the next Fiscal Year.

(4) All moneys in Senior Lien Bond and Interest Account shall be used only for the purpose of transferring to the respective bond funds of the Outstanding System Obligations (including, with respect to the Bonds, the Bond Fund) for the purpose of paying interest or principal on the Outstanding System Obligations.

(c) Depreciation Account:

Beginning the month after the delivery of the Bonds, there shall be credited to the Depreciation Account and held, in cash and investments, such sum as the Board may deem necessary in order to provide an adequate depreciation fund for the System. In future ordinances, the Village may covenant to make specific monthly deposits to said Depreciation Account and to accumulate funds therein. Amounts to the credit of said Depreciation Account shall be used for (i) the payment of the cost of extraordinary maintenance, necessary repairs and replacements, or contingencies, the payment for which no other funds are available, in order that the System may at all times be able to render efficient service, (ii) for the purpose of acquiring or constructing improvements and extensions to the System, and (iii) the payment of principal of or interest and applicable premium on any Outstanding Obligations at any time when there are no other funds available for that purpose in order to prevent a default. Future Bond Ordinances may provide for additional deposits to said Depreciation Account and additional uses and transfers of the funds on deposit in said Depreciation Account.

(d) Surplus Account:

All moneys remaining in the Fund, after crediting the required amounts to the respective accounts hereinabove provided for, and after making up any deficiency in said accounts, shall be credited to the Surplus Account. Funds in the Surplus Account shall first be used to make up any subsequent deficiencies in any of said accounts and then, for the remainder of all surplus System Revenues, at the discretion of the Board, for one or more of the following purposes without any priority among them:

1. For the purpose of constructing or acquiring repairs, replacements, improvements or extensions to the System; or
2. For making transfers to the Fund generally to be applied and treated as Revenues when transferred; or

3. For the purpose of calling and redeeming bonds payable from the System which are callable at the time; or
4. For the purpose of purchasing bonds payable from the System; or
5. For the purpose of paying principal of and interest on any subordinate bonds or obligations issued for the purpose of acquiring or constructing repairs, replacements, improvements or extensions to the System; or
6. For any other lawful System purpose.

Bond Fund

The Bond Ordinance provides for the creation of the Bond Fund, the same being a special fund of the Village, which fund shall be held separate and apart from all other funds and accounts of the Village and which fund is hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds. The purpose of the Bond Fund is to provide a fund to receive and disburse the Pledged Moneys for the Bonds. All payments with respect to the Bonds shall be made directly from the Bond Fund. The Bond Ordinance creates two accounts in the Bond Fund, designated the Pledged Revenues Account and the Pledged Taxes Account. All Pledged Revenues to be applied to the payment of the Bonds shall be deposited to the credit of the Pledged Revenues Account and all Pledged Taxes shall be deposited to the credit of the Pledged Taxes Account. The Bond Fund and its respective accounts constitute a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by the Bond Ordinance.

Any Pledged Taxes received by the Village shall promptly be deposited into the Pledged Taxes Account of the Bond Fund. Pledged Taxes on deposit to the credit of the Pledged Taxes Account shall be fully spent to pay the principal of and interest on the Bonds for which such taxes were levied and collected prior to use of any moneys on deposit in the Pledged Revenues Account of the Bond Fund.

As described under “-Flow of Funds” above, the Net System Revenues will be deposited into the Pledged Revenues Account on a monthly basis. Income Tax Revenues to be applied to the payment of the Bonds will be deposited into the Pledged Revenues Account in an amount sufficient to pay debt service on the Bonds on any principal or interest payment date; *provided, however*, the Village will not be required to deposit Income Tax Revenues into the Pledged Revenues Account of the Bond Fund if funds on deposit in the Bond Fund are sufficient to pay debt service on the Bonds on such payment date.

General Covenants

Section 16. General Covenants. The Village covenants and agrees with the registered owners of the Bonds that, so long as the Bonds remains Outstanding:

- A. The Pledged Revenues are pledged in the Bond Ordinance to the payment of the Bonds; and the Board covenants and agrees to provide for, collect and apply the Pledged Revenues to the payment of the Bonds, and the provision of not less than an additional 0.25 times debt service on the Bonds, all in accordance with Section 15 of the Debt Reform Act.

B. The Village will punctually pay or cause to be paid from the Bond Fund the principal of, interest on and premium, if any, to become due in respect to the Bonds in strict conformity with the terms of the Bonds and the Bond Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

C. The Village will pay and discharge, or cause to be paid and discharged, from the Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Moneys, or any part thereof, or upon any such funds in the hands of the Bond Registrar, or which might impair the security of the Bonds. The Bond Ordinance does not require the Village to make any such payment so long as the Village in good faith shall contest the validity of said claims.

D. The Village will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries shall be made of all transactions relating to the Pledged Moneys and the Bond Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the holders of not less than ten per cent (10%) of the principal amount of the Outstanding Bonds or their representatives authorized in writing.

E. The Village will preserve and protect the security of the Bonds and the rights of the registered owners of the Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of the Bonds by the Village, the Bonds shall be incontestable by the Village.

F. The Village will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance, and for the better assuring and confirming unto the holders of the Bonds of the rights and benefits provided in the Bond Ordinance.

G. As long as any Bonds is Outstanding, the Village will continue to deposit the Pledged Revenues and, if necessary, the Pledged Taxes to the Bond Fund. The Village covenants and agrees with the purchasers of the Bonds and with the registered owners thereof that so long as any Bonds remain Outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to collect the Pledged Revenues or levy the Pledged Taxes. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes can be levied and extended and that the Pledged Revenues and the Pledged Taxes may be collected and deposited into the Bond Fund, as provided in the Bond Ordinance.

H. Once issued, the Bonds shall be and forever remain until paid or defeased the general obligation of the Village, for the payment of which its full faith and credit are pledged, and shall be payable, in addition to the Pledged Revenues, from the levy of the Pledged Taxes as provided in the Debt Reform Act.

I. The Village will maintain the System in good repair and working order, will operate the same efficiently and faithfully, and will punctually perform all duties with respect thereto required by the Constitution and laws of the State of Illinois.

J. The Village will establish and maintain at all times reasonable fees, charges and rates for the use and service of the System and will provide for the collection thereof and the segregation and application of the System Revenues in the manner provided by this Ordinance, sufficient at all times to pay Operation and Maintenance Costs, to provide an adequate depreciation fund, to pay the principal of and interest on the Bonds and any Additional Bonds or Prior Alternate Bonds then Outstanding, and to provide for the creation and maintenance of the respective accounts as provided in the Bond Ordinance; it is hereby expressly provided that the pledge and establishment of rates or charges for use of the System shall constitute a continuing obligation of the Village with respect to such establishment and a continuing appropriation of the amounts received.

K. There shall be charged against all users of the System, including the Village, such rates and amounts for water services as shall be adequate to meet the requirements of this Section. Charges for services rendered the Village shall be made against the Village, and payment for the same shall be made monthly from the corporate funds into the Fund as revenues derived from the operation of the System.

L. The Village will make and keep proper books and accounts (separate and apart from all other records and accounts of the Village), in which complete entries shall be made of all transactions relating to the System, and hereby covenants that within 210 days following the close of each Fiscal Year, it will cause the books and accounts of the System to be audited by independent certified public accountants. Each such audit shall be prepared in accordance with appropriate audit standards. All expenses of the audit required shall be regarded and paid as Operation and Maintenance Costs.

M. The Village will carry insurance on the System of the kinds and in the amounts which are usually carried by private parties operating similar properties, covering such risks as shall be recommended by a competent consulting engineer or insurance consultant employed by the Village for the purpose of making such recommendations. All moneys received for loss under such insurance policies shall be deposited in the Depreciation Account and Surplus Account and used in making good the loss or damage in respect of which they were paid, either by repairing the property damaged or making replacement of the property destroyed, and provision for making good such loss or damage shall be made within ninety (90) days from the date of the loss. The payment of premiums for all insurance policies required under the provisions of this covenant shall be considered an Operation and Maintenance Cost.

Additional Bonds

The Village reserves the right to issue Additional Bonds without limit from time to time payable from the Pledged Revenues, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues; *provided, however,* that no Additional Bonds shall be issued except in accordance with the provisions of the Debt Reform Act.

The Village also reserves the right to issue bonds from time to time payable from the System Revenues that are subordinate to the Bonds and are payable from the money remaining in the Surplus Account after making required deposits into the Senior Bond and Interest Account in accordance with the Bond Ordinance.

Treatment of Bonds as Debt

The Bonds shall be payable from the Pledged Moneys and does not and shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall be extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, in which case the amount of the Bonds then Outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shall show that the Bonds has been paid from the Pledged Revenues for a complete Fiscal Year, in accordance with the Debt Reform Act.

Abatement of Pledged Taxes

Whenever the Board shall have determined that in any year the Pledged Revenues have been deposited into the Bond Fund in an amount sufficient to pay debt service on the Bonds, the Board or the officers of the Village acting with proper authority, shall direct the abatement of the Pledged Taxes to the extent such Pledged Taxes relate to the debt service paid or to be paid by the Pledged Revenues in the Bond Fund, and proper notification of such abatement shall be filed with the County Clerks of The Counties of Kane and Kendall, Illinois (the "*County Clerks*"), in a timely manner to effect such abatement.

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Debt Service Coverage

Projected Debt Service Coverage – Water System and Income Tax Alternate Revenue Source Bonds

Fiscal Year	Pledged Revenues		Total Revenues Available for Debt Service	Debt Service			Total Debt Service(3)	Debt Service Coverage(3)(4)	Mandatory Coverage(3)(5)	Remainder Available(3)
	Water System Revenue(1)	Income Tax Revenue(2)		Series 2013	Series 2017	The Bonds(3)				
2024	\$ 992,358	\$3,098,877	\$ 4,091,235	\$ 288,450	\$ 244,138	\$ 0	\$ 532,588	7.68x	\$ 665,734	\$3,425,501
2025	1,281,246	3,098,877	4,380,123	288,800	244,638	247,385	780,823	5.61x	976,029	3,404,094
2026	1,529,136	3,098,877	4,628,013	287,400	244,988	209,550	741,938	6.24x	927,422	3,700,591
2027	1,795,261	3,098,877	4,894,138	290,800	245,188	209,550	745,538	6.56x	931,922	3,962,216
2028	2,085,029	3,098,877	5,183,906	288,800	245,238	209,550	743,588	6.97x	929,484	4,254,422
2029	2,398,999	3,098,877	5,497,876	291,600	245,138	209,550	746,288	7.37x	932,859	4,565,017
2030	2,732,040	3,098,877	5,830,917	289,000	244,888	209,550	743,438	7.84x	929,297	4,901,620
2031	3,094,146	3,098,877	6,193,023	291,200	244,488	209,550	745,238	8.31x	931,547	5,261,476
2032	3,489,418	3,098,877	6,588,295	288,000	243,938	209,550	741,488	8.89x	926,859	5,661,436
2033	3,603,990	3,098,877	6,702,867	289,600	243,238	209,550	742,388	9.03x	927,984	5,774,883
2034	3,744,860	3,098,877	6,843,737	290,800	241,900	209,550	742,250	9.22x	927,813	5,915,924
2035	3,848,276	3,098,877	6,947,153	291,600	245,400	209,550	746,550	9.31x	933,188	6,013,966
2036	3,999,309	3,098,877	7,098,186	287,000	242,000	209,550	738,550	9.61x	923,188	6,174,998
2037	4,152,501	3,098,877	7,251,378	287,200	243,400	209,550	740,150	9.80x	925,188	6,326,191
2038	4,315,303	3,098,877	7,414,180	292,000	244,400	209,550	745,950	9.94x	932,438	6,481,742
2039	4,480,508	3,098,877	7,579,385	291,200	0	564,550	855,750	8.86x	1,069,688	6,509,697
2040	4,655,654	3,098,877	7,754,531	0	0	565,350	565,350	13.72x	706,688	7,047,843
2041	4,853,678	3,098,877	7,952,555	0	0	565,088	565,088	14.07x	706,359	7,246,196
2042	5,061,519	3,098,877	8,160,396	0	0	564,206	564,206	14.46x	705,258	7,455,138
2043	5,275,047	3,098,877	8,373,924	0	0	562,206	562,206	14.89x	702,758	7,671,166
2044	5,500,732	3,098,877	8,599,609	0	0	565,088	565,088	15.22x	706,359	7,893,249
2045	5,730,934	3,098,877	8,829,811	0	0	566,600	566,600	15.58x	708,250	8,121,561
2046	6,030,857	3,098,877	9,129,734	0	0	566,125	566,125	16.13x	707,656	8,422,077
2047	6,347,720	3,098,877	9,446,597	0	0	564,750	564,750	16.73x	705,938	8,740,660
2048	6,675,728	3,098,877	9,774,605	0	0	562,475	562,475	17.38x	703,094	9,071,511
2049	7,020,249	3,098,877	10,119,126	0	0	564,300	564,300	17.93x	705,375	9,413,751
Total				\$4,633,450	\$3,662,975	\$9,182,273	\$17,478,698			

- Notes: (1) Projected net water system revenues as provided by a report prepared by Engineering Enterprises, Inc dated September 22, 2023.
 (2) Based on the Village's fiscal year 2022 Annual Comprehensive Financial Report.
 (3) Subject to change.
 (4) The Bonds are on parity with the Village's outstanding Series 2013 and Series 2017 Bonds, only as it relates to Water System revenues.
 (5) Coverage pledge is 1.25 times debt service.

THE PROJECT

Bond proceeds will be used to finance enhancements to the System, including replacing existing water mains, upgrading storage facilities, and other capital improvements relating to the System (the “Project”). The Project and the System improvements are related to the Village’s new water source project (the “Water Source Project”).

THE WATER SOURCE PROJECT

The Village primarily relies on a deep sandstone aquifer for its water source. The water level in the deep sandstone aquifer has been declining. The Illinois Office of Water Resources predicts that wells in the Village will be at risk of inoperability by 2050. The Village is working with the Village of Oswego and the United Village of Yorkville to change the water source from this aquifer to water obtained from Lake Michigan through a connection with the DuPage Water Commission. Current estimates for the Water Source Project exceed \$100 million, which include the cost of connection to the DuPage Water Commission as well as System upgrades required to obtain a Lake Michigan Water Allocation from the Illinois Department of Natural Resources. The Village expects to fund the Water Source Project through a mix of borrowings from State and Federal loan programs, the issuance of the Bonds, and, if necessary, future bond issuances, all of which may be secured in whole or in part by the Pledged Revenues. The execution of a federal WIFIA loan in the amount of approximately \$88 million is expected to occur within the next twelve months.

Planning and design work for the Water Source Project has begun and construction related to the Water Source Project is expected to commence in 2024 and continue through 2031.

The Village is currently working to finalize an intergovernmental agreement among the Village, the Village of Oswego and the United Village of Yorkville and is also working on legislation to execute a formal commitment to the Commission. In anticipation of the Water Source Project, the Village has increased its water rates effective on May 1, 2023 and has instituted an annual 5.5% increase on the water consumption charge through and including May 1, 2031. Consumption charges will then increase by 2% each year beginning May 1, 2032. The Village continues to evaluate its water rates and will likely need to increase rates throughout the construction process in order to meet the needs of the System.

SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

SOURCES:	
Principal Amount	\$ _____
Net Original Issue Premium	_____
Total Sources	\$ _____
USES:	
Pay Costs of the Project	\$ _____
Costs of Issuance(1)	_____
Total Uses	\$ _____

Note: (1) Includes underwriter’s discount, fixed costs of issuance and contingencies.

OPTIONAL REDEMPTION

The Bonds are callable in whole or in part on any date on or after December 30, 2032, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot.

The Bond Registrar will give notice of redemption, identifying the Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption will be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the Village will not redeem such Bonds, and the Bond Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village will deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on the date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Ordinance, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Bond Registrar at the redemption price.

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Construction Risks

There are potential risks that could affect the ability of the Village to timely complete the Project. While preliminary costs have been projected by the Village's consulting architects, not all of the construction contracts have been let by the Village. No assurance can be given that the cost of completing the Project will not exceed available funds. Completion of the Project involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.

Payment of the Bonds from the Pledged Revenues

The ability of the Village to pay the Bonds from the Pledged Revenues may be limited by circumstances beyond the control of the Village. There is no guarantee that the Pledged Revenues will continue to be available at current levels.

To the extent that Pledged Revenues are insufficient to pay the Bonds, the Bonds are to be paid from the Pledged Taxes. If the Pledged Taxes are ever extended for the payment of the Bonds, the amount of the Bonds then outstanding will be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shows that the Bonds have been paid from the Pledged Revenues for a complete fiscal year. See “**Treatment of Bonds as Debt**” under “**DESCRIPTION OF THE BONDS**” herein.

Finances of the State of Illinois

The State of Illinois (the “State”) has experienced adverse fiscal conditions resulting in significant shortfalls between the State’s general fund revenues and spending demands. The State’s long-term general obligation bonds carry the lowest ratings of all the states.

The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017, which had a significant, negative impact on the State’s finances, although certain spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees, including spending for elementary and secondary education. The State enacted full budgets for the State fiscal years ending June 30, 2018 (the “Fiscal Year 2018 Budget”), June 30, 2019 (the “Fiscal Year 2019 Budget”), June 30, 2020 (the “Fiscal Year 2020 Budget”), June 30, 2021 (the “Fiscal Year 2021 Budget”), and June 30, 2022 (the “Fiscal Year 2022 Budget”), and June 30, 2023 (the “Fiscal Year 2023 Budget”).

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the Village. The State’s general fiscal condition and the underfunding of the State’s pension systems have materially adversely affected the State’s financial condition and may result in decreased or delayed revenues allocated to the Village. In addition, the Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget contained a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the Village, by 10% for State Fiscal Year 2018 and by 5% for State Fiscal Year 2019 and State Fiscal Year 2020. The Fiscal Year 2021 Budget, the Fiscal Year 2022 Budget, and the Fiscal Year 2023 Budget did not include any such reduction. The Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget, the Fiscal Year 2020 Budget, the Fiscal Year 2021 Budget, the Fiscal Year 2022 Budget, and the Fiscal Year 2023 Budget also include a service fee for collection and processing of local-imposed sales taxes. Such fee was 2% of such sales taxes for State Fiscal Year 2018 and was reduced to 1.5% of such sales taxes for State Fiscal Year 2019, State Fiscal Year 2020, State Fiscal Year 2021, State Fiscal Year 2022, and the Fiscal Year 2023 Budget.

The Village can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State, nor can the Village predict the effect the State’s financial problems, including those caused by the various governmental or private actions in reaction to the Novel Coronavirus 2019 (“COVID-19”), may have on the Village’s future finances. Despite moneys the State has received and is expected to receive from the federal government, the actions taken in response to COVID-19 have had, and are expected to continue to have, a significant impact on the State’s economy. See “**Potential Impact of COVID-19**” below.

Potential Impact of COVID-19

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on global economies, including economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy was broad based and negatively impacted national, state and local economies.

In response to the pandemic, former President Trump declared a “national emergency” and designated the State as part of a national disaster area, which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. Federal legislation, particularly (i) the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), signed into law on March 27, 2020, and (ii) the federal American Rescue Plan Act of 2021, which was signed into law on March 12, 2021 (the “ARP Act”), are each directed at mitigating the economic downturn and health care crisis caused by COVID-19. The CARES Act allocates approximately \$4.9 billion to the State for expenditures incurred due to the public health emergency with respect to COVID-19, split between the State (\$2.7 billion) and local governments (the Village of Chicago and Illinois counties with populations that exceed 500,000) (\$2.2 billion). The American Rescue Plan (the “ARP Act”) provides additional federal money for states and local governments to combat the COVID-19 pandemic including, but not limited to, funds to replace revenues lost as a result of the pandemic. The Village received \$920,837 in CARES Act funds and expects to receive approximately \$2,671,051 million pursuant to the ARP Act.

In addition to the federal COVID-19 response, Governor Pritzker (the “Governor”) signed various executive orders (each with 30-day periods of effectiveness which have been extended several times) to prevent the further spread of COVID-19 that have called for social distancing and masking and imposed restrictions on personal mobility, business operations and congregate activities. The Governor implemented a five-phase approach to reopening the State’s businesses (the “Reopening Plan”), with each successive phase easing certain of the restrictions previously imposed by such prior executive orders. On June 11, 2021, the State began the fifth and final phase of the Reopening Plan.

Under Phase 5 of the Reopening Plan, all sections of the Illinois economy have reopened, with no limitations on the size of gatherings and most public activities, including parties, festivals, weddings, places of worship, conferences and sporting events. Businesses and local municipalities are permitted to continue to enforce more stringent rules. If there is a resurgence of COVID-19 cases, with an increase in hospitalizations and capacity issues for intensive care unit beds, the State could return to a previous phase of the Reopening Plan that would reinstate public health restrictions and mitigations.

The Village cannot predict the effect of COVID-19 or the various governmental or private actions in reaction thereto will have on its finances or operations, including receipt of sales, income and utility tax revenue and real estate tax collections. If there is a negative impact on the receipt of such revenues and/or extension and collection of real estate taxes, the Village may have difficulty paying debt service on the Bonds.

Future Pension Plan Funding Requirements

The Village participates in the Police Pension Plan, as hereinafter defined. Under the Illinois Pension Code, as amended (the “Pension Code”), the Village is required to contribute to each plan in order to achieve a Funded Ratio of 90% by 2040. In order to achieve the 90% Funded Ratio for both plans by 2040, it is expected that the annual employer contributions required by the Village will increase over time. The Village also participates in the Illinois Municipal Retirement Plan (the “IMRF Plan”), which is a defined benefit pension plan administered by the Illinois Municipal Retirement Fund (“IMRF”); employer contributions are projected by IMRF to increase over time. Increasing annual required employer contributions for the Village could have a material adverse effect on the finances of the Village.

The Pension Code allows the State Comptroller, after proper procedures have taken place, to divert State payments intended for the Village to the Police Pension Plan to satisfy contribution shortfalls by the Village. If the Village does not make 100% of its annual required contributions to the Police Pension Plan, the Village may have revenues withheld by the State Comptroller. Such withholdings by the State Comptroller could adversely affect the Village's financial health and operations. See **“EMPLOYEE RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS”** herein for a more complete discussion.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the Village. Despite the implementation of network security measures by the Village, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the Village does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the Village's operations and financial health. Further, as cybersecurity threats continue to evolve, the Village may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

Local Economy

The financial health of the Village is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the Village.

Loss or Change of Bond Rating

The Bonds have received a credit rating from S&P. The rating can be changed or withdrawn at any time for reasons both under and outside the Village's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the Village to comply with the Continuing Disclosure Undertaking (the “Undertaking”) for continuing disclosure (see “**CONTINUING DISCLOSURE**” and **APPENDIX E** herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the Village and to the Bonds. The Village can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Village, or the taxing authority of the Village. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the Village, the taxable value of property within the Village, and the ability of the Village to levy property taxes or collect revenues for its ongoing operations.

Factors Relating to Tax Exemption

As discussed under “**TAX EXEMPTION**” herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the Village in violation of its covenants in the Bond Ordinance. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States (“Congress”) legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the Village’s ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the Village.

The tax-exempt bond office of the Internal Revenue Service (the “Service”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the Village could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Climate Change Risk

There are potential risks to the State, the Village and their respective financial condition that are associated with changes to the climate over time and with increases in the frequency, timing and severity of extreme weather events, causing or increasing the severity of flooding and other natural disasters. The Village cannot predict how or when various climate change risks may occur, nor can it quantify the impact on the State or the Village, its population or its financial condition. Over time, the costs could be significant and could have a material adverse effect on the Village's finances.

THE VILLAGE

The Village is a growing community, covering a 10 square mile area, nestled along the Fox River in northern Illinois, located in both southern Kane and northern Kendall Counties. Situated approximately 40 miles southwest of Chicago, the Village is bordered by Aurora to the north and east, Oswego and Boulder Hill to the south, Sugar Grove to the northwest and Yorkville to the southwest.

The Village 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 was incorporated in 1858.

The Village'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 the Village's reaper plant, the construction of the Chicago, Burlington & Quincy (CB&Q) Railroad reinvigorated local industrial activity. The rail line shipped the Village'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, the Village's first modern factory, moved to the Village 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, the Village 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 the Village 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, the Village has been successful in maintaining its warm, small-town atmosphere. The Village has continued to grow, albeit at a slower pace, to 20,262 residents by the 2020 decennial census.

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 is committed to providing their citizens with a full range of services including police protection, the construction and maintenance of highways, streets and infrastructure, water treatment and distribution, planning and zoning, and general administrative services. These services are provided by 68 full-time employees and 31 part-time employees out of three separate buildings. Village services are divided among five departments and within each department are specialized divisions, with further delineating responsibility centers.

The Village residents are served by a number of other governmental entities. The Village is part of two counties (Kane and Kendall), four townships (Aurora, Bristol, Oswego, and Sugar Grove), two library districts, five fire protection districts, five school districts, and two park districts.

Water supply and distribution services are provided by the Village to a service area of 27,000, which includes the unincorporated subdivision of Boulder Hill with a population of approximately 9,000. Sanitary sewerage treatment is provided by the Fox Metro Water Reclamation District, whose treatment plant is located near the Village.

Transportation

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

Commerce and Industry

There is a wide variety of commercial establishments in the Village including JC Penney, Menards, WalMart, Sam's Club, Walgreens, Aldi, Belle Tire, BMO Harris Bank, Jimmy John's, Binny's, Farm & Fleet, and Buona Beef. In addition, the Village has a diversified base of industrial, manufacturing, processing, wholesale and logistics firms. Among those firms are Carl Buddig and Company, Performance Food Service, Coffman Trucks, Aurora Metals, Aurora Bearing, Hormann GADCO, Eby-Brown, United Facilities (General Mills), Old Dominion Freight, Central States Bus Sales, Calypso Energy, Tangent Materials, and Lyon Workspace Products.

Municipal revenue streams traditionally have been reasonably constant and predictable. However, there are many factors that may affect the local economy including rates of employment and health of local businesses, as well as residential, commercial, and industrial development. In addition, the local economy and the Village's financial position may be affected by state, national, and international decisions and events.

The Village works with the Montgomery Economic Development Corporation to attract new businesses to the community. The Village has seen several new businesses build from the ground up over the last year including McCallister's Deli, the Doggie Daycare, and Gas and Wash. In addition, other new businesses have occupied vacant buildings like Baba's Famous Steak and Lemonade in Settler's Landing. As the economy continues the steady recovery, the Village has seen interest from businesses who are exploring expansion and growth strategies.

Commercial development has helped the Village's sales tax, which is its single largest revenue source. The Village receives a one percent state sales tax on retail sales of tangible personal property within the Village. In addition, the Village began collecting a one percent non-home rule sales tax on July 1, 2015 on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. Sales tax is collected by the State and remitted to the Village three months after the liability occurs. Sales tax revenue has drastically increased in the last 10 years through the expansion of the commercial and retail sector in Montgomery. In fact, sales tax stayed consistent even through the Great Recession with the enacting of the "Leveling the Playing Field" legislation requiring remote retailers to collect and remit the state and local retailer's occupation tax.

There were 3 new industrial buildings completed in 2017 including the United Sugars Corporation \$21 million bulk sugar storage and transfer facility; the Nexeo Solutions \$12 million warehouse and distribution facility; and the Old Dominion Freight Line \$13 million freight depot. United Sugars and Nexeo are both located within the Aucutt Road TIF District (TIF #2) while Old Dominion is located outside TIF #2. The United Sugars and Nexeo buildings alone contributed nearly \$840,000 of tax increment in fiscal year 2022. All of the increment noted above can be used to make needed improvements in the area. The Village Engineer has worked on a storm sewer overflow study and road improvement study over the last 2 years. The studies will determine what regional improvements can be made to recapture buildable land within TIF #2 and the order in which improvements should take place. United Sugars Corporation began construction in early 2021 on a second bulk storage dome (valued at \$20 million) and the Village is currently in discussion with another existing business about expansion of their facilities. Lastly, the Village is working with two landowners to annex their property and create the Caterpillar Drive TIF District (TIF #3) and Blackberry Creek TIF District (TIF #4).

Community Life

The Village is served by both the Fox Valley Park District and the Oswegoland Park District. The Village is home to a range of environmental and recreational amenities that contribute greatly to local quality of life, image, character, desirability, and aesthetic appeal. Together, the Fox Valley Park District, the Oswegoland Park District, and the Kendall County Forest Preserve District manage 21 parks, as well as one forest preserve, in the Village, comprising over 640 acres of designated park and open space land within the community. These include the Fox River, the Virgil Gilman and Fox River Trails, Blackberry Creek, Stuart Sports Complex, and numerous parks. Enhanced recreational opportunities, better open space connectivity, and a network of trails for biking and walking help make the Village a healthier community, by encouraging and providing for increased activity and recreation.

Education

Residents of the Village are served by five school districts, with three elementary schools located within in the Village's boundaries. The districts include Yorkville Community Unit School District #115, West Aurora School District #129, East Aurora School District #131, Kaneland Community Unit School District #302, and Oswego Community Unit School District #308. Together, these school districts provide a well-respected and highly regarded school system for the students. The Village's strong school system educates local youth and provides gathering places for the community. The schools also play a crucial role in building and maintaining home values due to increased demand from families who want to live within these school district boundaries and the Village. In addition, several private high schools are located in nearby Aurora, including the Illinois Math and Science Academy and Marmion Academy.

Waubonsee Community College, located in nearby Sugar Grove, offers Associate of Arts degrees in 24 majors. The college also offers Applied Science degrees in 26 different occupational fields and specialized certificate programs in 55 career areas. In addition, several four-year colleges are located less than thirty minutes from the Village, including Aurora University, North Central College, Benedictine University, Lewis University and Rasmussen College.

The Village is served by two library districts. The majority of the Village residents are served by the Oswego Public Library District which has a facility in nearby Oswego and the other within the Village boundaries, appropriately named the Montgomery Campus. The Oswego Public Library District also serves residents of the Village of Oswego, Oswego Township and portions of Bristol and Wheatland Townships. The Sugar Grove Public Library District is located in Sugar Grove and serves the Village residents in the Foxmoor and Fairfield Way subdivisions. The Sugar Grove Public Library District also serves residents of the Village of Sugar Grove and Sugar Grove Township. Both districts provide quality library service which meet the informational, educational, and recreational needs of district residents of all ages.

Medical Care

There are 4 hospitals located within 30 minutes of the Village including Amita Health Mercy Medical Center (292 beds) in Aurora; Rush Copley Medical Center (210 beds) in Aurora; Edward Hospital (371 beds) in Naperville; and Northwestern Medicine Delnor Hospital (159) beds in Geneva. All 4 hospitals offer a wide range of care in both medical treatment and behavioral health services. These facilities are supplemented by more than 1,000 doctors and 250 dentists located in offices within 10 minutes of the Village.

SOCIOECONOMIC INFORMATION

Employment

Substantial employment is available in surrounding communities and throughout the Chicago metropolitan area. Numerous employers are located within the Village and in surrounding communities.

The following employment data shows a consistently diverse and strong growth trend for employment in Kane and Kendall Counties. This data is **NOT** comparable to similar U.S. Census statistics, which would include government employment, and establishments not covered by the Illinois Unemployment Insurance Program, and could classify employment categories differently.

Kane County Private, Non-Agricultural Employment Covered by the Illinois Unemployment Insurance Act(1)

	(Data as of March for each Year)				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Farm and Forestry.....	544	518	436	456	441
Mining and Quarrying.....	120	119	197	103	107
Construction.....	10,124	10,256	10,281	10,057	10,453
Manufacturing.....	32,832	31,401	30,848	30,054	30,800
Transportation, Communications, Utilities.....	6,868	6,794	7,059	6,685	6,853
Wholesale Trade.....	13,755	14,892	13,896	13,026	13,157
Retail Trade.....	20,643	19,818	20,073	19,861	20,221
Finance, Insurance, Real Estate.....	8,781	8,554	8,376	8,334	8,040
Services(2).....	<u>86,921</u>	<u>86,209</u>	<u>82,909</u>	<u>76,194</u>	<u>86,306</u>
Total.....	180,588	178,561	174,075	164,770	176,378

Notes: (1) Source: Illinois Department of Employment Security.
 (2) Includes unclassified establishments.

Following are lists of large employers located in the Village and in the surrounding area.

Major Village Employers(I)

<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
School District #308.....	Education	3,296
Carl Buddig	Food Processor	589
Performance Food Service	Foodservice Distribution	379
Eby-Brown Co., LLC.....	Wholesale Tobacco and Confectionary.....	329
Lyon LLC.....	Partitions and fixtures	300
Blain Supply, Inc.....	Farm Equipment.....	250
Walmart.....	Discount Retailer	250
Aurora Bearing Co.....	Bearings	246
US Medical Glove.....	Medical Equipment Manufacturing.....	220
Hormann, LLC.....	Metal Windows and Doors	200
Sam's Club.....	Warehouse Club, Retail.....	170
Old Dominion Freight Lines	Domestic and Nationwide LTL shipping services	158
Aurora Metals Division, LLC	Copper-Based Alloy, Gray Iron and Stainless Steel Castings.....	137
Tangent Technologies	Recycled Poly Lumber and Plastic Board Manufacturer.....	127
International Paper	Corrugated Cartons	125

Note: (1) Source: Montgomery Economic Development Corporation, 2023 Illinois Manufacturers Directory and 2023 Illinois Services Directory. The COVID-19 pandemic, and the response thereto, has negatively impacted businesses through the State and may have had an adverse impact on these employers. The Village makes no prediction as to the effect of COVID-19 on the information set forth in this table. See **“RISK FACTORS - Potential Impact of COVID-19”** herein.

Major Area Employers(I)

<u>Location</u>	<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Naperville.....	Edward-Elmhurst Health	General Hospital	4,500
Batavia.....	Fermi Accelerated National Laboratory	High Energy Physics Research Laboratory	4,000
Naperville.....	Nokia	Telecommunications Research and Development.....	2,750
Aurora.....	Rush-Copley Medical Center.....	Hospital and Medical Center	2,200
Aurora.....	Amita Health Mercy Medical Center	Medical and Psychiatric Hospital.....	1,300
Naperville.....	BP, Global Fuels Technology Div.....	Chemical and Petrochemical Research.....	1,200
Aurora.....	Nalco Co., LLC.....	Water Treatment Company Headquarters.....	1,200
Sugar Grove.....	Waubensee Community College	Community College.....	1,100
Batavia.....	Suncast Corporation	Plastic Lawn Products.....	1,000
Aurora.....	MetLife, Inc.	Insurance and Financial Services.....	800
Naperville.....	North Central College.....	Liberal Arts College.....	700
Naperville.....	Dealer Inspire, Inc.....	Website Development	600
Naperville.....	Nicor Gas.....	Gas Distributors	600

Note: (1) Source: 2023 Illinois Manufacturers Directory and 2023 Illinois Services Directory. The COVID-19 pandemic, and the response thereto, has negatively impacted businesses through the State and may have had an adverse impact on these employers. The Village makes no prediction as to the effect of COVID-19 on the information set forth in this table. See **“RISK FACTORS - Potential Impact of COVID-19”** herein.

The following tables show employment by industry and by occupation for the Village, Kane and Kendall Counties, and the State as reported by the U.S. Census Bureau 2017-2021 American Community Survey 5-year estimated values.

Employment By Industry(1)

Classification	The Village		Kane County		Kendall County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining....	51	0.5%	1,069	0.4%	483	0.7%	63,543	1.0%
Construction	408	3.8%	17,299	6.5%	5,282	7.8%	341,322	5.4%
Manufacturing	1,082	10.1%	42,168	15.8%	6,691	9.8%	736,045	11.7%
Wholesale Trade.....	248	2.3%	10,065	3.8%	2,642	3.9%	180,597	2.9%
Retail Trade.....	1,646	15.4%	28,655	10.8%	9,046	13.3%	650,853	10.4%
Transportation and Warehousing, and Utilities	1,065	10.0%	16,540	6.2%	4,577	6.7%	422,657	6.7%
Information	45	0.4%	3,753	1.4%	1,373	2.0%	108,866	1.7%
Finance and Insurance, and Real Estate and Rental and Leasing	720	6.7%	20,443	7.7%	4,039	5.9%	462,893	7.4%
Professional, Scientific, and Management, and Administrative and Waste Management Services	1,186	11.1%	32,910	12.4%	6,769	9.9%	772,112	12.3%
Educational Services and Health Care and Social Assistance.....	2,324	21.8%	50,861	19.1%	16,303	23.9%	1,468,505	23.4%
Arts, Entertainment and Recreation and Accommodation and Food Services	1,198	11.2%	24,502	9.2%	5,823	8.6%	541,868	8.6%
Other Services, Except Public Administration.....	201	1.9%	10,426	3.9%	2,452	3.6%	288,901	4.6%
Public Administration	497	4.7%	7,452	2.8%	2,593	3.8%	235,311	3.8%
Total	10,671	100.0%	266,143	100.0%	68,073	100.0%	6,273,473	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 to 2021.

Employment By Occupation(1)

Classification	The Village		Kane County		Kendall County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts	3,901	36.6%	97,629	36.7%	27,443	40.3%	2,555,193	40.7%
Service	2,212	20.7%	43,221	16.2%	9,082	13.3%	1,038,968	16.6%
Sales and Office	2,628	24.6%	61,370	23.1%	16,140	23.7%	1,310,129	20.9%
Natural Resources, Construction, and Maintenance	397	3.7%	20,051	7.5%	6,514	9.6%	450,520	7.2%
Production, Transportation, and Material Moving.....	1,533	14.4%	43,872	16.5%	8,894	13.1%	918,663	14.6%
Total	10,671	100.0%	266,143	100.0%	68,073	100.0%	6,273,473	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 to 2021.

Annual Average Unemployment Rates(1)

Calendar Year	The Village	Kane County	Kendall County	State of Illinois
2014.....	7.0%	6.9%	6.5%	7.2%
2015.....	5.5%	5.8%	5.3%	6.0%
2016.....	5.5%	5.5%	5.2%	5.9%
2017.....	4.9%	4.8%	4.4%	4.9%
2018.....	4.8%	4.9%	3.6%	4.4%
2019.....	4.4%	4.3%	3.4%	4.0%
2020(2)	9.6%	9.3%	8.0%	9.3%
2021.....	5.4%	6.0%	4.7%	6.1%
2022.....	4.7%	4.5%	4.0%	4.6%
2023(3)	NA	4.4%	2.8%	3.6%

- Notes: (1) Source: Illinois Department of Employment Security.
 (2) The Village attributes the increase in unemployment rates to the various stay at home orders issued by the Governor, related to the COVID-19 pandemic. See "RISK FACTORS - Potential Impact of COVID-19" herein.
 (3) Preliminary rates for the month of May 2023.

Building Permits

Village Building Permits(1) (Excludes the Value of Land)

Calendar Year	Residential Single-Family		Residential Multi-Family		Commercial and Industrial		Miscellaneous		Total	
	Units	Value	Units	Value	Units	Value	Units	Value	Units	Value
2013	25	\$ 4,527,500	0	\$ 0	3	\$ 7,030,000	531	\$ 5,432,152	559	\$16,989,652
2014	31	5,346,000	0	0	4	2,923,970	474	3,994,683	509	12,264,653
2015	28	5,069,500	1	440,000	3	4,035,000	537	11,075,152	569	20,619,652
2016	4	639,000	4	440,000	7	36,544,509	582	10,196,377	597	47,819,886
2017	2	369,000	4	1,610,000	7	2,320,000	392	16,179,270	405	20,478,270
2018	13	2,434,455	3	1,320,000	3	3,650,000	690	16,128,963	709	23,533,418
2019	38	6,538,913	2	3,920,000	2	645,000	1,332	29,082,582	1,374	40,186,495
2020	90	14,900,840	7	12,548,240	1	1,500,000	1,005	29,445,313	1,103	58,394,393
2021	64	12,474,690	3	5,880,000	6	12,058,132	982	16,441,895	1,055	46,854,717
2022	15	4,706,365	0	0	5	33,053,769	833	19,943,771	853	57,703,905

Note: (1) Source: The Village.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the Village's owner-occupied homes was \$234,000. This compares to \$255,900 for Kane County, \$255,400 for Kendall County and \$212,600 for the State. The following table represents the five year average market value of specified owner-occupied units for the Village, the County and the State at the time of the 2017-2021 American Community Survey.

Home Values(1)

Value	The Village		Kane County		Kendall County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under \$50,000.....	134	2.6%	2,825	2.1%	270	0.7%	192,095	5.9%
\$50,000 to \$99,999	40	0.8%	4,960	3.6%	449	1.2%	403,882	12.3%
\$100,000 to \$149,999.....	175	3.4%	11,793	8.7%	1,965	5.4%	444,981	13.6%
\$150,000 to \$199,999.....	1,364	26.8%	23,883	17.5%	7,022	19.3%	496,767	15.1%
\$200,000 to \$299,999.....	2,927	57.4%	42,315	31.1%	16,004	44.0%	747,742	22.8%
\$300,000 to \$499,999.....	456	8.9%	41,208	30.3%	9,498	26.1%	663,366	20.2%
\$500,000 to \$999,999.....	0	0.0%	8,097	5.9%	993	2.7%	268,376	8.2%
\$1,000,000 or more	0	0.0%	1,054	0.8%	162	0.4%	62,113	1.9%
Total	5,096	100.0%	136,135	100.0%	36,363	100.0%	3,279,322	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 to 2021.

Mortgage Status(1)

	The Village		Kane County		Kendall County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage.....	3,889	76.3%	95,109	69.9%	28,488	78.3%	2,051,911	62.6%
Housing Units without a Mortgage ..	1,207	23.7%	41,026	30.1%	7,875	21.7%	1,227,411	37.4%
Total	5,096	100.0%	136,135	100.0%	36,363	100.0%	3,279,322	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 to 2021.

Income

**Per Capita Personal Income
 for the Highest Income Counties in the State(I)**

<u>Rank</u>		<u>2017 to 2021</u>
1.....	DuPage County	\$50,344
2.....	Lake County	49,440
3.....	Monroe County	43,614
4.....	McHenry County	43,047
5.....	Cook County.....	41,706
6.....	Kane County	40,661
7.....	Will County	40,493
8.....	Menard County	39,054
9.....	Woodford County.....	38,480
10.....	Kendall County	38,343
11.....	Grundy County.....	38,206
12.....	Sangamon County	37,892

Note: (1) Source: U.S. Bureau of the Census. 2017-2021 American Community Survey 5-Year Estimates.

The following shows the median family income for counties in the State.

Ranking of Median Family Income(I)

<u>Illinois County</u>	<u>Family Income</u>	<u>Illinois Rank</u>
DuPage County.....	\$122,334	1
Lake County.....	117,633	2
Will County.....	110,844	3
Monroe County.....	110,229	4
McHenry County.....	108,681	5
Kendall County.....	107,982	6
Kane County.....	103,791	7
Cook County.....	89,553	14

Note: (1) Source: U.S. Bureau of the Census. 2017-2021 American Community Survey 5-Year Estimates.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median family income of \$102,828. This compares to \$103,791 for Kane County, \$107,982 for Kendall County and \$91,408 for the State. The following table represents the distribution of family incomes for the Village, the County and the State at the time of the 2017-2021 American Community Survey.

Family Income(I)

<u>Income</u>	<u>The Village</u>		<u>Kane County</u>		<u>Kendall County</u>		<u>The State</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under \$10,000.....	77	1.6%	2,533	1.9%	401	1.2%	99,702	3.2%
\$10,000 to \$14,999	0	0.0%	1,649	1.3%	292	0.9%	56,625	1.8%
\$15,000 to \$24,999	66	1.4%	3,822	2.9%	535	1.6%	146,576	4.7%
\$25,000 to \$34,999	266	5.7%	6,035	4.6%	627	1.8%	183,329	5.9%
\$35,000 to \$49,999	272	5.8%	10,956	8.3%	1,800	5.3%	296,320	9.5%
\$50,000 to \$74,999	694	14.8%	20,038	15.2%	5,718	16.8%	488,349	15.6%
\$75,000 to \$99,999	780	16.7%	17,855	13.6%	4,932	14.5%	434,374	13.9%
\$100,000 to \$149,999.....	1,752	37.4%	30,871	23.5%	10,481	30.9%	654,077	20.9%
\$150,000 to \$199,999.....	619	13.2%	17,347	13.2%	4,775	14.1%	347,963	11.1%
\$200,000 or more.....	153	3.3%	20,440	15.5%	4,393	12.9%	424,363	13.6%
Total.....	4,679	100.0%	131,546	100.0%	33,954	100.0%	3,131,678	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 to 2021.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median household income of \$100,911. This compares to \$88,935 for Kane County, \$101,816 for Kendall County and \$72,563 for the State. The following table represents the distribution of household incomes for the Village, the County and the State at the time of the 2017-2021 American Community Survey.

Household Income(I)

Income	The Village		Kane County		Kendall County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under \$10,000.....	174	2.7%	6,379	3.5%	805	1.9%	289,764	5.9%
\$10,000 to \$14,999	15	0.2%	3,906	2.2%	803	1.9%	172,660	3.5%
\$15,000 to \$24,999	152	2.4%	8,787	4.8%	1,069	2.5%	365,922	7.4%
\$25,000 to \$34,999	372	5.8%	11,432	6.3%	1,293	3.0%	379,283	7.7%
\$35,000 to \$49,999	492	7.7%	17,283	9.5%	2,944	6.8%	528,830	10.7%
\$50,000 to \$74,999	1,048	16.4%	28,459	15.7%	7,403	17.1%	801,687	16.3%
\$75,000 to \$99,999	895	14.0%	24,570	13.6%	6,843	15.8%	634,032	12.9%
\$100,000 to \$149,999.....	2,346	36.7%	37,711	20.8%	11,900	27.5%	841,113	17.1%
\$150,000 to \$199,999.....	737	11.5%	20,053	11.1%	5,152	11.9%	418,667	8.5%
\$200,000 or more.....	159	2.5%	22,683	12.5%	5,013	11.6%	498,297	10.1%
Total.....	6,390	100.0%	181,263	100.0%	43,225	100.0%	4,930,255	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2017 to 2021.

Retail Activity

The table below shows the distribution of the municipal portion and Non-Home Rule portion of the Retailer's Occupation, Service Occupation and Use Tax ("Sales Tax") collected by the State Department of Revenue from retailers within the Village. The table indicates the level of retail activity in the Village.

Retailer's Occupation, Service Occupation and Use Tax(I)

State Fiscal Year Ending June 30	State Sales Tax(2)	Annual Percent Change +/-	Non-Home Rule Sales Tax(3)	Annual Percent Change +/-	Total	Annual Percent Change +/-	
2014.....	\$2,837,393	5.57%	NA	NA	NA	NA	
2015.....	3,176,007	11.93%	NA	NA	NA	NA	
2016.....	3,772,814	18.79%	\$1,887,754(4)	NA	\$5,660,568	NA	
2017.....	3,834,963	1.65%	2,717,994	NA	6,552,957	15.76%	
2018.....	4,178,634	8.96%	2,918,619	7.38%	7,097,253	8.31%	
2019.....	4,471,840	7.02%	3,072,553	5.27%	7,544,393	6.30%	
2020.....	4,693,322	4.95%	3,139,524	2.18%	7,832,846	3.82%	
2021.....	4,827,727	2.86%	3,357,938	6.96%	8,185,665	4.50%	
2022.....	5,584,494	15.68%	3,867,097	15.16%	9,451,591	15.47%	
2023.....	6,077,007	8.82%	4,118,345	6.50%	10,195,351	7.87%	
Growth from 2014 to 2023.....		114.18%	Growth from 2016 to 2023.....		118.16%	Growth from 2016 to 2023.....	80.11%

- Notes: (1) Source: Illinois Department of Revenue.
 (2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailer's Occupation, Service Occupation and Use tax collected on behalf of the Village, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.
 (3) The Village began collecting a non-home rule sales tax on July 1, 2015, which is collected on items other than the sale of food, prescription drugs, over-the-counter medicine and professional services.
 (4) Includes nine months of non-home rule sales tax collections.

Public Act 101-0009, effective June 5, 2019, included the "Leveling the Playing Field for Illinois Retailers Act." This legislation requires certain remote retailers to collect and remit state and locally-imposed sales taxes for the jurisdiction where the product is delivered (destination) starting on July 1, 2020. Information from the Illinois Municipal League (IML) indicates that "local governments could receive \$92 million per state fiscal year." There will, however, be a decrease in collections of Use Tax.

Sales Tax Revenue and Number of Principal Payers Revenue by Category(1)
 (For the 12 months ended December, 2022)

	Kane County Municipal Tax	Kane County Non- Home Rule Sales Tax	Kendall County Municipal Tax	Kendall County Non-Home Rule Sales Tax	Twelve Month Total
General Merchandise.....	\$ 484	\$ 481	\$ 727,160	\$ 437,883	\$ 1,166,008
Food.....	252,554	145,186	1,284,833	736,808	2,419,381
Drinking and Eating Places.....	84,253	81,574	258,151	258,141	682,119
Apparel.....	25,846	25,833	4,663	4,656	60,999
Furniture and H.H. and Radio.....	6,521	6,518	18,609	18,580	50,229
Lumber, Building, Hardware.....	153,646	152,869	466,854	455,885	1,229,254
Automotive and Filling Stations.....	459,664	233,724	263,761	57,412	1,014,561
Drugs and Misc. Retail.....	126,307	119,869	689,886	388,840	1,324,902
Agriculture and All Others.....	225,630	218,826	670,796	494,225	1,609,478
Manufacturers.....	236,407	235,724	40,247	39,965	552,344
Total.....	<u>\$1,571,313</u>	<u>\$1,220,604</u>	<u>\$4,424,961</u>	<u>\$2,892,397</u>	<u>\$10,109,275</u>
Total Number of Taxpayers.....	1,886	1,886	2,205	2,205	4,091
Village Direct Sales Tax Rate.....	1.00%	1.00%	1.00%	1.00%	1.00%
Village Non-Home Rule Sales Tax Rate.....	1.00%	1.00%	1.00%	1.00%	1.00%

Note: (1) Source: Illinois Department of Revenue.

Income Tax

The following table shows the distribution of the municipal portion of the State Income Tax collected by the State and distributed through the Local Government Distributive Fund by the State Comptroller over the past five fiscal years.

Income Tax Revenue History(1)

Village Fiscal Year	Income Tax Revenues Distributions(2)
2018.....	\$1,677,747
2019.....	1,907,508
2020.....	1,814,022
2021.....	2,238,047
2022.....	3,098,877

Notes: (1) Source: The Village's Annual Comprehensive Financial Reports for the fiscal years ended April 30, 2018 - April 30, 2022.
 (2) The State Fiscal Year 2022 Budget contains a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities like the Village by 5% for State Fiscal Year 2022. The Village cannot determine at this time the financial impact of this provision on the overall financial condition for the future.

DEFAULT RECORD

The Village has no record of default and has met its debt repayment obligations promptly.

SHORT-TERM BORROWING

The Village has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

DEBT INFORMATION

After issuance of the Bonds, the Village will have outstanding \$28,660,000* principal amount of general obligation debt. As of April 30, 2022, the Village also has outstanding \$16,973 principal amount of Special Service Area bonds, \$5,183,000 principal amount of Special Assessment Improvement Bonds, and \$4,185,692 principal amount of IEPA loans.

The Village expects to issue approximately \$6.3 million in general obligation alternate revenue source bonds within the next six months for capital improvements within a tax increment financing district. The Village is also taking on additional debt payable from the Pledged Revenues as further described under “**THE PROJECT**” and “**THE WATER SOURCE PROJECT**” herein.

Village General Obligation Bonded Debt(1)(2) (Principal Only)

Calendar Year	Series 2013(3)	Series 2014(4)	Series 2017(3)	Series 2021(4)	The Bonds(5)(6)	Total Outstanding Debt(5)	Cumulative Principal Retired(5)	
	(12/1)	(12/1)	(12/1)	(12/1)			Amount	Percent
2023	\$ 155,000	\$ 685,000	\$ 150,000	\$ 0	\$ 0	\$ 990,000	\$ 990,000	3.45%
2024	160,000	710,000	155,000	0	0	1,025,000	2,015,000	7.03%
2025	165,000	0	160,000	760,000	0	1,085,000	3,100,000	10.82%
2026	175,000	0	165,000	795,000	0	1,135,000	4,235,000	14.78%
2027	180,000	0	170,000	840,000	0	1,190,000	5,425,000	18.93%
2028	190,000	0	175,000	875,000	0	1,240,000	6,665,000	23.26%
2029	195,000	0	180,000	920,000	0	1,295,000	7,960,000	27.77%
2030	205,000	0	185,000	965,000	0	1,355,000	9,315,000	32.50%
2031	210,000	0	190,000	1,010,000	0	1,410,000	10,725,000	37.42%
2032	220,000	0	195,000	1,030,000	0	1,445,000	12,170,000	42.46%
2033	230,000	0	200,000	1,055,000	0	1,485,000	13,655,000	47.64%
2034	240,000	0	210,000	1,075,000	0	1,525,000	15,180,000	52.97%
2035	245,000	0	215,000	1,095,000	0	1,555,000	16,735,000	58.39%
2036	255,000	0	225,000	1,120,000	0	1,600,000	18,335,000	63.97%
2037	270,000	0	235,000	1,140,000	0	1,645,000	19,980,000	69.71%
2038	280,000	0	0	1,165,000	355,000	1,800,000	21,780,000	75.99%
2039	0	0	0	1,185,000	370,000	1,555,000	23,335,000	81.42%
2040	0	0	0	1,210,000	385,000	1,595,000	24,930,000	86.99%
2041	0	0	0	0	400,000	400,000	25,330,000	88.38%
2042	0	0	0	0	415,000	415,000	25,745,000	89.83%
2043	0	0	0	0	435,000	435,000	26,180,000	91.35%
2044	0	0	0	0	455,000	455,000	26,635,000	92.93%
2045	0	0	0	0	475,000	475,000	27,110,000	94.59%
2046	0	0	0	0	495,000	495,000	27,605,000	96.32%
2047	0	0	0	0	515,000	515,000	28,120,000	98.12%
2048	0	0	0	0	540,000	540,000	28,660,000	100.00%
Total	\$3,375,000	\$1,395,000	\$2,810,000	\$16,240,000	\$4,840,000	\$28,660,000		

- Notes: (1) Source: the Village.
 (2) Mandatory sinking fund payments shown for term bonds.
 (3) Paid from revenues from the Water and Sewer System.
 (4) Paid from Utility Taxes on electricity, natural gas and telephone and Sales Taxes.
 (5) Subject to change.
 (6) Paid from Net Water and Income Tax Revenues.

*Subject to change.

Detailed Overlapping Bonded Debt(1) (As of April 24, 2023)

	Outstanding Debt	Applicable to Village	
		Percent(2)	Amount
Schools:			
School District Number 115	\$ 49,205,000	9.86%	\$ 4,851,121
School District Number 129	101,098,000	5.85%	5,917,134
School District Number 131	134,190,000	3.94%	5,293,769
School District Number 302	54,197,866	4.13%	2,236,747
School District Number 308	233,488,792	11.32%	26,433,443
Community College District Number 516	30,550,000	4.72%	1,441,929
Total Schools			\$46,174,143
Others:			
Kane County	\$ 20,045,000	1.37%	\$ 273,910
Kendall County	14,985,000	8.48%	1,271,306
Kane County Forest Preserve District	95,120,000	1.37%	1,299,789
Kendall County Forest Preserve District	22,565,000	8.48%	1,914,382
Fox Valley Park District	15,374,180	9.00%	1,384,103
Oswegoland Park District	1,000,000	3.19%	31,939
Oswego Library District	3,010,000	21.03%	633,088
Sugar Grove Library District	815,000	12.71%	103,575
Total Others			\$ 6,912,091
Total Schools and Others Overlapping Bonded Debt			\$53,086,235

- Notes: (1) Source: Kane and Kendall County Clerks and the MSRB's Electronic Municipal Market Access website ("EMMA").
 (2) Overlapping debt percentages based on 2022 EAV for Kane and Kendall Counties, the most current available.

Statement of Bonded Indebtedness(1)

	Amount Applicable	Ratio To		Per Capita (2020 Census 20,262)
		Equalized Assessed	Estimated Actual	
2022 Village EAV of Taxable Property(2)	\$ 588,631,174	100.00%	33.33%	\$29,050.99
Estimated Actual Value, 2022(2)	\$1,765,893,522	300.00%	100.00%	\$87,152.97
Total Direct Bonded Debt(3)	\$ 28,660,000	4.87%	1.62%	\$ 1,414.47
Less: Self Supporting(3)	(28,660,000)	(4.87%)	(1.62%)	(1,414.47)
Net Direct Bonded Debt	\$ 0	0.00%	0.00%	\$ 0.00
Overlapping Bonded Debt(4)				
Schools	\$ 46,174,143	7.84%	2.61%	\$ 2,278.85
Other	6,912,091	1.17%	0.39%	341.14
Total Overlapping Bonded Debt	\$ 53,086,235	9.02%	3.01%	\$ 2,619.99
Net Direct and Total Overlapping Bonded Debt	\$ 53,086,235	9.02%	3.01%	\$ 2,619.99

- Notes: (1) Source: Kane and Kendall County Clerks and the Village.
 (2) Does not include TIF EAV.
 (3) Includes the Bonds and is subject to change.
 (4) Overlapping bonded debt as of April 24, 2023.

Legal Debt Margin(1)

2022 Village Equalized Assessed Valuation(2)	\$588,631,174
Statutory Debt Limitation (8.625% of EAV)(2)	\$ 50,769,439

General Obligation Bonded Debt:

Series 2013(3)	\$ 3,375,000
Series 2014(3)	1,395,000
Series 2017(3)	2,810,000
Series 2021(3)	16,240,000
The Bonds(3)(4)	<u>4,840,000</u>
Total General Obligation Bonded Debt(4)	\$ 28,660,000

Less: Alternate Revenue Source Bonds(3)(4)

	\$(28,660,000)
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Total Applicable Debt	\$ <u>0</u>
Legal Debt Margin	\$ 50,769,439

- Notes: (1) Source: Kane and Kendall County Clerks and the Village.
 (2) Does not include TIF EAV.
 (3) As general obligation alternate bonds, the Series 2013 Bonds, the Series 2014 Bonds, the Series 2017 Bonds, the Series 2021 Bonds and the Bonds are not included in the computation of the legal debt margin as long as the debt service for such bonds is abated annually and not extended.
 (4) Subject to change.

PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2022 levy year, the Village's EAV was comprised of 76.56% residential, 10.14% industrial, 12.67% commercial, and less than 1% farm and railroad property valuations.

Equalized Assessed Valuation(1)

By Property Class	Levy Years				
	2018	2019	2020	2021	2022
Residential.....	\$350,832,856	\$370,692,696	\$390,868,238	\$416,250,560	\$450,657,641
Farm.....	712,501	759,771	810,185	862,730	777,939
Commercial	52,588,573	56,095,490	56,825,352	64,773,864	74,597,409
Industrial.....	50,701,726	50,557,213	52,415,807	54,481,250	59,704,808
Railroad.....	<u>1,548,434</u>	<u>1,806,697</u>	<u>2,166,310</u>	<u>2,578,187</u>	<u>2,893,377</u>
Total	\$456,384,090	\$479,911,867	\$503,085,892	\$538,946,591	\$588,631,174
By County					
Kane County.....	\$193,369,243	\$201,885,351	\$211,802,394	\$222,325,236	\$238,429,546
Kendall County	<u>263,014,847</u>	<u>278,026,516</u>	<u>291,283,498</u>	<u>316,621,355</u>	<u>350,201,628</u>
Total	\$456,384,090	\$479,911,867	\$503,085,892	\$538,946,591	\$588,631,174
Percent Change.....	7.67%(2)	5.16%	4.83%	7.13%	9.22%

- Notes: (1) Source: Kane and Kendall County Clerks.
 (2) Percentage change based on 2017 EAV of \$423,888,453.

TAX INCREMENT FINANCING DISTRICTS LOCATED WITHIN THE VILLAGE

A portion of the Village's EAV is contained in TIF districts. When a TIF district is created within the boundaries of a taxing body, such as the Village, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated as such (the "Base EAV"). Any incremental increases in property tax revenue produced by the increase in EAV derived from the redevelopment project area during the life of the TIF district are not provided to the Village until the TIF district expires. The current TIF districts are described below.

The TIF incremental EAV in the Village is \$21,542,623. The Village is not aware of any new TIF districts planned in the immediate future.

Name of TIF	2022 EAV	Rate Setting EAV	TIF Increment
U.S. Route 30 and Fifth Street TIF District #1	\$ 583,185	\$ 84,452	\$ 498,733
Aucutt Road TIF District #2	41,660,196	20,616,306	<u>21,043,890</u>
Total			\$ 21,542,623
Village EAV(2)			<u>588,631,174</u>
Total EAV			\$610,173,797

- Notes: (1) Source: Kane County Clerk and Kendall County Clerk.
 (2) Based on 2022 EAVs for Kane and Kendall Counties, the most current available.

Representative Tax Rates(1) (Per \$100 EAV)

	Levy Year				
	2018	2019	2020	2021	2022
Village Rates:					
Illinois Municipal Retirement Fund	\$ 0.1246	\$ 0.0379	\$0.0350	\$0.0334	\$0.0322
Liability Insurance	0.0514	0.0555	0.0389	0.0371	0.0358
Police Protection	0.0660	0.0584	0.0486	0.0464	0.0447
Social Security	0.0534	0.0471	0.0427	0.0408	0.0394
Police Pension	0.1306	0.1428	0.1652	0.1633	0.1574
Corporate	0.0593	0.1355	0.1173	0.1127	0.1087
Prior Period Adjustment	0.0098	(0.0002)	(0.0088)	0.0000	0.0000
Revenue Recapture	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0003</u>	<u>0.0008</u>
Total Village Rate(2)	\$ 0.4951	\$ 0.4770	\$ 0.4389	\$0.4340	\$0.4190
Kane County	0.3877	0.3739	0.3618	0.3522	0.3322
Kane County Forest Preserve District	0.1607	0.1549	0.1477	0.1435	0.1367
Aurora Township	0.2210	0.2107	0.2002	0.1884	0.1709
Aurora Township Road District	0.0917	0.0887	0.0858	0.0826	0.0802
Montgomery Fire District	0.7099	0.7055	0.6786	0.6446	0.6280
Oswego Library	0.2724	0.2782	0.2518	0.2585	0.2541
Fox Valley Park District	0.4903	0.4916	0.4557	0.4337	0.4199
Unit School District Number 129	5.8301	5.6274	5.4393	5.2857	5.1444
Community College District Number 516	<u>0.5414</u>	<u>0.5377</u>	<u>0.4286</u>	<u>0.4710</u>	<u>0.4656</u>
Total Tax Rate(3)	\$ 9.2003	\$ 8.9455	\$ 8.4884	\$8.2942	\$8.0511

- Notes: (1) Source: Kane County Clerk.
 (2) Statutory tax rate limits for the Village are as follows: Corporate (\$0.4375).
 (3) Representative tax rates for other government units are from Aurora Township tax code 013, which represents the largest portion of the Village's 2022 EAV, the most current available.

Tax Extensions and Collections(1)

Levy Year	Coll. Year	Taxes Extended	Total Collections	
			Amount(3)	Percent
2017.....	2018.....	\$2,174,319	\$2,172,629	99.92%
2018.....	2019.....	2,233,407	2,231,693	99.92%
2019.....	2020.....	2,227,811	2,224,971	99.87%
2020.....	2021.....	2,270,093	2,269,701	99.98%
2021.....	2022.....	2,337,471	2,336,463	99.96%
2022.....	2023.....	2,461,761	----- In Collection -----	

Note: (1) Sources: The Village's Annual Comprehensive Financial Report for the fiscal year ended April 30, 2022 and the Village.

Principal Village Taxpayers(1)

Taxpayer Name	Business/Service	2022 EAV(2)
Montgomery Properties LLC.....	Real Property.....	\$15,063,810
United Facilities, Inc.	Storage Warehouse.....	9,752,439
American Crystal Sugar Co.	Storage Warehouse.....	8,853,338
Allsteel 900 Knell LLC	Storage Warehouse.....	4,940,884
Wal-mart Stores Inc.....	Retail Store.....	4,505,391
Victorian My Mazel LLC.....	Real Property.....	4,338,403
Montgomery Investors LLC.....	Real Property.....	3,680,629
IP Eat Five.....	Real Property.....	3,239,107
Carl Buddig & Co.....	Real Property.....	3,187,646
Old Dominion Freight Line Inc.	Freight Transporting.....	3,081,439
Total		\$60,643,086
Ten Largest Taxpayers as Percent of Village's 2022 EAV (\$588,631,174).....		10.30%

Notes: (1) Source: Kane and Kendall County Assessors.
 (2) 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 2022 EAV is the most current available.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay the principal of and certain interest on the Bonds will be levied on all taxable real property within the Village. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

Tax Levy and Collection Procedures

Local assessment officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local assessment officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

Exemptions

The Illinois Property Tax Code, as amended (the “Property Tax Code”), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (“Residential Property”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000. Beginning with tax year 2023, the maximum reduction in the five collar counties (DuPage, Kane, Lake, McHenry and Will) (the “Collar Counties”) is \$8,000.

The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years, to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is \$5,000. Beginning with tax year 2023, the maximum exemption in the Collar Counties is \$8,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$55,000 for assessment year 2008 through assessment year 2017. Beginning in assessment year 2018, the maximum income limitation is \$65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen’s residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Beginning January 1, 2015 purchasers of certain single-family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by the Consumer Price Index (“CPI”). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the “Natural Disaster Exemption”) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran’s disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans’ Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law, as amended (the “Limitation Law”), limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the Village. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds (such as the Bonds) or are for certain refunding purposes.

The Village has the authority to levy taxes for many different purposes. See the table entitled “**Representative Tax Rates**” under “**PROPERTY ASSESSMENT AND TAX INFORMATION**” herein. The ceiling at any particular time on the rate at which these taxes may be extended for the Village is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the Village) have flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the Village’s limiting rate computed in accordance with the provisions of the Limitation Law.

Local governments, including the Village, can issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. The Village cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the Village predict the effect of any such change on the Village’s finances.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the “Law”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds.

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THE SYSTEM

The System supplies water to residents, industrial users and commercial consumers in the Village. The Village’s water is supplied by a deep sandstone aquifer through five deep wells and four shallow wells. The Village operates four elevated water storage tanks, one ground storage tank and one clear well. The water distribution system is comprised of 4” to 16” water mains, three pressure zones, two distribution system booster pump stations and three pressure reducing valves. Please see “**THE PROJECT**” and “**THE WATER SOURCE PROJECT**” herein for a discussion of the future supply of water for the System.

Waterworks Usage Rates and Service Charges, Meter Rates

A \$5 monthly customer service fixed charge shall be charged to all customers.

Water Usage Rates(1)

	<u>5/1/2023</u>	<u>5/1/2024</u>	<u>5/1/2025</u>	<u>5/1/2026</u>
<u>Water:</u>				
Base Charge:				
Monthly Residential/Commercial	\$3.00	\$3.00	\$3.00	\$3.00
Bulk Water User	10.00	10.00	10.00	10.00
Hydrant Meter	30.00	30.00	30.00	30.00
Consumption - Per 1,000 Gallons:				
Resident	7.56	7.98	8.42	8.88
Non-Resident	9.08	9.58	10.11	10.67
Bulk Water	27.24	28.74	30.33	32.01
<u>Sewer:</u>				
Base Charge:				
Monthly	2.00	2.00	2.00	2.00
<u>Other:</u>				
Boulder Hill:				
Monthly	15.00	15.00	15.00	15.00

Note: (1) Source: the Village.

Water User Data(1)

<u>Fiscal Year</u>	<u>Annual Water Consumption (Gallons) Total</u>	<u>Number of Accounts</u>
2018	625,240,055	9,196
2019	699,929,225	9,241
2020	636,977,398	9,319
2021	633,154,693	9,425
2022	669,452,734	9,550
2023	533,533,121(2)	9,700

Notes: (1) Source: the Village.
 (2) As of September 26, 2023.

Largest System Users(1)

Customer	Service/Product	2022 Annual Usage (Gallons)
Carl Buddig And Company	Food Processor	40,317,280
Edward Rose & Sons.....	Apartment Complex.....	10,069,299
Doug-Lan LLC.....	Industrial Complex.....	9,754,994
Smart Wash Properties LLC	Laundromat.....	6,319,475
Fullers Car Wash.....	Car Wash.....	5,211,790
Ozinga Illinois.....	Ready-Mixed Concrete.....	4,648,609
Schaefer's Greenhouse	Garden and Floral Products.....	4,631,000
American Mobile Home Communities	Mobile Home Community	3,770,000
Victorian My Mazel LLC.....	Apartment Complex.....	3,668,000
Northern Illinois Lumber Specialty.....	Lumber Store	<u>3,614,649</u>
Total.....		92,005,096

Note: (1) Source: the Village.

FINANCIAL INFORMATION

The accounts of the Village are audited by an independent certified public accounting firm. The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the Village’s financial statements as governmental funds (including the general, special revenue, debt service and capital projects funds), the propriety funds (including enterprise and internal service funds), fiduciary funds (including pension trust funds, expandable trust funds and agency funds) and account groups (including general fixed assets and general long-term debt account groups).

No Consent or Updated Information Requested of the Auditor

The tables contained in this “**FINANCIAL INFORMATION**” section (the “Excerpted Financial Information”) are from the audited financial statements of the Village, including the audited financial statements for the fiscal year ended April 30, 2022 (the “2022 Audit”), which was approved by formal action of the Board of Trustees and attached to this Official Statement as **APPENDIX A**. The Village has not requested the Auditor to update information contained in the Excerpted Financial Information or the 2022 Audit; nor has the Village requested that the Auditor consent to the use of the Excerpted Financial Information or the 2022 Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Excerpted Financial Information and 2019 Audit has not been updated since the date of the 2022 Audit. The inclusion of the Excerpted Financial Information and 2022 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the Village since the date of the 2022 Audit. Questions or inquiries relating to financial information of the Village since the date of the 2022 Audit should be directed to the Village.

Financial Reports

The Village’s financial statements are audited annually by certified public accountants. The Village’s financial statements are completed under the modified accrual basis of accounting. See **APPENDIX A** for more detail.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the Village’s 2022 Audit.

Statement of Net Position Governmental Activities

Audited as of April 30

	2018	2019	2020	2021	2022	Draft 2023
ASSETS:						
Cash and Investments.....	\$ 9,924,803	\$10,905,197	\$11,693,595	\$14,300,334	\$33,262,146	\$ 30,665,477
Receivables, Net	3,731,802	4,023,295	4,134,007	4,269,200	4,453,037	5,542,161
Prepaid Items	66,783	31,503	206,873	382,959	494,977	481,124
Due from Other Governments.....	2,164,727	2,341,555	2,236,700	2,740,213	3,257,219	3,126,888
Internal Balances.....	16,545	(20,691)	19,439	102,913	134,754	(942,152)
Notes Receivable	43,500	40,791	36,906	36,906	36,906	36,906
Capital Assets Not Being Depreciated.....	17,950,236	18,100,860	18,100,860	18,562,300	21,533,258	34,332,491
Net Pension Asset – IMRF Pension.....	0	0	0	560,853	1,508,606	0
Capital Assets Being Depreciated	60,574,821	61,247,313	61,111,388	61,490,483	61,622,392	61,662,691
Depreciation	<u>(25,686,561)</u>	<u>(28,634,208)</u>	<u>(30,872,678)</u>	<u>(33,709,188)</u>	<u>(36,568,751)</u>	<u>(39,354,040)</u>
Total Assets.....	\$68,786,656	\$68,035,615	\$66,667,090	\$68,736,973	\$89,734,544	\$ 95,551,546
DEFERRED OUTFLOWS OF RESOURCES:						
Unamortized Loss on Refunding.....	\$ 116,699	\$ 93,979	\$ 71,289	\$ 48,629	\$ 29,755	\$ 12,489
Deferred Items - IMRF.....	300,549	916,871	227,948	284,033	427,256	1,298,604
Deferred Items - Police Pension	2,665,621	3,351,716	3,954,646	3,161,937	2,796,593	3,500,553
Deferred Items - RBP	<u>0</u>	<u>83,058</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets and Deferred Outflows of Resources	\$71,869,525	\$72,481,239	\$70,920,973	\$72,231,572	\$92,988,148	\$100,363,192
LIABILITIES:						
Accounts Payable.....	\$ 1,015,278	\$ 1,205,951	\$ 990,757	\$ 1,402,990	\$ 1,678,476	\$ 2,489,304
Accrued Interest	117,954	93,604	68,961	56,972	228,142	219,829
Accrued Payroll	231,297	219,726	251,772	99,891	126,857	163,438
Deposits.....	416,667	416,667	805,887	835,104	1,366,186	2,594,511
Current Portion of Long-Term Debt	1,503,914	1,454,835	1,096,099	1,140,336	738,801	767,362
Noncurrent Liabilities:						
Compensated Absences Payable.....	426,579	490,041	565,923	588,466	601,617	678,658
Net Pension Liability - IMRF.....	111,518	1,426,864	257,717	0	0	1,103,652
Net Pension Liability - Police Pension	6,477,741	6,753,140	8,417,363	6,992,087	7,377,626	8,119,711
Net Other Post Employment Benefit Payable.....	169,028	4,472,016	5,702,400	3,807,953	3,327,674	4,052,315
General Obligation Bonds Payable - Net.....	<u>6,864,771</u>	<u>5,464,385</u>	<u>4,431,166</u>	<u>3,374,211</u>	<u>19,142,777</u>	<u>18,310,142</u>
Total Liabilities.....	\$17,334,747	\$21,997,229	\$22,588,045	\$18,298,010	\$34,588,156	\$ 38,498,922
DEFERRED INFLOWS OF RESOURCES:						
Unearned Property Taxes	\$ 3,347,421	\$ 3,641,418	\$ 3,786,111	\$ 3,852,397	\$ 3,983,384	\$ 4,564,243
Deferred Items - Police Pension	1,149,788	1,921,816	1,709,088	2,550,246	1,905,436	2,268,986
Deferred Items - IMRF.....	980,826	176,641	522,492	1,002,245	1,605,451	12,974
Deferred Items – Retirement Benefit Plan	0	0	0	2,361,099	2,812,173	0
Grants.....	0	0	0	0	1,346,215	1,692,838
Leases	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>365,511</u>
Total Liabilities and Deferred Outflows of Resources	\$22,812,782	\$27,737,104	\$28,605,736	\$28,063,997	\$46,240,815	\$ 47,403,474
NET POSITION:						
Invested in Capital Assets, Net of Related Debt...	\$44,692,893	\$43,943,173	\$42,946,474	\$41,961,058	\$40,033,420	\$ 40,803,687
Restricted:						
Subdivision Improvements/Maintenance	1,015,163	1,487,293	2,197,712	3,117,349	3,771,506	4,235,335
Economic Development	1,623,358	0	0	0	0	0
Public Safety	7,239	7,075	7,741	7,245	8,245	9,245
Highways and Streets	261,841	529,299	444,875	1,764,224	1,500,477	2,467,004
American Rescue Plan.....	0	0	0	0	1,452	69,866
Unrestricted (Deficit).....	<u>1,456,249</u>	<u>(1,222,705)</u>	<u>(3,281,565)</u>	<u>(2,682,301)</u>	<u>1,432,233</u>	<u>5,374,581</u>
Total Net Position.....	\$49,056,743	\$44,744,135	\$42,315,237	\$44,167,575	\$46,747,333	\$ 52,959,718

Statement of Activities Governmental Activities

	Audited for the Fiscal Year Ended April 30					Draft
	2018	2019	2020	2021	2022	2023
FUNCTIONS/PROGRAMS:						
General Government.....	\$ (3,194,250)	\$ (3,258,516)	\$ (5,164,823)	\$ (2,870,086)	\$ (3,263,576)	\$ (5,107,517)
Public Safety.....	(5,886,339)	(5,968,135)	(6,423,584)	(6,417,123)	(6,656,063)	(7,363,359)
Highways and Streets	(6,178,515)	(6,164,185)	(6,900,885)	(5,823,210)	(5,893,926)	(2,408,254)
Interest.....	(296,284)	(261,329)	(208,114)	(169,165)	(809,417)	(409,733)
Total.....	<u>\$(15,555,388)</u>	<u>\$(15,652,165)</u>	<u>\$(18,697,406)</u>	<u>\$(15,279,584)</u>	<u>\$(16,622,982)</u>	<u>\$(15,288,863)</u>
GENERAL REVENUES:						
Taxes:						
Property	\$ 2,811,662	\$ 3,447,801	\$ 3,743,444	\$ 3,841,421	\$ 3,911,419	\$ 4,074,929
Replacement	64,221	61,977	67,840	86,049	187,562	212,001
Sales.....	4,206,002	4,499,988	4,710,253	4,893,652	5,621,269	5,928,133
Non-Home Rule Sales Tax	2,935,900	3,087,038	3,146,070	3,417,233	3,865,943	3,991,507
Income.....	1,677,747	1,907,508	1,814,022	2,238,047	3,098,877	3,118,150
Utility.....	1,248,464	1,280,686	1,193,929	1,184,554	1,334,160	1,933,189
Local Use.....	487,302	566,143	652,788	845,150	746,446	837,428
Video Gaming.....	110,129	131,568	135,367	126,539	231,672	263,440
Cannabis Tax	0	0	3,886	16,314	30,865	31,541
TIF Earnings.....	15,785	11,307	14,392	9,339	11,330	13,177
American Rescue Act.....	0	0	0	0	0	990,812
Investment Income.....	112,229	220,896	246,982	149,734	(127,604)	800,583
Miscellaneous.....	301,864	321,695	539,535	323,890	290,801	248,660
Transfers – Internal Activity.....	0	0	0	0	0	(942,302)
Total General Revenues	<u>\$ 13,971,305</u>	<u>\$ 15,536,607</u>	<u>\$ 16,268,508</u>	<u>\$ 17,131,922</u>	<u>\$ 19,202,740</u>	<u>\$ 21,501,248</u>
Change in Net Position	\$ (1,584,083)	\$ (115,558)	\$ (2,428,898)	\$ 1,852,338	\$ 2,579,758	\$ 6,212,385
Net Position, May 1	<u>\$ 50,640,826(1)</u>	<u>\$ 44,859,693(1)</u>	<u>\$ 44,744,135</u>	<u>\$ 42,315,237</u>	<u>\$ 44,167,575</u>	<u>\$ 46,747,333</u>
Net Position, April 30.....	\$ 49,056,743	\$ 44,744,135	\$ 42,315,237	\$ 44,167,575	\$ 46,747,333	\$ 52,959,718

Note (1) As restated.

General Fund Balance Sheet

	Audited as of April 30					Draft
	2018	2019	2020	2021	2022	2023
ASSETS:						
Cash and Investments.....	\$2,684,434	\$3,544,267	\$4,074,602	\$ 5,082,218	\$ 4,633,134	\$ 5,496,684
Property Taxes Receivable	2,174,319	2,233,407	2,227,811	2,270,093	2,337,471	2,461,760
Accounts Receivable.....	182,109	181,842	169,616	210,391	188,550	352,094
Accrued Interest Receivable	12,286	13,954	18,355	18,886	19,314	23,694
Other Taxes Receivable.....	36,583	37,016	17,833	51,260	54,514	62,579
Prepaid Items	66,783	31,503	206,873	382,959	494,977	481,124
Advance to Other Funds	414,920	345,767	276,613	207,460	138,307	69,153
Due from Other Funds.....	16,545	0	19,439	99,351	112,223	14,828
Due from Other Governments.....	<u>1,399,415</u>	<u>1,594,543</u>	<u>1,471,688</u>	<u>1,797,898</u>	<u>2,291,590</u>	<u>2,139,391</u>
Total Assets.....	<u>\$6,987,394</u>	<u>\$7,982,299</u>	<u>\$8,482,830</u>	<u>\$10,120,516</u>	<u>\$10,270,080</u>	<u>\$11,101,307</u>
LIABILITIES:						
Accounts Payable.....	\$ 473,923	\$ 691,156	\$ 603,525	\$ 908,430	\$ 656,436	\$ 955,626
Accrued Payroll	231,297	219,726	251,772	99,891	126,857	163,438
Deposits Payable	0	0	319,275	304,775	335,497	374,914
Due to Other Funds.....	<u>507</u>	<u>20,691</u>	<u>85,409</u>	<u>1,542,260</u>	<u>1,472,935</u>	<u>1,687,749</u>
Total Liabilities.....	<u>\$ 705,727</u>	<u>\$ 931,573</u>	<u>\$1,259,981</u>	<u>\$ 2,855,356</u>	<u>\$ 2,591,725</u>	<u>\$ 3,181,727</u>
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Property Taxes	\$2,174,319	\$2,233,407	\$2,227,811	\$ 2,270,093	\$ 2,337,470	\$ 2,461,761
Grants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,220</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$2,880,046</u>	<u>\$3,164,980</u>	<u>\$3,487,792</u>	<u>\$ 5,125,449</u>	<u>\$ 4,929,195</u>	<u>\$ 2,462,981</u>
FUND BALANCE:						
Nonspendable	\$ 481,703	\$ 377,270	\$ 483,486	\$ 590,419	\$ 633,284	\$ 550,277
Unrestricted, Unassigned.....	<u>3,625,645</u>	<u>4,440,049</u>	<u>4,511,552</u>	<u>4,404,648</u>	<u>4,707,601</u>	<u>4,906,322</u>
Total Fund Balance	<u>\$4,107,348</u>	<u>\$4,817,319</u>	<u>\$4,995,038</u>	<u>\$ 4,995,067</u>	<u>\$ 5,340,885</u>	<u>\$ 5,456,599</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance.....	<u>\$6,987,394</u>	<u>\$7,982,299</u>	<u>\$8,482,830</u>	<u>\$10,120,516</u>	<u>\$10,270,080</u>	<u>\$11,101,307</u>

General Fund Revenues and Expenditures

	Audited for the Fiscal Year Ended April 30					Draft
	2018	2019	2020	2021	2022	2023
REVENUES:						
Taxes:						
Property Taxes	\$ 2,264,512	\$ 2,274,325	\$ 2,335,699	\$ 2,283,756	\$ 2,329,230	\$ 2,429,306
Sales Taxes	4,206,002	4,499,988	4,710,253	4,893,652	5,621,269	5,928,133
Personal Property Replacement Taxes	0	0	0	86,049	165,709	187,300
Income Taxes	1,677,747	1,907,508	1,814,022	2,238,047	3,098,877	3,118,150
Photo and Local Use Tax	487,302	566,143	652,788	845,150	746,446	837,428
Video Gaming	110,129	131,568	135,367	126,539	231,672	263,440
Utility Taxes	55,000	50,539	42,773	35,808	30,849	31,188
Cannabis Tax	0	0	3,886	16,314	30,865	31,541
Licenses and Permits	427,199	460,164	672,228	548,234	589,789	509,046
Charges for Services	344,664	368,312	274,107	398,982	415,054	538,583
Intergovernmental	88,267	83,777	110,594	936,707(2)	95,349	88,871
Fines and Forfeits	197,546	261,411	255,851	258,355	208,679	189,243
Interest on Investments	61,905	93,875	107,825	70,545	(47,702)	143,843
Miscellaneous Revenue	155,794	223,231	262,503	180,152	234,489	192,250
Total Revenues	\$10,076,067	\$10,920,841	\$11,377,896	\$12,918,290	\$13,750,575	\$14,488,322
EXPENDITURES:						
General Government	\$ 3,164,398	\$ 3,189,115	\$ 3,343,645	\$ 3,383,809	\$ 3,591,701	\$ 3,588,058
Public Safety	5,245,634	5,263,122	5,640,279	5,993,524	6,213,185	6,642,166
Highways and Streets	1,850,412	1,758,633	2,216,253	2,175,928	2,099,871	3,414,384
Total Expenditures	\$10,260,444	\$10,210,870	\$11,200,177	\$11,553,261	\$11,904,757	\$13,644,608
Excess (Deficiency) of Revenues Over Expenditures	\$ (184,377)	\$ 709,971	\$ 177,719	\$ 1,365,029	\$ 1,845,818	\$ 843,714
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	\$ 7,050	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operating Transfers (Out)	(507)	0	0	(1,365,000)	(1,500,000)	(728,000)
Total Other Financing Sources (Uses)	\$ 6,543	\$ 0	\$ 0	\$ (1,365,000)	\$ (1,500,000)	\$ (728,000)
Net Change in Fund Balance	\$ (177,834)	\$ 709,971	\$ 177,719	\$ 29	\$ 345,818	\$ 115,714
Fund Balance - May 1	\$ 4,285,182(1)	\$ 4,107,348	\$ 4,817,319	\$ 4,995,038	\$ 4,995,067	\$ 5,340,885
Fund Balance - April 30	\$ 4,107,348	\$ 4,817,319	\$ 4,995,038	\$ 4,995,067	\$ 5,340,885	\$ 5,456,599

Notes: (1) As restated.
 (2) The Village received \$0 in Coronavirus Relief Funds from the CARES Act in fiscal year 2021.

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**General Fund
 Budget Financial Information(1)**

	Budget Twelve Months Ending <u>4/30/2024</u>
REVENUES:	
Property Taxes.....	\$ 2,473,004
Other Taxes	303,510
Licenses and Permits	445,762
Charges for Services.....	356,763
Intergovernmental, Grants, and Contributions	10,225,860
Fines and Forfeits	222,100
Investment Income.....	66,000
Miscellaneous	<u>175,470</u>
Total Revenues.....	\$14,268,469
EXPENDITURES:	
Elected Officials	\$ 265,267
Village Administrator	751,516
Finance Department.....	483,943
Legal Services	219,200
Community Development.....	2,146,929
Police Department.....	7,353,438
Public Works	2,847,638
Engineering Services	<u>197,500</u>
Total Expenditures	\$14,265,430
Excess (Deficiency) Of Revenues Over (Under) Expenditures	\$ 3,038

Note: (1) Source: The Village.

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Water Fund Statement of Net Position

	Audited as of April 30					Draft
	2018	2019	2020	2021	2022	2023
ASSETS:						
Current Assets:						
Cash and Investments	\$ 2,915,963	\$ 2,794,120	\$ 4,262,998	\$ 5,289,148	\$ 5,461,582	\$ 5,040,764
Restricted Investments.....	2,843,973	1,349,903	793,201	589,618	15,485	0
Receivables:						
Accounts.....	1,003,465	1,010,822	1,035,905	1,062,464	984,875	1,046,651
Accrued Interest	9,578	9,423	12,358	12,684	12,949	15,877
Due from Other Funds	210,969	143,226	100,145	22,938	180	100,778
Net Pension Asset.....	0	0	0	176,185	503,535	0
Capital Assets Not Being Depreciated.....	487,944	247,534	247,534	247,534	247,534	1,225,018
Capital Assets Being Depreciated, Net.....	<u>29,688,854</u>	<u>29,719,378</u>	<u>27,949,247</u>	<u>25,988,066</u>	<u>24,587,446</u>	<u>22,874,748</u>
Total Assets.....	<u>\$37,160,746</u>	<u>\$35,274,406</u>	<u>\$34,401,388</u>	<u>\$33,388,637</u>	<u>\$31,813,586</u>	<u>\$30,303,836</u>
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred Items - IMRF Pension	\$ 119,082	\$ 339,307	\$ 68,816	\$ 89,225	\$ 142,607	\$ 431,339
Deferred items - Asset Retirement Obligations	0	0	0	535,000	478,667	422,334
Total Deferred Outflows of Resources.....	<u>\$ 119,082</u>	<u>\$ 339,307</u>	<u>\$ 68,816</u>	<u>\$ 624,225</u>	<u>\$ 621,274</u>	<u>\$ 853,673</u>
Total Assets and Deferred Outflows of Resources	<u>\$37,279,828</u>	<u>\$35,613,713</u>	<u>\$34,470,204</u>	<u>\$34,012,862</u>	<u>\$32,434,860</u>	<u>\$31,157,509</u>
LIABILITIES:						
Current Liabilities:						
Accounts Payable.....	\$ 217,163	\$ 428,976	\$ 120,498	\$ 440,119	\$ 384,238	\$ 276,543
Accrued Payroll	29,820	37,579	27,524	18,258	17,275	23,996
Deposits Payable	0	0	62,550	63,750	2,153	2,153
Accrued Interest Payable	174,353	130,776	125,569	120,199	115,198	109,208
Due to Other Funds.....	128,785	21,743	19,439	26,797	34,742	150
Other Payables.....	42,295	133,680	66,592	56,281	107,271	63,000
Current Portion of Compensated Absences	34,185	3,888	5,851	7,548	8,196	0
Current Portion of Long-Term Debt	913,350	690,543	706,636	712,833	729,863	681,399
Long-Term Liabilities	<u>13,021,857</u>	<u>13,570,088</u>	<u>12,666,617</u>	<u>11,831,101</u>	<u>11,007,081</u>	<u>10,885,397</u>
Total Liabilities.....	<u>\$14,561,808</u>	<u>\$15,017,273</u>	<u>\$13,801,276</u>	<u>\$13,276,886</u>	<u>\$12,406,017</u>	<u>\$12,041,846</u>
DEFERRED INFLOWS OF RESOURCES:						
Deferred Items - IMRF Pension	\$ 388,617	\$ 62,654	\$ 157,737	\$ 314,843	\$ 535,859	\$ 4,309
Deferred Items - Retirement Benefit Plan	0	0	0	233,967	234,385	0
Total Deferred Inflows of Resources.....	<u>\$ 388,617</u>	<u>\$ 62,654</u>	<u>\$ 157,737</u>	<u>\$ 548,810</u>	<u>\$ 770,244</u>	<u>\$ 4,309</u>
NET POSITION:						
Invested in Capital Assets, Net of Related Debt...	\$19,146,577	\$18,355,971	\$16,719,681	\$15,261,554	\$13,984,150	\$13,978,096
Unrestricted	<u>3,182,826</u>	<u>2,177,815</u>	<u>3,791,510</u>	<u>4,925,612</u>	<u>5,274,449</u>	<u>5,133,258</u>
Total Net Position.....	<u>\$22,329,403</u>	<u>\$20,533,786</u>	<u>\$20,511,191</u>	<u>\$20,187,166</u>	<u>\$19,258,599</u>	<u>\$19,111,354</u>

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Water Fund Statement of Revenues, Expenses and Changes in Net Position

	Audited as of April 30					Draft
	2018	2019	2020	2021	2022	2023
OPERATING REVENUES:						
Charges for Services.....	\$ 4,732,639	\$ 4,913,784	\$ 5,112,726	\$ 5,489,568	\$ 5,836,790	\$ 6,295,555
Total Operating Revenues.....	\$ 4,732,639	\$ 4,913,784	\$ 5,112,726	\$ 5,489,568	\$ 5,836,790	\$ 6,295,555
OPERATING EXPENSES:						
Operations.....	\$ 3,982,215	\$ 3,894,124	\$ 4,204,924	\$ 4,675,196	\$ 4,970,925	\$ 5,513,239
Total Operating Expenses Excluding Depreciation.....	\$ 3,982,215	\$ 3,894,124	\$ 4,204,924	\$ 4,675,196	\$ 4,970,925	\$ 5,513,239
Operating Income Before Depreciation.....	\$ 750,424	\$ 1,019,660	\$ 907,802	\$ 814,372	\$ 865,865	\$ 782,316
Depreciation and Amortization.....	1,884,805	1,931,114	1,940,346	1,941,024	2,021,417	2,029,091
Operating Income (Loss).....	\$(1,134,381)	\$ (911,454)	\$(1,032,544)	\$(1,126,652)	\$(1,155,552)	\$(1,246,775)
NONOPERATING REVENUES (EXPENSES):						
Interest Income.....	\$ 59,077	\$ 104,802	\$ 84,921	\$ 52,921	\$ (32,143)	\$ 81,866
Connection Fees.....	88,362	122,744	940,195	405,092	571,731	153,758
Interest Expense and Fiscal Charges.....	(357,429)	(370,998)	(342,869)	(327,684)	(312,603)	(296,034)
Total Nonoperating Revenues (Expenses).....	\$ (209,990)	\$ (143,452)	\$ 682,247	\$ 130,329	\$ 226,985	\$ (60,410)
Income (Loss) Before Contributions/Transfers ...	\$(1,344,371)	\$(1,054,906)	\$ (350,297)	\$(996,323)	\$ (928,567)	\$ (1,307,185)
Transfers (Net).....	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 942,302
Capital contributions.....	0	0	327,702	672,298	0	0
Change in Net Position.....	\$(1,344,371)	\$(1,054,906)	\$ (22,595)	\$ (324,025)	\$ (928,567)	\$ (364,883)
Net Position, May 1.....	\$23,673,774	\$21,588,692(1)	\$20,533,786	\$20,511,191	\$20,187,166	\$19,258,599
Net Position, April 30.....	\$22,329,403	\$20,533,786	\$20,511,191	\$20,187,166	\$19,258,599	\$18,893,716

Note: (1) As restated.

Water Fund Budget Financial Information(1)

	Budget Twelve Months Ending 4/30/2024
REVENUES:	
Charges for Services:	
Water Sales.....	\$ 5,014,235
Late Charges.....	157,000
Water Service Changes.....	369,875
Deliquent Fees.....	70,000
Sewer Maintenance Charges.....	162,300
BH Infrastructure Fee.....	510,120
Fox Metro Reading Fee.....	28,883
Total Revenues.....	\$ 6,312,412
EXPENDITURES:	
Operations:	
Water Administration.....	\$ 657,741
Water Plant Operations.....	5,916,777
Depreciation and Amortization.....	2,035,291
Total Expenditures.....	\$ 8,609,809
Excess (Deficiency) of Revenues Over (Under) Expenditures.....	\$(2,297,397)

Note: (1) Source: the Village.

EMPLOYEE RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS

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 all the plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. The Police Pension Plan does not issue a separate report on the pension plan. IMRF, however, issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. As of the most recent actuarial valuation date, each pension plan had an unfunded liability.

The Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The Village is not required to and currently does not advance the cost of benefits that will become due and payable in the future.

See **APPENDIX D** herein for a discussion of the Village's employee retirement and other postemployment benefits obligations.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The Village shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds to be kept at the principal corporate trust office of the Bond Registrar in Chicago, Illinois. The Village will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond beginning at the close of business on the fifteenth day of the month in which an interest payment date occurs on such Bond (known as the record date) and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a bond surrendered for redemption.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Village's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "Code"). For tax years beginning after December 31, 2022, interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the prices set forth, or the prices corresponding to the yields set forth, on the cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Village complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the Village*'s compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

CONTINUING DISCLOSURE

The Village will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934. No person, other than the Village, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth in **APPENDIX E** herein.

A failure by the Village to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See **APPENDIX E** herein. The Village must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Village failed to file its annual financial information and audited financial statement for fiscal year ended April 30, 2022 within the required timeframe required pursuant to prior undertakings entered into pursuant to the Rule for to the Village's General Obligation Alternate Bonds, Series 2013, the Taxable General Obligation Alternate Refunding Bonds, Series 2014, the General Obligation Alternate Bonds, Series 2017 and the General Obligation Bonds (Alternate Revenue Source), Series 2021.

Additionally, the Village failed to file its annual financial information and audited financial statement for fiscal year ended April 30, 2019 within the required timeframe pursuant to prior undertakings entered into pursuant to the Rule for the Special Assessment Improvement Refunding Bonds, Series 2018.

Notice of such failures have since been filed on EMMA.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Village taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the Village, threatened against the Village that is expected to materially impact the financial condition of the Village.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel ("Bond Counsel"), who has been retained by, and acts as, Bond Counsel to the Village. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Village, reviewed only those portions of this Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), and the description of the federal tax exemption of the interest on the Bonds. This review was undertaken solely at the request and for the benefit of the Village and did not include any obligation to establish or confirm factual matters set forth herein.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the Village, and all expressions of opinion, whether or not so stated, are intended only as such.

INVESTMENT RATING

The Bonds have been rated “AA/Stable” by S&P. The Village has supplied certain information and material concerning the Bonds and the Village to the rating service shown on the cover page, including certain information and materials which may not have been included in this Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. Except as may be required by the Undertaking described under the heading “CONTINUING DISCLOSURE”, neither the Village nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal. An explanation of the significance of the investment rating may be obtained from the rating agency: S&P Global Ratings, 55 Water Street, New York, New York 10041, telephone 212-438-2000. The Village will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

UNDERWRITING

The Bonds were offered for sale by the Village at a public, competitive sale on October 10, 2023. The best bid submitted at the sale was submitted by _____ (the “Underwriter”). The Village awarded the contract for sale of the Bonds to the Underwriter at a price of \$ _____ (reflecting the par amount of \$ _____, plus a reoffering premium of \$ _____, and less an Underwriter’s discount of \$ _____). The Underwriter has represented to the Village that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

MUNICIPAL ADVISOR

The Village has engaged Speer Financial, Inc. as municipal advisor (the “Municipal Advisor”) in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the Village’s continuing disclosure undertaking.

CERTIFICATION

We have examined this Official Statement dated October 3, 2023, for the \$4,840,000* General Obligation Bonds (Alternate Revenue Source), Series 2023, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

/s/ **JENNIFER MILEWSKI**
Director of Finance
VILLAGE OF MONTGOMERY
Kane and Kendall Counties, Illinois

/s/ **MATTHEW BROLLEY**
President
VILLAGE OF MONTGOMERY
Kane and Kendall Counties, Illinois

*Subject to change.

APPENDIX A

**VILLAGE OF MONTGOMERY, ILLINOIS
KANE AND KENDALL COUNTIES**

FISCAL YEAR 2022 AUDITED FINANCIAL STATEMENTS



ANNUAL COMPREHENSIVE FINANCIAL REPORT

MAY 1, 2021 - APRIL 30, 2022

**VILLAGE OF MONTGOMERY,
ILLINOIS**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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

Prepared by:
Jennifer Milewski, Director of Finance

VILLAGE OF MONTGOMERY, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Montgomery including the list of principal officials, the organizational chart, the letter of transmittal, and the certificate of achievement for excellence in financial reporting.



**VILLAGE OF MONTGOMERY
Principal Officials**

Village President

Matthew Brolley
(Term expires April 2025)

Village Trustees

Matt Bauman
(Term Expires April 2023)

Thomas Betsinger
(Term Expires April 2025)

Dan Gier
(Term Expires April 2023)

Steve Jungermann
(Term Expires April 2025)

Doug Marecek
(Term Expires April 2023)

Theresa Sperling
(Term Expires April 2025)

Village Clerk

Debbie Buchanan
(Term Expires April 2025)

Management Staff

Jeff Zoepfel

Village Administrator

Phil Smith

Chief of Police

Mark Wolf

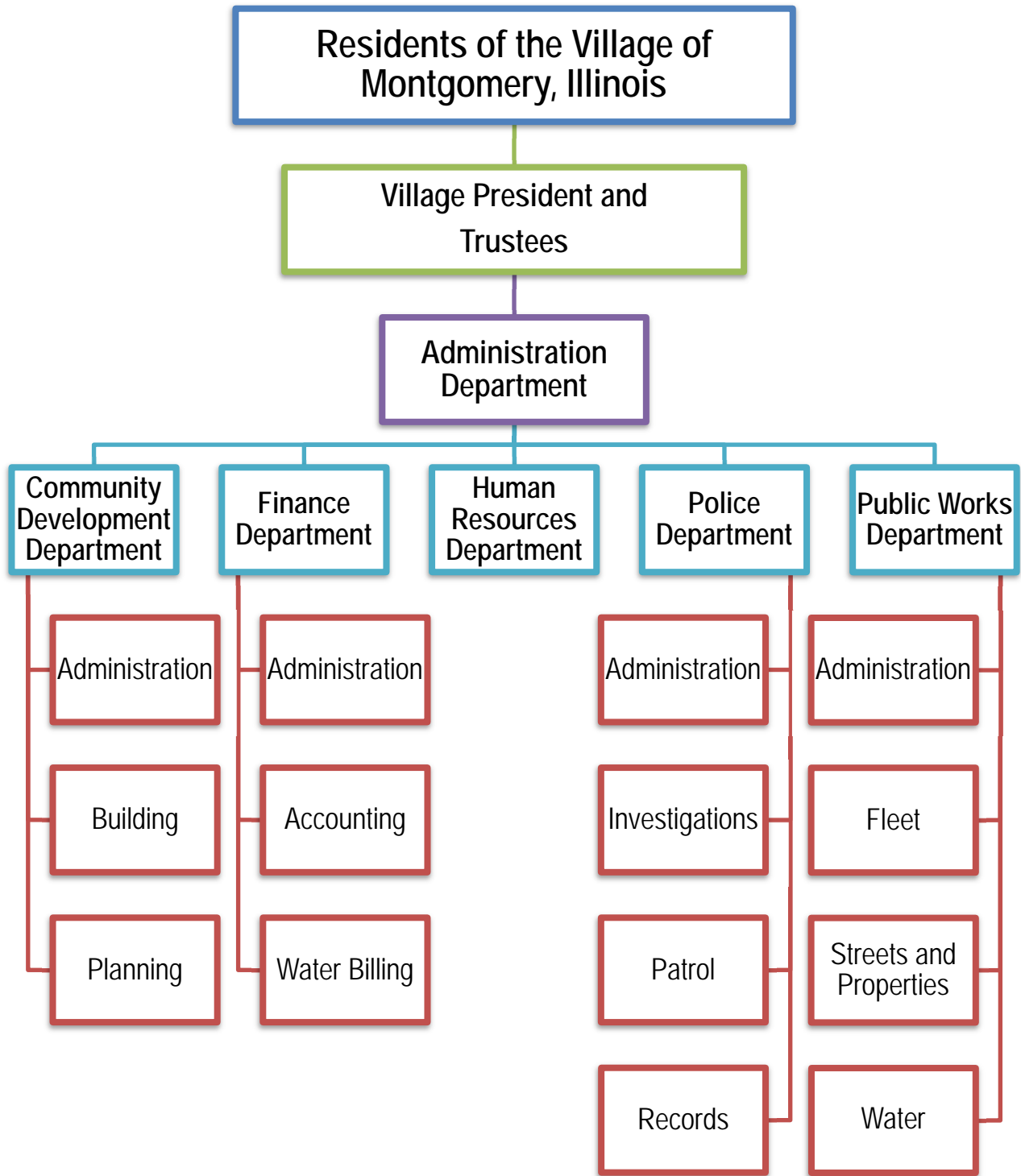
Director of Public Works

Jennifer Milewski

Director of Finance

Sonya Abt

Director of Community Development



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

November 9, 2022



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

Village President
MATT BROLLEY

Village Clerk
DEBBIE BUCHANAN

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

Village Administrator
JEFF ZOEPHEL

Chief of Police
PHIL SMITH

Director of Public Works
MARK WOLF

Director of Finance
JENNIFER MILEWSKI

**Director of Community
Development**
SONYA ABT

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (GAAS) by an independent firm of certified public accountants. Pursuant to that requirement, the Annual Comprehensive Financial Report (ACFR) of the Village of Montgomery, Illinois (Village) for the fiscal year ended April 30, 2022, is hereby submitted.

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

The Village's financial statements have been audited by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village for the year ended April 30, 2022, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the Village's financial statements for the fiscal year ended April 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Village of Montgomery

The Village of Montgomery is a growing community, covering a 10 square mile area, nestled along the banks of the Fox River in northern Illinois, located in both southern Kane and northern Kendall counties. Situated approximately 40 miles southwest of Chicago, the Village is bordered by Aurora to the north and east, Oswego and Boulder Hill to the south, Sugar Grove to the northwest, and Yorkville to the southwest.

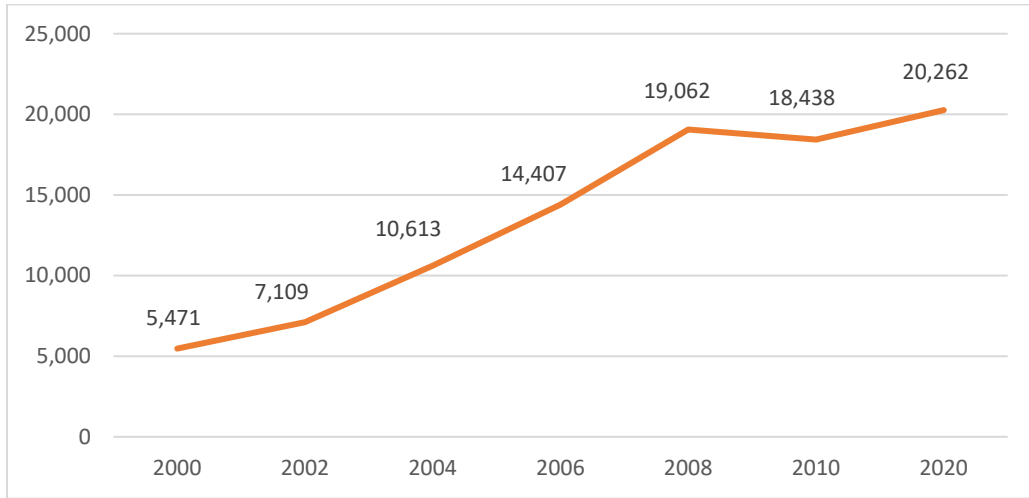
The Village sits at a strategic nexus of multiple regional transportation routes. One of its primary assets is its access to major transportation corridors, including U.S. Routes 30 and 34 (east-west roads) and Illinois Routes 25, 31, 47, and Orchard Road (north-south roads). The north-south corridors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

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

Montgomery's early growth continued to align with its industrial roots. After a brief setback in growth, due to the arrival of the McCormick Works at Chicago that out competed Montgomery's reaper plant, the construction of the Chicago, Burlington & Quincy (CB&Q) Railroad reinvigorated local industrial activity. The rail line shipped Montgomery's produce, spring water, and livestock to Chicago markets. In 1899, Riverview Park (later Fox River Park) opened as an amusement park, which drew crowds from as far as Morris and Chicago on express interurbans. The park was replaced in 1943 by United Wallpaper Company and then by AT&T. Lyon Metallic, Montgomery's first modern factory, moved to Montgomery from Chicago in 1906, drawing a reverse commute from Aurora and further stabilizing the economy. The opening of Caterpillar, the world's leading manufacturer of construction and mining equipment, manufacturing facility in 1959 further cemented the Village's strong industrial core.

For many years, Montgomery maintained a stable population of around 5,000 residents, with 5,471 residents at the 2000 decennial census. However, a sharp increase in residential development after 2000 altered the industrial character and transformed Montgomery into a more suburban community of 18,438 residents by the 2010 decennial census. Despite an astounding population increase of 237% in just ten years, Montgomery has been successful in maintaining its warm, small-town atmosphere. The Village has continued to grow, albeit at a slower pace, to 20,262 residents by the 2020 decennial census. The graph below shows Montgomery's population growth throughout the years.

Montgomery's Population Growth



GOVERNANCE

Policy making and legislative authority are vested in the Village Board, which consists of the Village President and six Village Trustees. The President is elected at-large to a four-year term and the Trustees are elected at-large to staggered four-year terms. The Village Clerk is also elected to a four-year term. The Village Board is responsible for enacting legislation, establishing policies, adopting the budget, and providing guidance and direction for actions that impact the quality of life in the Village.

The Village of Montgomery is committed to providing their citizens with a full range of services including police protection; the construction and maintenance of highways, streets and infrastructure; water treatment and distribution; planning and zoning; and general administrative services. These services are provided by 71 full-time employees and 33 part-time employees (including Board and Commission members) out of three separate buildings. Village services are divided among five departments and within each department are specialized divisions, with further delineating responsibility centers.



The Village Hall houses the Administration, Community Development, and Finance Departments, as well as meeting rooms for the Village Board and community. The Village Administrator, appointed by the Village Board, oversees, coordinates, and provides leadership for the professional day-to-day administration of all Village departments. The Administration Department is charged with providing support to various boards, commissions, committees, and other departments; coordinating all general communication with Village residents; and responding to requests for information from the public. The

Community Development Department aids with building, permitting, zoning, and code enforcement throughout the Village. The Finance Department oversees the daily finances, along with collecting water bills, accounts receivable, accounts payable, and information technology functions.



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



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

BUDGET PROCESS

The overall goal of the budget process is to present the Village Board with a budget that best addresses the needs and desires of the Village of Montgomery in the most efficient and effective manner possible. The budget process is an opportunity for the Village to assess and evaluate how it commits its financial resources and makes decisions regarding their continued use. The process, if conducted effectively, will result in a clear plan for the future of this organization and a general collective understanding of how and where limited fiscal resources will be directed.

The budget serves as a policy document, financial plan, operations guide, and communications device. As a policy document, it contains a statement of entity-wide financial policies and non-financial goals and objectives of the Village. As a financial plan, it serves as the Village's primary instrument for promoting solvency, efficiency, and collective choices regarding the distribution and allocation of available resources. As an operations guide, it articulates the departmental action plans and how each of these plans will be accomplished. As a communications device, it contains information pertaining to key issues facing the Village, priorities for the coming year, accomplishments of prior years, and more.

The budget process for the Village of Montgomery involves the citizens, the Village President and Village Board, Village Administrator, Department Heads, supervisors and many others throughout the organization. Each person plays a critical role in the development of the budget for the upcoming year. Department Heads are responsible for evaluating the needs of their departments and divisions, soliciting input from supervisors and staff, and compiling those needs and priorities into a cohesive and straightforward budget request. The Village Board is critical in evaluating the budget, asking questions, and eventually approving the budget. Residents and their needs are, of course, the driving force behind the budget process. In addition, residents have opportunities to view the budget proposal and attend the Board meetings and public hearing when the budget is addressed.

The Village has adopted sections 5/8-2-9.1 through and including sections 5/8-2-9.10 of Chapter 65 of the Illinois Compiled Statutes (Municipal Code) providing for a municipality's financial operation under an annual budget in lieu of an appropriation ordinance. The budget process in the Village of Montgomery extends over seven months and culminates in April with the Village Board's adoption of the Village budget in advance of the beginning of the new fiscal year on May 1. The approved budget provides the authority to expend funds in the new fiscal year. Although much of the time and effort in preparing the budget takes place during the months of October through March, the development, implementation, monitoring and review of the Village's budget is part of a comprehensive process that occurs throughout the entire year.

Staff begins preparing the next year's budget nine (9) months prior to adoption of the budget. In August, the Finance Department begins the process of moving the prior year budget numbers to the correct column (in Excel) so Departments can update as necessary. A budget form for each line item is required and additional details should be added to the budget forms where possible. This process ends with the budget/CIP kickoff meeting in early October.

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

Manual. The budget forms, vehicle requests, personnel requests, program requests, and capital requests are submitted to the Finance Department in mid-December.

The Director of Finance prepares revenue estimates in December based upon historical trends, economic forecasts of authoritative sources, and anticipated activities and events in the community which are expected to have a local economic impact. The Director of Finance consolidates all the information gathered from departments in order to analyze all budget requests in total. Additional information is collected, and any minor adjustments are made by the Director of Finance. The product is the budget as requested by all departments to the Village Administrator.

The Village Administrator and Director of Finance review each department's requests and make any necessary recommendations to achieve a balanced budget. The Village Administrator and Director of Finance then meet with the director of each department individually in late January or early February to discuss each respective budget request and any recommendations. The Village Administrator reviews the entire budget, ensures it is consistent with the priorities and guidance of the Village Board, and fashions a feasible fiscal plan. The overall goal of the process is to have the Village Administrator recommend a balanced budget to the Village Board for review starting in February. A balanced budget is a budget in which revenues meet or exceed expenditures, and cash reserves or fund balance is not considered a revenue source. The Village may drawdown cash reserves or fund balance with a plan to return the reserves to a desired level.

The Village Board and staff conduct a series of meetings beginning in February and ending in March. The first meeting is held to review the General Fund budget as proposed, along with any new personnel or programs. The second meeting is held to review any governmental capital requests, while a third meeting is held to discuss the Water Fund, proprietary capital requests, and any other items not previously covered. A public hearing is held in March in order to allow for input on the process by residents of the community and to meet the Village's statutory obligations. Notices to participate in public meetings are provided in the local newspaper and on the Village's website. The Village Administrator, Director of Finance, and Department Heads are present at the hearings to address the issues and concerns of the Village President, Trustees and general public.

Based upon staff recommendations and its own findings, the Village Board may direct additions, deletions, or revisions to the proposed budget. The Director of Finance revises the proposed budget as directed by the Village Board and the Director of Finance submits it to the Village Board for formal approval in late March. The final budget is adopted by ordinance. As noted previously, the budget ordinance must be adopted prior to the start of the fiscal year and filed with the county clerk within 30 days of adoption.

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

Local Economy

There is a wide variety of commercial establishments in the Village including JC Penney, Menards, WalMart, Sam's Club, Walgreens, Aldi, Firestone, Starbuck's, Jimmy John's, Binny's, Farm & Fleet, and

Chase Bank. In addition, the Village has a diversified base of industrial, manufacturing, processing, wholesale and logistics firms. Among those firms are Carl Buddig and Company, Performance Food Service, Coffman Trucks, Aurora Metals, Aurora Bearing, Hormann GADCO, Eby-Brown, United Facilities (General Mills), Yellow Transportation, Home Depot, Central State Bus Sales, US Medical Glove, Tangent Materials, and Lyon Workspace Products.

Municipal revenue streams traditionally have been reasonably constant and predictable. However, there are many factors that may affect the local economy including rates of employment, inflation rates, and health of local businesses, as well as residential, commercial, and industrial development. In addition, the local economy and the Village's financial position may be affected by state, national, and international decisions, and events.

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

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

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

Residential development within the Village started to steadily climb starting in 2018. New single family home permits decreased from 31 in 2014 down to 2 in 2017. There are now 3 single-family homebuilders actively selling homes in the Village which include Hartz Homes in Marquis Point, Lennar Homes in Huntington Chase, and Ryan Homes in Balmorea. New single-family home permits rebounded to 13 in 2018, 38 in 2019, 90 in 2020. We anticipated a decline in single family homes permits as Lennar Homes and Ryan Homes completed building vacant lots within their respective subdivisions with 45 single-family home permits issued in 2021 and only 2 thus far in 2022. Lastly, the Village Board approved a 13 building, 468-unit upscale apartment complex on the east side of the Village. Full permits were issued for 4 buildings in 2019, 6 buildings in 2020 and the remaining 3 buildings in 2021. The Village foresees a decline in the residential housing development trend as existing projects near completion and new developments are commercial or industrial based.

Commercial and industrial development rallied beginning in 2015 and has been slow but steady. The Village works with the Montgomery Economic Development Corporation to attract new businesses to the community. The Village has seen several new businesses build from the ground up over the last year including McCallister's Deli, Doggie Daycare, and Gas and Wash. In addition, other new businesses have occupied vacant buildings like Baba's Famous Steak and Lemonade in Settler's Landing. As the economy continues the steady recovery, the Village has seen interest from businesses who are exploring expansion and growth strategies. A multi-tenant building next to Chiquita Marketplace completed construction in 2021 with its first tenant occupancy in December of 2021. Lastly, there are several

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

Commercial development has helped the Village's sales tax, which is its single largest revenue source. The Village receives a one percent state sales tax on retail sales of tangible personal property within the Village. In addition, the Village began collecting a one percent non-home rule sales tax on July 1, 2015 on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. Sales tax is collected by the State and remitted to the Village three months after the liability occurs. Sales tax revenue has drastically increased in the last 10 years through the expansion of the commercial and retail sector in Montgomery. In fact, sales tax stayed consistent even through the Great Recession with the enacting the "Leveling the Playing Field" legislation requiring remote retailers to collect and remit the state and local retailer's occupation tax. The Village portion of state sales tax has grown from \$2.7 million to \$5.6 million in the last 10 years, while non-home rules sales has grown from \$2.7 million to \$3.8 million in just the last 6 years.

There were 3 new industrial buildings completed in 2017 including the United Sugars Corporation \$21 million bulk sugar storage and transfer facility; the Nexeo Solutions \$12 million warehouse and distribution facility; and the Old Dominion Freight Line \$13 million freight depot. United Sugars and Nexeo are both located within the Aucutt Road TIF District (TIF #2) while Old Dominion is located outside TIF #2. The United Sugars and Nexeo buildings alone contributed nearly \$840,000 of tax increment in fiscal year 2022. All of the increment noted above can be used to make needed improvements in the area. The Village Engineer has worked on a storm sewer overflow study and road improvement study over the last 2 years. The studies will determine what regional improvements can be made to recapture buildable land within TIF #2 and the order in which improvements should take place. United Sugars Corporation began construction in early 2021 on a second bulk storage dome (valued at \$20 million) and the Village is currently in discussion with another existing business about expansion of their facilities. Lastly, the Village is working with two landowners to annex their property and create the Caterpillar Drive TIF District (TIF #3) and Blackberry Creek TIF District (TIF #4).

Finances of the State of Illinois

The State of Illinois (the "State") has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. Despite the State's increase in credit rating to a BBB+ from Standard & Poor's Global Rating, the State remains amongst the lowest credit rated in the country. Additionally, the State continues to struggle with raising debt and pension obligations after receiving more than \$8 billion in budgetary relief from the federal government in addition to federal funding passed along to states for the pandemic-related expenses.

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the Village. The last five State fiscal year budgets have included a service fee for collection and processing of locally imposed sales taxes. The fee was reduced to 1.5% of locally imposed sales taxes for State Fiscal Years 2019, 2020, 2021, and 2022. The Fiscal Year 2021 Budget was predicated on, among other things, on Illinois voters approving a referendum to change the State income tax from a flat to a progressive income tax. The referendum was not approved by Illinois voters in the November 3, 2020, election. The Village cannot determine at this time the financial impact of these provisions on its overall financial condition, but such provisions may result in lower income tax revenues and sales tax revenues distributed to the Village.

The Village can give no assurance additional changes in applicable law modifying the way local revenue sharing is allocated by the State, nor can the Village predict the effect the State's financial problems, including the various governmental or private actions in reaction thereto, may have on the Village's future finances.

Long-Term Financial Planning

Alan Lakein is a well-known author on personal time management who stated, "Planning is bringing the future into the present so that you can do something about it now." Proper plans, formulated ahead of time, help leaders and organizations to execute projects, reach their goals, and fulfill their vision. In planning ahead, the Village has been able to assess risks, transform risks to opportunities, become proactive in our response, and improve performance. By improving the Village's performance through good planning and preparation, staff will be clearer about what to do next. The sections below illustrate long-term planning efforts and the impact each has on the budget.

The Operating Budget Forecast includes 5 years to facilitate long-term financial planning. Finance staff works together with each Department during all three stages of the budget process to determine key forecast assumptions to project major revenue sources and expenditures. This forecast impacts the budget by providing for stability, planning, and direction for future resource allocation and decision making. The long-term outlook allows the Village to see the impact of staffing on future budgets, need to examine fee structures on a regular basis, and adjust the number of capital projects based on available funding sources. This has been very insightful and extremely helpful in maintaining long-term sustainability.

The Village is required to maintain a 5-year Community Investment Plan (CIP) in accordance with its fiscal policies. The CIP may include land, land improvements, buildings, building improvements, machinery and equipment, vehicles, and infrastructure including, but not limited to roads, sanitary sewer system, waterworks system, and stormwater system. This program is used to identify and prioritize future capital needs and possible funding sources, impacting the budget by including all five years in the Operating Budget Forecast noted above.

The purpose of the Pavement Management Report is to create a tool to aid the Village in developing a 5-year plan to maintain or improve roadways in the community. An annual update is provided to the Village Board for approval. The report results in a systematic approach to roadway maintenance that will impact the budget by identifying the annual costs that should be expended to meet the desired goal. This report provides for infrastructure needs that integrate with the Community Investment Program noted above.

The Finance Department worked with our IT consultant to establish a Computer Equipment Replacement schedule. Computer equipment is often below the capitalization threshold, but usually includes information sensitive in nature. This 5-year plan impacts the budget by allowing for annual replacement at an established base level. Replacement decisions are determined based on software technology, economic issues, maintenance costs, and potential downtime.

Per Village policy, each department shall contribute for Vehicle and Equipment Replacement on an annual basis in order to maintain a "pay-as-you-go" basis. This 15-year plan impacts the budget by allowing for funding of replacements annually at an established base level. The Public Works Department works together with other departments to determine the useful life and condition of certain vehicles and

equipment. This ensures the condition of the fleet is at an optimum level, reducing fleet maintenance and service costs.

The Go Montgomery 2035 Comprehensive Plan is a 20-year plan meant to inform and share decisions about land use and development, transportation and mobility, parks and open space, community facilities and infrastructure, and hazard mitigation and sustainability. The plan recognizes changes in economic climate, represents the Village's vision for the future, and serves as the official policy and guide for improvement and development throughout the community. The Community Development Department follows the goals and vision set forth to review development proposals to ensure they meet the guidelines set forth in the plan. It is used to identify development that works for specific areas through appropriate design, functionality, and uses, as well as to guide policy that leads to economic development opportunities.

The Comprehensive Plan identified a lack of community identity. Some think the Village's ambiguous identity is linked to the Village's multiple taxing districts, particularly its five school districts. Although invisible, these district boundaries inadvertently create separate communities. Others find the identity of Montgomery can be explained through the Village's market makeup. Montgomery used to be acclaimed as "The Village of Industry," but loss of industry along with residential and commercial development no longer make this an accurate definition of the Village. Residents noted that creating a stronger core and central gathering place could be the answer to strengthening the Village's identity.

The Waterworks System Master Plan was undertaken by the Village of Montgomery to help identify a long-term sustainable water source for the community and was completed in fiscal year 2017. The Village Engineer worked with the Village and 2 other local communities (Oswego and Yorkville) to determine the best solution for future water needs of each community, as well as a sub-regional solution for all 3 together. The plan allows for each community to budget for current costs, starting in fiscal year 2018, needed to test each source of water. This 30-year plan will factor into the budget discussion each year including, but not limited to, the governance of a sub-regional solution (if applicable), land purchase, and ultimately the design and construction of a new or expanded Waterworks System plant.

The Village recognizes the importance to develop and manage programs, services, and their related resources as efficiently and effectively as possible. Senior Management worked with a consultant during fiscal year 2019 to update its mission and vision statements. Senior Management and both our legal and engineering consultants went on a retreat to help create a new 5-year strategic plan that includes specific steps to achieve its strategic priorities. The mission statement, vision statements, values, and strategic plan were presented and approved by the Village Board in fiscal year 2020.

Our Strategic Plan has four primary themes that reflect our Mission Statement, Vision Statement, and Values: Quality of Life, Civic Engagement, Economic Development, and Professional Governance. Each theme is followed by a listing of goals and objectives. Understanding how goals and objectives are defined within the context of this plan is important. Goals are big steps towards accomplishing our mission. They are not easily reached, and they are aligned with our values. Goals are broad, value-based statements expressing our preferences for the term of this plan. They specifically address key issues, opportunities, and desires that affect the community. Objectives are smaller steps that are needed to meet these goals. They should be specific, measurable, attainable, timely, and directly related to the goal. For each strategic area, actions are also provided. These actions are specific steps refined by Village staff and elected officials for achieving objectives.

Periodic review and adjustment will be necessary over the planning period. We will track our progress through regular reporting on our objectives and actions and they will be incorporated over time into our other planning tools including the annual budget and community investment plan.

Cash management policies and practices

The cash management system is designed to accurately monitor and forecast revenues and expenditures, thus enabling the Village to invest funds to the fullest extent possible. The essential purpose of Village investments is to maximize interest income while preserving principal and maintaining sufficient liquidity to meet expenditure obligations. The Village invests cash temporarily idle during the year in demand deposits, certificates of deposit, investment pools, and other investments allowed by state statute. The Village maintains a 5-year ladder portfolio to capture additional yield from longer maturities.

Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Montgomery for its Annual Comprehensive Financial Report for the fiscal year ended April 30, 2021. This was the eighteenth consecutive year the Village has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the Village also received the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award for its fiscal year 2022 budget document. This was the tenth consecutive year the Village has received this award. To qualify for the Distinguished Budget Presentation Award, the Village's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide and a communications device.

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

Respectfully submitted,



Jennifer Milewski
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Montgomery
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

April 30, 2021

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITOR'S REPORT

November 9, 2022

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Montgomery, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Montgomery, Illinois, as of April 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Montgomery, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Village of Montgomery

Management's Discussion and Analysis

April 30, 2022

As management of the Village of Montgomery, Illinois (the Village), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2022. Management's Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

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

Financial Highlights

- The Village's net position as of April 30, 2022 was \$66,019. Of this amount, \$6,720 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position increased by \$1,654 and reflects approximately \$2,579 increase and \$925 decrease attributable to the governmental and business-type operations of the Village, respectively. The increase in governmental operations is due to increases in regular sales taxes, non-home rule sales taxes, and state-shared income taxes; offset by debt issuance, depreciation and liabilities for pensions and other postemployment benefits. The decrease in business-type operations is mainly due to depreciation, liabilities for pensions and other postemployment benefits.
- As of April 30, 2022, the Village's governmental funds reported combined ending fund balances of \$32,511, an increase of \$17,516 from the prior year. Approximately 14.4% of this total amount, \$4,696, is available for spending at the Village's discretion (unassigned fund balance).
- In addition, the Village's proprietary funds reported combined ending net position of \$19,272, a decrease of \$925 from the prior year. Approximately 27.4% of this total amount, \$5,288, is available for spending at the Village's discretion (unrestricted net position) for proprietary purposes.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

The Village maintains twenty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Tax Increment Financing District #2 Fund, Debt Service Fund, Capital Improvement Fund, and Infrastructure Improvement Fund, all of which are major funds. Data from the remaining nineteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds. The Village maintains two different types of proprietary funds. Enterprise funds are used to report the same functions as presented in the business-type activities in the government-wide financial

statements. The Village uses two enterprise funds, one to account for the operation of the Village owned water utility and one to account for the Village's waste removal program. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses an internal service fund to account for providing insurance to Village employees. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements

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

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

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget to actual comparisons for the Village's progress in funding its obligation to provide pension and other postemployment benefits to its employees and the General Fund and major special revenue funds.

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

Financial Analysis of the Village as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$66,019 as of April 30, 2022.

Table 1
Condensed Statement of Net Position

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

The largest portion of the Village's net position (81.8%) reflects its net investment in capital assets (e.g. land, infrastructure, buildings, improvements, vehicles, and equipment) less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

As of April 30, 2022, the Village was able to report positive balances in all three categories of net position, for the government as a whole. Governmental activities and business-type activities report positive balance in all three categories. As of April 30, 2021, the Village was able to report positive balances in all three categories of net position, for the government as a whole, two of three categories for its separate governmental activities, and all three categories for its business-type activities.

The Village's total net position increased by \$1,654 from the prior year. The increase of \$1,654 reflects approximately \$2,579 increase and \$925 decrease attributable to the governmental and business-type operations of the Village, respectively. The increase in governmental operations is due to the increases in regular sales taxes, non-home rule sales taxes, and state-shared income taxes; offset by debt issuance, depreciation and liabilities for pensions and other postemployment benefits. The decrease in business-type operations is mainly due an increase in water and refuse rates; offset by depreciation, and liabilities for pensions and other postemployment benefits.

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

Table 2
Condensed Statement of Activities

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

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

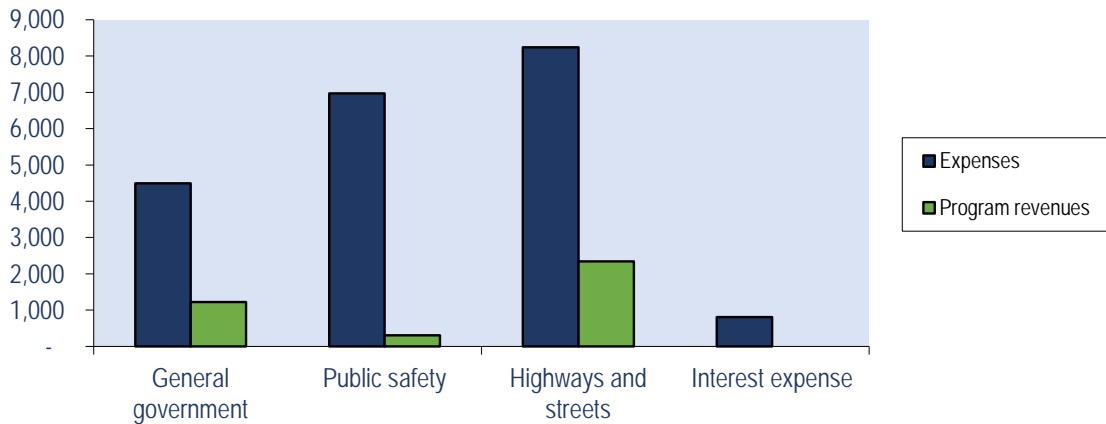
Governmental revenues increased by \$1,429 (6.6%). Components of this increase are as follows:

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

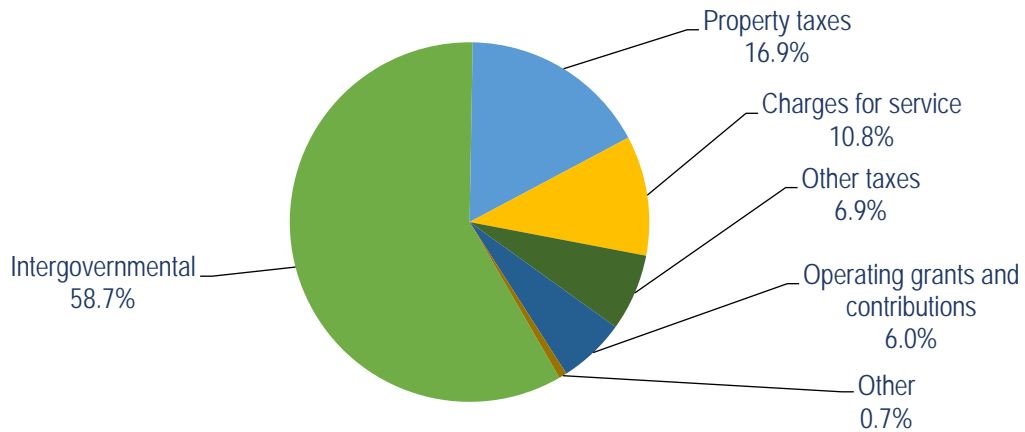
Governmental expenses increased by \$703 (3.5%). Components of this increase are as follows:

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

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



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

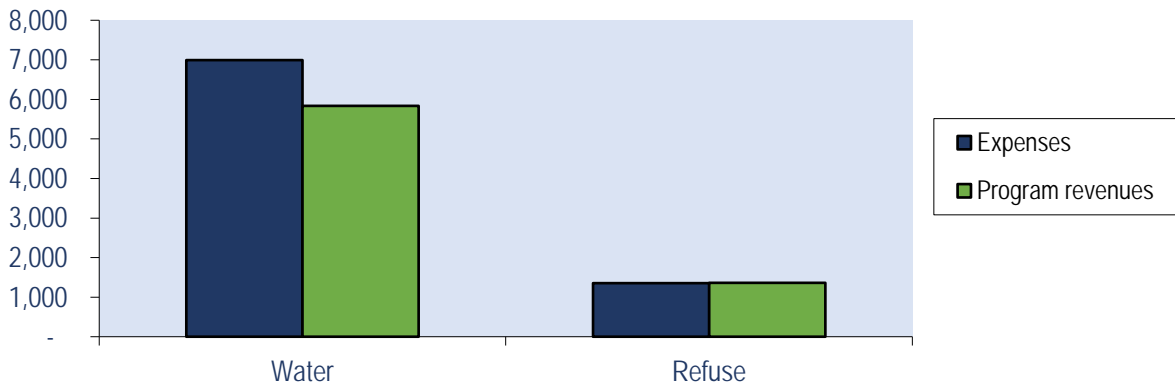
Business-type revenues decreased by \$184 (5.8%). Components of this increase are as follows:

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

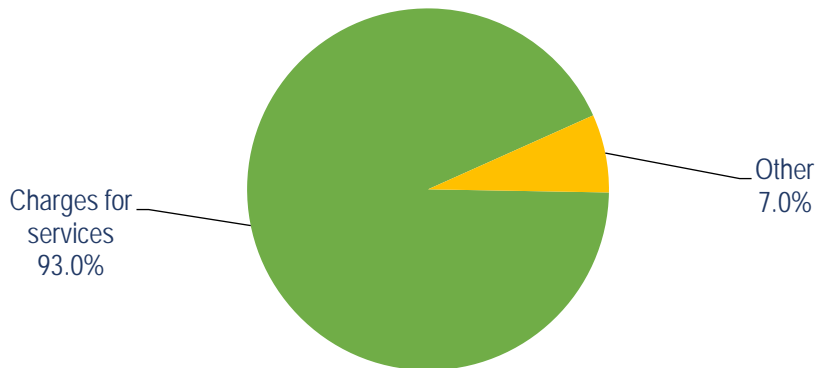
Business-type expenses increased by \$424 (5.1%). Components of this increase are as follows:

- Sanitation increased by \$63 (4.9%) due to a combination of an increase in the number of households served and a 3.0% increase in the refuse rate by the Village’s third-party waste hauler.
- Water increased by \$376 (5.7%) due to completion of the water meter replacement program beginning in fiscal year 2022.

Expenses and Program Revenues - Business-Type Activities



Revenues by Source - Business-Type Activities



Financial Analysis of the Village's Funds

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

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

As of April 30, 2022, the Village's governmental funds reported combined ending fund balances of \$32,511, an increase of \$17,516 from the prior year. Approximately 14.4% of this total amount, \$4,696, is available for spending at the Village's discretion (unassigned fund balance). The remainder of fund balance is either nonspendable, restricted, or assigned to indicate that it is 1) not in spendable form (\$633), 2) restricted for particular purposes (\$18,551), or 3) assigned for particular purposes (\$8,631).

The General Fund is the chief operating fund of the Village. As of April 30, 2022, unassigned fund balance of the General Fund was \$4,708. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 39.5% (4.7 months) of the total General Fund expenditures, while total fund balance represents 44.9% (5.4 months) of total General Fund expenditures.

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

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

The fund balance of the Debt Service Fund decreased by \$10 to a total of \$37 of fund balance at the end of the current fiscal year. The receipt of transfers from the Capital Improvement Fund was slightly less than the payment of debt principal and interest.

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

The fund balance of the Infrastructure Improvement Fund increased by \$1,077 to a total of \$2,731 of fund balance at the end of the current fiscal year. The increase in fund balance is due to an increase in non-home rule sales taxes from the economic recovery, offset by an increase in the number and value of road projects during the year.

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

The Water Fund had a decrease in net position of \$928 to a total of \$19,259 of net position at the end of the current fiscal year. Approximately 27.4% of that total is unrestricted net position. Other factors concerning the finances of the Water Fund have already been addressed in the discussion of the Village's business-type activities.

The Refuse Fund had an increase in net position of \$4 to a total of \$14 of net position at the end of the current fiscal year.

The Employee Insurance Fund had a decrease in net position of \$20 to a total of \$627 of net position at the end of the current fiscal year. The Village keeps a balance in this fund to offset any unexpected increases in health, dental, and life insurance for employees.

General Fund Budgetary Highlights

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

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

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

Capital Asset and Debt Administration

Capital Assets. The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2022, amounts to \$71,422 (net of accumulated depreciation). This investment in capital assets includes land (including rights-of-way), buildings, improvements other than buildings, vehicles and equipment, and infrastructure (including streets, storm sewers, water mains, water pumping and storage facilities, and sanitary sewers).

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

- The Village began construction of its new Public Works Facility during fiscal year 2022 totaling \$2,726.
- The Village purchased land totaling \$244 for future development.
- A total of 3 vehicles were replaced during the year totaling \$183. The vehicles and equipment replaced included 3 Police squad cars.
- Depreciation of governmental and business-type activities capital assets totaling \$2,911 and \$1,985, respectively, was taken during the year.

The following schedule summarizes the Village's capital assets.

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 18,346	\$ 18,101	\$ 17	\$ 17	\$ 18,363	\$ 18,118
Construction in progress	3,188	461	231	231	3,419	692
Land improvements	138	138	-	-	138	138
Buildings	22,311	22,311	-	-	22,311	22,311
Equipment	877	877	84	84	961	961
Vehicles	4,440	4,308	-	-	4,440	4,308
Infrastructure	33,856	33,856	53,019	52,436	86,875	86,292
Less:						
Accumulated depreciation	(36,569)	(33,709)	(28,516)	(26,532)	(65,085)	(60,241)
Total capital assets	\$ 46,587	\$ 46,343	\$ 24,835	\$ 26,236	\$ 71,422	\$ 72,579

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

Long-Term Debt. At the end of the current fiscal year, the Village had total debt outstanding of \$30,666 (excluding compensated absences, net pension liabilities, other postemployment benefit liability, and asset retirement obligations). This amount is partially comprised of four general obligation alternate revenue bonds which pledge sales, use, and telecommunications taxes, as well as net revenues of the water system. The Village combined the refunding of the 2011 general obligation bonds with a new issuance for the construction of a new Public Works Facility. The new 2021 general obligation alternative revenue source pledges water tower rental revenues for the re-payment of the debt. All bonds further pledge the full faith and credit of the Village should the alternate revenue source be insufficient. The Village abates the property taxes on the Series 2013, Series 2014, Series 2017 and Series 2021 bonds. The remaining amount of debt outstanding is comprised of three Illinois Environmental Protection Agency (IEPA) loans backed by the net revenues of the water system. The Village's debt increased by \$14,671 (91.7%) during fiscal year 2022.

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

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

The following schedule summarizes the Village's indebtedness.

Table 4
Long-Term Debt

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

Additional information regarding the Village's long-term debt can be found in Note 3 of this report.

Economic Factors and Next Year's Budgets and Rates

Municipal revenue streams traditionally have been reasonably constant and predictable. However, there are many factors that may affect the local economy including rates of employment, inflation, and health of local businesses, as well as residential, commercial, and industrial development. In addition, the local economy and the Village's financial position may be affected by state, national, and international decisions, and events.

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

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

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

Residential development within the Village started to steady climb starting in 2018. New single family home permits decreased from 31 in 2014 down to 2 in 2017. There are now 3 single-family homebuilders actively selling homes in the Village which include Hartz Homes in Marquis Point, Lennar Homes in Huntington Chase, and Ryan Homes in Balmorea. New single-family home permits rebounded to 13 in 2018, 38 in 2019, 90 in 2020. We anticipated a decline in single family homes permits as Lennar Homes and Ryan Homes completed building vacant lots within their respective subdivisions with 45 single-family home permits issued in 2021 and only 2 thus far in 2022. Lastly, the Village Board approved a 13 building, 468-unit upscale apartment complex on the east side of the Village. Full permits were issued for 4 buildings in 2019, 6 buildings in 2020 and the remaining 3 buildings in 2021. The Village foresees a decline in the residential housing development trend as existing projects near completion and new developments are commercial or industrial based.

Commercial and industrial development rallied beginning in 2015 and has been slow but steady. The Village works with the Montgomery Economic Development Corporation to attract new businesses to the community. The Village has seen several new businesses build from the ground up over the last year including McCallister's Deli, Doggie Daycare, and Gas and Wash. In addition, other new businesses have occupied vacant buildings like Baba's Famous Steak and Lemonade in Settler's Landing. As the economy continues the steady recovery, the Village has seen interest from businesses who are exploring expansion and growth strategies. A multi-tenant building next to Chiquita Marketplace completed construction in 2021 with its first tenant occupancy in December of 2021. Lastly, there are several businesses who the Village expects to start construction in 2022 including Trans line truck depot, Belle Tire and Strickland Brothers 10 Minute Oil Change.

Commercial development has helped the Village's sales tax, which is its single largest revenue source. The Village receives a one percent state sales tax on retail sales of tangible personal property within the Village. In addition, the Village began collecting a one percent non-home rule sales tax on July 1, 2015 on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. Sales tax is collected by the State and remitted to the Village three months after the liability occurs. Sales tax revenue has drastically increased in the last 10 years through the expansion of the commercial and retail sector in Montgomery. In fact, sales tax stayed consistent even through the Great Recession with the enacting the "Leveling the Playing Field" legislation requiring remote retailers to collect and remit the state and local retailer's occupation tax. The Village portion of state sales tax has grown from \$2.7 million to \$5.6 million in the last 10 years, while non-home rules sales has grown from \$2.7 million to \$3.8 million in just the last 6 years.

There were 3 new industrial buildings completed in 2017 including the United Sugars Corporation \$21 million bulk sugar storage and transfer facility; the Nexeo Solutions \$12 million warehouse and distribution facility; and the Old Dominion Freight Line \$13 million freight depot. United Sugars and Nexeo are both located within the Aucutt Road TIF District (TIF #2) while Old Dominion is located outside TIF #2. The United Sugars and Nexeo buildings alone contributed nearly \$840,000 of tax increment in fiscal year 2022. All of the increment noted above can be used to make needed improvements in the area. The Village Engineer has worked on a storm sewer overflow study and road improvement study over the last 2 years. The studies will determine what regional improvements can be made to recapture buildable land within TIF #2 and the order in which improvements should take place. United Sugars Corporation began construction in early 2021 on a second bulk storage dome (valued at \$20 million) and the Village is currently in discussion with another existing business about expansion of their facilities. Lastly, the Village is working with two landowners to annex their property and create the Caterpillar Drive TIF District (TIF #3) and Blackberry Creek TIF District (TIF #4).

Finances of the State of Illinois

The State of Illinois (the "State") has experienced adverse fiscal conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. Despite the State's increase in credit rating to a BBB+ from Standard & Poor's Global Rating, the State remains amongst the lowest credit rated in the country. Additionally, the State continues to struggle with raising debt and pension obligations after receiving more than \$8 billion in budgetary relief from the federal government in addition to federal funding passed along to states for the pandemic-related expenses.

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the Village. The last five State fiscal year budgets have included a service fee for collection and processing of locally imposed sales taxes. The fee was reduced to 1.5% of locally imposed sales taxes for State Fiscal Years 2019, 2020, 2021, and 2022. The Fiscal Year 2021 Budget was predicated on, among other things, on Illinois voters approving a referendum to change the State income tax from a flat to a progressive income tax. The referendum was not approved by Illinois voters in the November 3, 2020, election. The Village cannot determine at this time the financial impact of these provisions on its overall financial condition, but such provisions may result in lower income tax revenues and sales tax revenues distributed to the Village.

The Village can give no assurance additional changes in applicable law modifying the way local revenue sharing is allocated by the State, nor can the Village predict the effect the State's financial problems, including the various governmental or private actions in reaction thereto, may have on the Village's future finances.

The Village owns a water utility and charges residents a fee to use that water. The Village also charges residents a fee to maintain the sanitary sewer lines that feed to the Fox Metro Water Reclamation District. The revenue budget is based upon the immediate prior year's usage by existing residents along with the additional housing units brought online by new permits. The fiscal year 2023 budget includes an increase in the water usage rates of 5.5% as of May 1, 2022. The Village started work on a water rate study in fiscal year 2019 and completed the study in fiscal year 2020. The Village now expects annual increases of 5.5% through fiscal year 2032, then 2% each year thereafter. This revenue stream is dependent on weather conditions and will vary based on how warm it is or how much rain the Village receives.

The Village, as a service driven organization, continues to expend the greatest percentage of its operating budget (second largest overall) on personal services (wages and benefits). For fiscal year 2023, personal services expenditures are expected to total \$10,762,860 or 20.0% of total budgeted expenditures. This is an increase of 15.7% over the fiscal year 2022 budgeted expenditures of \$9,301,555. The increase is attributed to a cost of living increases effective May 1, 2022. Cost of living increases range from 2.5% to 3.0% and pay for performance increases range from 4.5% to 6.0%. Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village has an approved a 5-year contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2025. The fiscal year 2023 budget includes an additional 4.12 full-time equivalent employees (FTE). FTE equal the total hours of all employees divided by 2,080 working hours in a year. The new positions include a full-time building maintenance technician (Public Works), 2 full-time patrol officers (Police), a full-time service specialist (Police), and the transition from a part-time to a full-time Executive Assistant (Administration).

Contacting the Village's Financial Management

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

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements

- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Net Position

April 30, 2022

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Net Position

April 30, 2022

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

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

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2022

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 4,490,044	1,177,683	48,785	-
Public Safety	6,966,682	297,238	13,381	-
Highways and Streets	8,240,386	1,012,753	1,333,707	-
Interest on Long-Term Debt	809,417	-	-	-
Total Governmental Activities	20,506,529	2,487,674	1,395,873	-
Business-Type Activities				
Water	6,992,342	5,836,790	-	-
Refuse	1,355,620	1,359,618	-	-
Total Business-Type Activities	8,347,962	7,196,408	-	-
Total Primary Government	28,854,491	9,684,082	1,395,873	-

General Revenues

Taxes

Property Taxes

Utility Taxes

Video Gaming Taxes

Cannabis Taxes

Intergovernmental - Unrestricted

Sales Taxes

Non-Home Rule Sales Taxes

Income Taxes

Replacement Taxes

Local Use Taxes

TIF Surplus

Investment Earnings

Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenue		
Governmental Activities	Business-Type Activities	Totals
(3,263,576)	-	(3,263,576)
(6,656,063)	-	(6,656,063)
(5,893,926)	-	(5,893,926)
(809,417)	(312,603)	(1,122,020)
(16,622,982)	(312,603)	(16,935,585)
-	(1,155,552)	(1,155,552)
-	3,998	3,998
-	(1,151,554)	(1,151,554)
(16,622,982)	(1,464,157)	(18,087,139)
3,911,419	-	3,911,419
1,334,160	-	1,334,160
231,672	-	231,672
30,865	-	30,865
5,621,269	-	5,621,269
3,865,943	-	3,865,943
3,098,877	-	3,098,877
187,562	-	187,562
746,446	-	746,446
11,330	-	11,330
(127,604)	(32,143)	(159,747)
290,801	571,731	862,532
19,202,740	539,588	19,742,328
2,579,758	(924,569)	1,655,189
44,167,575	20,196,795	64,364,370
46,747,333	19,272,226	66,019,559

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

VILLAGE OF MONTGOMERY, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2022

	General	Special Revenue Tax Increment Financing District #2
ASSETS		
Cash and Investments	\$ 4,633,134	3,027,291
Receivables - Net of Allowances		
Property Taxes	2,337,471	1,265,706
Other Taxes	54,514	-
Accounts	188,550	-
Accrued Interest	19,314	-
Notes	-	-
Due from Other Governments	2,291,590	-
Due from Other Funds	112,223	-
Advances to Other Funds	138,307	-
Prepays	494,977	-
Total Assets	<u>10,270,080</u>	<u>4,292,997</u>
LIABILITIES		
Accounts Payable	656,436	200,151
Accrued Payroll	126,857	-
Deposits Payable	335,497	-
Due to Other Funds	1,472,935	-
Advances from Other Funds	-	-
Total Liabilities	<u>2,591,725</u>	<u>200,151</u>
DEFERRED INFLOWS OF RESOURCES		
Grants	-	-
Property Taxes	2,337,470	1,265,706
Total Deferred Inflows of Resources	<u>2,337,470</u>	<u>1,265,706</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,929,195</u>	<u>1,465,857</u>
FUND BALANCES		
Nonspendable	633,284	-
Restricted	-	2,827,140
Assigned	-	-
Unassigned	4,707,601	-
Total Fund Balances	<u>5,340,885</u>	<u>2,827,140</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>10,270,080</u>	<u>4,292,997</u>

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

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

April 30, 2022

Total Governmental Fund Balances	\$ 32,510,643
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	46,586,899
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	1,508,606
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(1,178,195)
Deferred Items - Police Pension	891,157
Deferred Items - RBP	(2,812,173)
Internal service funds are used by the Village to charge the costs of issuance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities In the Statement of Net Position.	627,278
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Payable	(668,463)
Net Pension Liability - Police Pension	(7,377,626)
Total OPEB Liability - RBP	(3,327,674)
General Obligation Bonds Payable - Net	(19,814,732)
Unamortized Loss on Refunding	29,755
Accrued Interest Payable	(228,142)
Net Position of Governmental Activities	46,747,333

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2022

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

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

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities

For the Fiscal Year Ended April 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 17,515,901
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Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	3,153,784
Depreciation Expense	(2,910,480)
Disposals - Cost	(50,917)
Disposals - Accumulated Depreciation	50,917

An addition to a net pension asset is not considered to be an increase in a
financial asset in the governmental funds.

Change in Net Pension Asset - IMRF	947,753
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The net effect of deferred outflows (inflows) of resources related
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(459,983)
Change in Deferred Items - Police Pension	279,466
Change in Deferred Items - RBP	(451,074)

Internal service funds are used by the Village to charge the costs of
insurance to individual funds. The net revenue of certain activities
of internal service funds is reported with governmental activities.

	(20,123)
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The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	3,384
Change in Net Pension Liability - Police Pension	(385,539)
Change in Total OPEB Liability - RBP	480,279
Issuance of Debt	(16,240,000)
Retirement of Debt	2,355,000
Issuance of Bond Premium	(1,511,394)
Amortization of Bond Premium	12,828
Amortization of Loss on Refunding	(18,874)

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

	(171,170)
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Changes in Net Position of Governmental Activities

2,579,758

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

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2022

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Net Position - Proprietary Funds

April 30, 2022

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

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

	Business-Type Activities			Governmental Activities
	Water	Refuse	Totals	Internal Service Employee Insurance
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 384,238	114,491	498,729	-
Accrued Payroll	17,275	-	17,275	-
Deposits Payable	2,153	-	2,153	-
Accrued Interest Payable	115,198	-	115,198	-
Due to Other Funds	34,742	100,192	134,934	-
Other Payables	107,271	-	107,271	-
Current Portion of Long-Term Debt	738,059	-	738,059	-
Total Current Liabilities	1,398,936	214,683	1,613,619	-
Noncurrent Liabilities				
Compensated Absences Payable	73,764	-	73,764	-
Total OPEB Liability - RBP	277,350	-	277,350	-
General Obligation Bonds Payable - Net	6,350,684	-	6,350,684	-
IEPA Loans Payable	3,770,283	-	3,770,283	-
Asset Retirement Obligation	535,000	-	535,000	-
Total Noncurrent Liabilities	11,007,081	-	11,007,081	-
Total Liabilities	12,406,017	214,683	12,620,700	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	535,859	-	535,859	-
Deferred Items - RBP	234,385	-	234,385	-
Total Deferred Inflows or Resources	770,244	-	770,244	-
Total Liabilities and Deferred Inflows of Resources	13,176,261	214,683	13,390,944	-
NET POSITION				
Net Investment in Capital Assets	13,984,150	-	13,984,150	-
Unrestricted	5,274,449	13,627	5,288,076	627,278
Total Net Position	19,258,599	13,627	19,272,226	627,278

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

VILLAGE OF MONTGOMERY, ILLINOIS

**Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
For the Fiscal Year Ended April 30, 2022**

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended April 30, 2022

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Fiduciary Net Position

April 30, 2022

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

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

Police Pension Employees Retirement System

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's general government, public safety, and highways and streets services are classified as governmental activities. The Village's water and refuse operations are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations.

The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, highways and streets, etc.). The functions are supported by general government revenues (property taxes, sales and use taxes, certain intergovernmental revenues, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales and use taxes, certain intergovernmental revenues, investment earnings, etc.).

The Village allocates indirect costs to other funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations but are paid for through the General Fund.

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains 20 special revenue funds. The Tax Increment Financing (TIF) District #2 Fund, a major fund, is used to account for the property taxes, collected on the incremental increase in the equalized assessed value, and restricted for expenditures incurred related to the Village's Aucutt Road TIF District.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The Debt Service Fund is treated as a major fund and is used to accumulate monies for the Village's general obligation alternate revenue source bonds (Series 2011 and Series 2014) for payment of the principal and interest on governmental debt (non-proprietary). Utility tax revenues are transferred from the Capital Improvement Fund to finance the annual payment requirements.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital assets (other than those financed by business-type/proprietary funds). The Village maintains four capital projects funds. The Capital Improvement Fund, a major fund, is used to account for funds restricted, committed or assigned to the acquisition, construction and improvement of governmental general capital assets (not being financed by proprietary funds). Activities are financed by utility taxes, grants, rents on Village properties, and developer contributions. The Infrastructure Improvement Fund, also a major fund, is used to account for funds restricted, committed, or assigned to the acquisition, construction and improvement of governmental infrastructure capital assets (not being financed by proprietary funds) throughout the community. Activities are financed by the 1% non-home rule sales tax. The Village also maintains two nonmajor capital projects funds.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains two major proprietary funds. The Water Fund is used to account for the revenues and expenses relative to the operation of the water utility. The Refuse Fund is used to account for refuse services contracted by the Village for the benefit of its citizens, but performed by a private entity. This fund is financed by fees charged to residents on their bi-monthly utility bill.

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains one internal service fund, the Employee Insurance and is used to account for the internal contributions (employer and employee) for providing group health, dental, and life insurance to Village employees.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity by the Village for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity by the Village for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. Financing is provided by the Village contributions, employee payroll withholdings, and investment earnings.

Custodial funds are used to account for assets held by the Village in a purely custodial capacity. The Village maintains two custodial funds. The Lakewood Creek Special Assessment Fund is used to account for the contributions from property owners and payments of principal and interest on the Special Assessment Bonds. The Cornell Special Service Area Fund is used to account for the tax collections to pay principal and interest on the Special Service Area #17 Bonds.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and custodial). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, this fund is not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary, pension trust, and custodial funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A ninety-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, investment earnings, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust and custodial funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds are charges to customers for sales and services.

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, utility taxes and grants. Business-type activities report utility charges as their major receivables.

Capital Assets

Capital assets are defined by the Village as assets with an initial, individual cost of more than \$10,000 for vehicles, \$25,000 for land improvements and machinery and equipment, \$50,000 for buildings and building improvements, and \$250,000 for infrastructure and an estimated useful life in excess of four years. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, storm sewers and bridges are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	15 - 20 Years
Buildings	10 - 45 Years
Equipment	4 - 30 Years
Vehicles	4 - 10 Years
Infrastructure	20 - 50 Years

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Long-term interfund loans, if any, are classified as advances to/from other funds. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Compensated Absences

Vested or accumulated vacation leave and sick pay related to employees that have retired or terminated at year-end but not yet paid out is reported as an expenditure and a fund liability of the governmental fund (General Fund) that will pay it. Vested and accumulated vacation leave and sick pay of the proprietary funds and governmental activities is recorded as an expense and liability as the benefits accrue to employees.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Annual budgets are adopted for all funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end.

All departments of the Village submit budget requests to the Director of Finance so that a budget may be prepared. The budget is prepared by fund, department and division, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year and four projected years. The Village Administrator reviews the budget and recommends a budget to the Village Board.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. The budget may be amended by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the current fiscal year, no budget amendments were adopted.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had excess of actual expenditures/expenses over budget at year end:

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

DEFICIT FUND BALANCE/NET POSITION

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, and commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Metropolitan Investment Fund (IMET), Illinois Public Reserves Investment Management Trust (IPRIME), and Illinois Trust.

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The Illinois Public Reserves Investment Management Trust (IPRIME) is an investment opportunity and cash management service for Illinois Municipal Treasurers acting on behalf of counties, townships, cities, towns, villages, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities, and all other political corporations or subdivisions of the State of Illinois. Participation in IPRIME is voluntary. IPRIME is not registered with the SEC as an Investment Company. Investments in IPRIME are valued at the share price, the price for which the investment could be sold.

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

Village

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

Investments. At year-end, the Village has the following investments and maturities:

Investment Type	Fair Value	Remaining Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
Municipal Bonds	\$ 15,581,669	-	14,414,240	1,167,429	-
IMET	12,119,562	12,119,562	-	-	-
IPRIME	1,062,261	1,062,261	-	-	-
Illinois Trust	15,374	15,374	-	-	-
	<u>28,778,866</u>	<u>13,197,197</u>	<u>14,414,240</u>	<u>1,167,429</u>	<u>-</u>

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village – Continued

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

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Securities				
Municipal Bonds	\$ 15,581,669	-	15,581,669	-
Investments Measured at the Net Asst Value (NAV)				
IMET	12,119,562			
IPRIME	1,062,261			
Illinois Trust	15,374			
Total Investment Measured at Fair Value	28,778,866			

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy limits the maximum maturity length of investments to three years from the date of purchase, except if matched to anticipated cash flow requirement (e.g., bond proceeds), in which case the maximum maturity is five years.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy does not address concentration risk. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village – Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village limits its exposure to credit risk by diversifying its portfolio and by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The municipal bonds are rated AA to Aa3 by Standard and Poor's and Moody's, the IMET, the IPRIME and the Illinois Trust are not rated.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 105% of all bank balances in excess of federal depository insurance with the collateral held by an independent third party or by the Federal Reserve and in the Village's name. At April 30, 2022, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's agency separate from where the investment was purchased. The Village's investments in IMET, IPRIME, and Illinois Trust are not subject to custodial credit risk.

Police Pension Fund

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Continued

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

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

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

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

Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.26%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2020 attach as an enforceable lien on January 1, 2020, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Kane and Kendall Counties and are payable in two installments, on or about June and September. Kane and Kendall Counties collect such taxes and remit them periodically.

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NOTES RECEIVABLE

Montgomery Development

The Montgomery Development Fund (MDF) accounts for the Village’s loan program established to provide financial support to new or expanding business in the Village; encourage economic development by supporting projects that create or retain jobs; encourage area financial institutions to work with the Village and to utilize MDF programs to better serve its customers; and support projects and investments that protect and expand the tax base. The MDF consists of three programs:

- The Forgivable Loan Program will be capitalized by approximately \$500,000 and is focused on retail and commercial businesses. Businesses will be required to continue operating in the Village for at least three (3) years from the date of project approval to receive forgiveness of the loan. The maximum forgivable loan is \$400,000. Activities that could be funded through this program include façade or streetscape improvements such as painting; window or door repairs or replacement; restoration of historic or architectural details; signage; and landscaping. No new forgivable loans were approved during fiscal year 2022. The outstanding balance of these loans as of April 30, 2022 was \$486,210 and the entire amount has been forgiven.
- The Low Interest Loan Program will be capitalized with approximately \$1,000,000 and can be used for retail, commercial, industrial, and manufacturing or distribution center projects. The interest rate will be fixed for the term of the loan and may vary as a function of the amount, equity, security and purpose of the loan. Activities that could be funded through this program include acquisition of land, buildings, machinery, or equipment; site preparation including clearance, demolition, removal of buildings and improvements; construction or rehabilitation of commercial or industrial buildings, as well as the necessary infrastructure improvements. The outstanding balance of this loan as of April 30, 2022 is \$36,906.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Advances

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – Continued

Interfund Balances

The purpose of the significant interfund balances are as follows:

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

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

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

Interfund Transfers

Interfund transfers for the year consisted of the following:

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 10,044,460	244,686	-	10,289,146
Land Right of Way	8,056,400	-	-	8,056,400
Construction in Progress	461,440	2,726,272	-	3,187,712
	<u>18,562,300</u>	<u>2,970,958</u>	<u>-</u>	<u>21,533,258</u>
Depreciable Capital Assets				
Land Improvements	138,448	-	-	138,448
Buildings	22,310,653	-	-	22,310,653
Equipment	877,382	-	-	877,382
Vehicles	4,307,891	182,826	50,917	4,439,800
Infrastructure	33,856,109	-	-	33,856,109
	<u>61,490,483</u>	<u>182,826</u>	<u>50,917</u>	<u>61,622,392</u>
Less Accumulated Depreciation				
Land Improvements	138,448	-	-	138,448
Buildings	14,862,381	1,110,144	-	15,972,525
Equipment	614,626	38,880	-	653,506
Vehicles	2,015,392	407,212	50,917	2,371,687
Infrastructure	16,078,341	1,354,244	-	17,432,585
	<u>33,709,188</u>	<u>2,910,480</u>	<u>50,917</u>	<u>36,568,751</u>
 Total Net Depreciable Capital Assets	 <u>27,781,295</u>	 <u>(2,727,654)</u>	 <u>-</u>	 <u>25,053,641</u>
 Total Net Capital Assets	 <u>46,343,595</u>	 <u>243,304</u>	 <u>-</u>	 <u>46,586,899</u>

Depreciation expense was charged to governmental activities as follows:

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 16,533	-	-	16,533
Construction in Progress	231,001	-	-	231,001
	<u>247,534</u>	-	-	<u>247,534</u>
Depreciable Capital Assets				
Equipment	84,062	-	-	84,062
Infrastructure	52,435,703	583,918	-	53,019,621
	<u>52,519,765</u>	<u>583,918</u>	-	<u>53,103,683</u>
Less Accumulated Depreciation				
Equipment	84,062	-	-	84,062
Infrastructure	26,447,637	1,984,538	-	28,432,175
	<u>26,531,699</u>	<u>1,984,538</u>	-	<u>28,516,237</u>
 Total Net Depreciable Capital Assets	 <u>25,988,066</u>	 <u>(1,400,620)</u>	 -	 <u>24,587,446</u>
 Total Net Capital Assets	 <u>26,235,600</u>	 <u>(1,400,620)</u>	 -	 <u>24,834,980</u>

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

Water	<u>\$ 1,984,538</u>
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VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$4,410,000 General Obligation Alternate Revenue Source Refunding Bonds of 2011, due in annual installments of \$205,000 to \$450,000 plus interest at 2.00% to 3.125% through December 1,	Debt Service	\$ 1,710,000	-	1,485,000 * 225,000	-
\$4,590,000 General Obligation Alternate Revenue Source Bonds of 2013, due in annual installments of \$120,000 to \$280,000 plus interest at 3.00% to 4.00% through December 1, 2038.	Water	3,670,000	-	145,000	3,525,000
\$3,335,000 Taxable General Obligation Alternate Revenue Source Refunding Bonds of 2014, due in annual installments of \$630,000 to \$710,000 plus interest at 3.00% to 3.50% through December 1, 2024.	Debt Service	2,705,000	-	645,000	2,060,000
\$3,370,000 General Obligation Alternate Revenue Source Bonds of 2017, due in annual installments of \$135,000 to \$235,000 plus interest at 3.00% to 4.00% through December 1, 2037.	Water	3,095,000	-	140,000	2,955,000
\$16,240,000 General Obligation Alternate Revenue Source Bonds of 2021, due in annual installments of \$760,000 to \$1,210,000 plus interest at 2.00% to 5.00% through December 1, 2040.	Debt Service	-	16,240,000	-	16,240,000
		11,180,000	16,240,000	2,640,000	24,780,000

*Refunded

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

IEPA Loans Payable

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

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan Payable of 2002, due in semi-annual installments of \$37,395, including interest of 2.675% through December 1, 2022.	Water	\$ 144,709	-	71,393	73,316
IEPA Loan Payable of 2011, due in semi-annual installments of \$125,440, including interest of 1.25% through April 19, 2032.	Water	2,570,868	-	219,427	2,351,441
IEPA Loan Payable of 2014, due in semi-annual installments of \$77,226, including interest of 1.995% through December 7, 2034.	Water	1,878,494	-	117,559	1,760,935
		<u>4,594,071</u>	<u>-</u>	<u>408,379</u>	<u>4,185,692</u>

Asset Retirement Obligation

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

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

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liability, and the total OPEB liability. The Debt Service Fund makes payments on the general obligation bonds payable.

For the business-type activities the compensated absences, the total OPEB liability, the general obligation bonds payable, the IEPA loans payable, and the asset retirement obligation are being liquidated by the Water Fund.

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

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

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, “...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality’s 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979.”

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin – Continued

Assessed Valuation - 2021		<u>\$ 538,946,591</u>
Legal Debt Limit - 8.625% of Assessed Value		<u>46,484,143</u>
Amount of Debt Applicable to Limit		
General Obligation ARS Bonds of 2013	\$ 3,525,000	
Taxable General Obligation ARS Refunding Bonds of 2014	2,060,000	
General Obligation ARS Bonds of 2017	2,955,000	
Taxable General Obligation ARS Refunding Bonds of 2021	<u>16,240,000</u>	
	<u>24,780,000</u>	
Less: Alternate Revenue Source Bonds	<u>(24,780,000)</u>	
Total Applicable Debt		<u>-</u>
Legal Debt Margin		<u>46,484,143</u>

Special Service Area Bonds

During fiscal year ended April 30, 2006, the Village issued \$275,000 Special Service Area No. 17 Bonds. The bonds are payable solely from the special service area taxes levied upon the properties located in the special service areas and do not constitute an indebtedness of the Village. The Village is acting solely as paying agent in collecting the taxes and remitting them to the bond holders. Accordingly, these bonds are not reported as a liability in the Village's financial statements. As of April 30, 2022, \$16,973 of the Special Service Area No. 17 bonds are outstanding.

Special Assessment Bonds

During fiscal year ended April 30, 2019, the Village refunded \$9,901,000 of special assessment bonds. These bonds are not an obligation of the Village and are secured by the levy of special assessments on the real property within the special assessment area. The Village is in no way liable for repayment, but is acting solely as agent for the property owners in levying and collecting the assessments and forwarding the collections to bondholders. As of April 30, 2022, \$5,183,000 of the special assessment bonds are outstanding.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Pledged Revenues

The General Obligation Alternate Revenue Source Bonds of 2013, issued for various water system improvements, are payable from a pledge of the Village's water operations revenue, with a remaining total pledge of \$4,921,400, with the bonds maturing December 1, 2038. During the current fiscal year, the pledge of water revenues of \$287,300 was approximately 4.92% of total water operating revenues.

The Taxable General Obligation Alternate Revenue Refunding Bonds of 2014, issued to refund a portion of the General Obligation Alternate Revenue Source Bonds of 2010, are payable from a pledge of sales tax, telecommunication and use tax, with a remaining total pledge of \$2,201,080 with the bonds maturing December 1, 2024. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$732,440 was approximately 11.15% of total sales, telecommunication and use tax.

The General Obligation Alternate Revenue Source Bonds of 2017, issued for various water system improvements, are payable from a pledge of the Village's water operations revenue, with a remaining total pledge of \$3,906,466, with the bonds maturing December 1, 2037. During the current fiscal year, the pledge of water revenues of \$242,686 was approximately 4.16% of total water operating revenues.

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

Defeased Debt

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2022:

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

FUND BALANCE CLASSIFICATIONS

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

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements
April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

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

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

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

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

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses to employees; and natural disasters. To insure against the losses, the Village participates in the Municipal Insurance Cooperative Agency (MICA), a public entity risk pool with transfers of risk. The Village pays an annual premium to MICA for its coverage. The Village is not aware of any additional premiums owed to MICA as of April 30, 2022, for the current or prior claim years. In addition, the Village provides health insurance to its employees through a third party indemnity policy. The Village pays an annual premium to the insurance company for its coverage. Settled claims have not exceeded the coverage in the current or preceding two fiscal years.

Intergovernmental Personnel Benefit Cooperative (IPBC)

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

COMMITMENTS

Economic Incentive

The Village has entered into economic development agreements with various companies in Montgomery to provide sales tax rebates. The agreements require the Village to rebate to the companies' different levels of additional sales tax generated by the facilities. The total expenditures paid during the year ended April 30, 2022 were \$1,117,110, and the total cumulative expenditures incurred to date in rebates of current development agreements was \$7,907,303.

CONTINGENT LIABILITIES

Litigation

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Grants

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

Financial Impact of COVID-19

The World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village’s operations and financial position cannot be determined.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. Separate reports are issued for the Police Pension Plans and may be obtained by writing to the Village. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount recognized for the pension plans are:

	Net Pension Liabilities/ (Assets)	Deferred Outflows	Deferred Inflows	Pension Expense/ (Revenue)
IMRF	\$ (2,012,141)	569,863	2,141,310	487,770
Police Pension	7,377,626	2,796,593	1,905,436	(962,235)
	<u>5,365,485</u>	<u>3,366,456</u>	<u>4,046,746</u>	<u>(474,465)</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date.).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	47
Inactive Plan Members Entitled to but not yet Receiving Benefits	56
Active Plan Members	<u>39</u>
Total	<u><u>142</u></u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2022, the Village's contribution was 8.28% of covered payroll.

Net Pension (Asset). The Village's net pension (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	3.25%
Inflation	2.25%

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.00%	(0.60%)
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	(0.90%)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior year valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

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

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

Changes in the Net Pension (Asset)

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended April 30, 2022, the Village recognized pension revenue of \$487,770. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 494,785	(1,547)	493,238
Change in Assumptions	-	(51,518)	(51,518)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(2,088,245)	(2,088,245)
	494,785	(2,141,310)	(1,646,525)
Pension Contributions Made Subsequent to the Measurement Date	75,078	-	75,078
Total Deferred Amounts Related to IMRF	569,863	(2,141,310)	(1,571,447)

\$75,078 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (275,992)
2024	(627,612)
2025	(430,861)
2026	(312,059)
2027	-
Thereafter	-
Total	(1,646,524)

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements
April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At April 30, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	9
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>32</u>
Total	<u><u>45</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2022, the Village's contribution was 28.11% of covered payroll.

Significant Investments. At year end, the Pension Plan has no investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2022, using the following actuarial methods and assumptions:

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

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

Changes in the Net Pension Liability

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended April 30, 2022, the Village recognized pension expense of \$962,235. At April 30, 2022, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 635,221	(2,464,153)	(1,828,932)
Change in Assumptions	2,161,372	(92,181)	2,069,191
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	650,898	650,898
Total Deferred Amounts Related to Police Pension	<u>2,796,593</u>	<u>(1,905,436)</u>	<u>891,157</u>

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village’s defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare, dental and vision insurance benefits for retirees and their dependents. Retirees are responsible for the full cost of coverage, except qualified PEDA or PSEBA employees, in which the Village is 100% responsible. Coverage ends once the retiree becomes eligible for Medicare for healthcare and when the retiree stops paying for dental and vision.

Plan Membership. As of April 30, 2022, the measurement date, the following employees were covered by the benefit terms:

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

Total OPEB Liability

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

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	3.50%
Discount Rate	3.42%
Healthcare Cost Trend Rates	7.00% Decreasing to an Ultimate Rate of 4.00% for 2029 and Later Years
Retirees' Share of Benefit-Related Costs	100% of Projected Health Insurance Premiums for Retirees

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs – Continued. The discount rate was based on the Bond Buyer 20-Bond GO Index.

Mortality rates were based on the RP-2014 study with blue collar adjustment. These rates are improved generationally using MP-2020 Improvement Rates.

Change in the Total OPEB Liability

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.42%, while the prior valuation used 2.12%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using various Healthcare Trend Rates, as well as what the total OPEB liability would be if it were calculated using Healthcare Trend Rates that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 3,110,712	3,605,024	4,222,286

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

For the year ended April 30, 2022, the Village recognized OPEB expense of \$22,068. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	(669,242)	(669,242)
Change in Assumptions	-	(2,377,316)	(2,377,316)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	-	(3,046,558)	(3,046,558)

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (255,478)
2024	(255,478)
2025	(255,478)
2026	(255,478)
2027	(255,478)
Thereafter	<u>(1,769,168)</u>
Total	<u><u>(3,046,558)</u></u>

SUBSEQUENT EVENTS

American Rescue Plan Act

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$2,671,051 to be received in two installments. On September 22, 2021, the Village received their first installment of \$1,334,836 and September 16, 2022 their second installment of \$1,336,215.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
 - Illinois Municipal Retirement Fund
 - Police Pension Fund

- Schedule of Investment Returns
 - Police Pension Fund

- Schedule of Changes in the Employer's Total OPEB Liability
 - Retiree Benefits Plan

- Budgetary Comparison Schedules
 - General Fund
 - Tax Increment Financing District #2 – Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF MONTGOMERY, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

April 30, 2022

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 298,271	\$ 298,271	\$ -	\$ 2,242,641	13.30%
2017	299,313	299,313	-	2,218,784	13.49%
2018	278,172	278,172	-	2,404,142	11.57%
2019	234,160	245,804	11,644	2,274,274	10.81%
2020	251,155	251,155	-	2,388,962	10.51%
2021	278,822	278,822	-	2,788,608	10.00%
2022	238,104	238,104	-	2,875,169	8.28%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015)

Note:

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

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 427,528	\$ 449,027	\$ 21,499	\$ 2,010,832	22.33%
2016	436,387	452,282	15,895	1,951,463	23.18%
2017	520,987	520,987	-	2,070,191	25.17%
2018	530,247	580,602	50,355	2,226,229	26.08%
2019	594,049	557,590	(36,459)	2,376,298	23.46%
2020	661,733	636,733	(25,000)	2,680,466	23.75%
2021	850,278	850,278	-	2,889,254	29.43%
2022	856,162	856,162	-	3,046,217	28.11%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.25%
Investment Rate of Return	7.00%
Mortality	PubS-2010(A) Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

Note:

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

VILLAGE OF MONTGOMERY, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2022

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2022

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 231,852
Interest	891,008
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(308,800)
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(433,918)</u>
Net Change in Total Pension Liability	380,142
Total Pension Liability - Beginning	<u>12,012,911</u>
Total Pension Liability - Ending	<u><u>12,393,053</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 298,271
Contributions - Members	100,919
Net Investment Income	52,165
Benefit Payments, Including Refunds of Member Contributions	(433,918)
Other (Net Transfer)	<u>(10,193)</u>
Net Change in Plan Fiduciary Net Position	7,244
Plan Net Position - Beginning	<u>10,450,285</u>
Plan Net Position - Ending	<u><u>10,457,529</u></u>
Employer's Net Pension Liability/(Asset)	<u><u>\$ 1,935,524</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.38%
Covered Payroll	\$ 2,242,641
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	86.31%

Note:

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

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
242,720	232,978	229,595	216,197	242,225	253,148
917,636	949,180	960,197	997,777	1,025,787	1,079,206
-	-	-	-	-	-
(233,085)	(91,234)	132,196	(32,006)	323,985	493,103
(33,076)	(390,097)	387,680	-	(119,988)	-
(493,110)	(509,785)	(594,711)	(891,581)	(725,693)	(755,591)
401,085	191,042	1,114,957	290,387	746,316	1,069,866
12,393,053	12,794,138	12,985,180	14,100,137	14,390,524	15,136,840
12,794,138	12,985,180	14,100,137	14,390,524	15,136,840	16,206,706
299,313	271,330	260,328	235,164	277,716	253,331
99,846	103,737	104,971	106,016	113,519	127,945
718,169	1,936,009	(659,593)	2,281,458	2,010,237	2,698,334
(493,110)	(509,785)	(594,711)	(891,581)	(725,693)	(755,591)
104,625	(158,186)	226,689	156,785	143,096	20,950
728,843	1,643,105	(662,316)	1,887,842	1,818,875	2,344,969
10,457,529	11,186,372	12,829,477	12,167,161	14,055,003	15,873,878
11,186,372	12,829,477	12,167,161	14,055,003	15,873,878	18,218,847
1,607,766	155,703	1,932,976	335,521	(737,038)	(2,012,141)
87.43%	98.80%	86.29%	97.67%	104.87%	112.42%
2,218,784	2,305,270	2,332,691	2,355,898	2,355,898	2,843,218
72.46%	6.75%	82.86%	14.24%	(31.28%)	(70.77%)

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2022**

	<u>4/30/2015</u>
Total Pension Liability	
Service Cost	\$ 463,455
Interest	782,101
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change in Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	(431,684)
Administrative Expense	<u>-</u>
Net Change in Total Pension Liability	813,872
Total Pension Liability - Beginning	<u>11,388,718</u>
Total Pension Liability - Ending	<u><u>12,202,590</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 449,027
Contributions - Members	228,037
Net Investment Income	471,668
Benefit Payments, Including Refunds of Member Contributions	(431,684)
Administrative Expense	<u>(8,625)</u>
Net Change in Plan Fiduciary Net Position	708,423
Plan Net Position - Beginning	<u>7,498,173</u>
Plan Net Position - Ending	<u><u>8,206,596</u></u>
Employer's Net Pension Liability	<u><u>\$ 3,995,994</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.25%
Covered Payroll	\$ 2,010,832
Employer's Net Pension Liability as a Percentage of Covered Payroll	198.72%

Note:

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2022

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	6.54%
2016	0.29%
2017	6.61%
2018	4.98%
2019	6.15%
2020	(4.30%)
2021	1.98%
2022	2.26%

Note:

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

VILLAGE OF MONTGOMERY, ILLINOIS

Retiree Benefits Plan

Required Supplementary Information

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2022

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

Notes:

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

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Tax Increment Financing District #2 - Special Revenue Fund

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

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

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Combining Statements – Enterprise Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Budgetary Comparison Schedule – Internal Service Fund
- Budgetary Comparison Schedule – Pension Trust Fund
- Combining Statements – Custodial Funds
- Consolidated Year-End Financial Report

INDIVIDUAL FUND SCHEDULES

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Tax Increment Financing District #2 Fund

The Tax Increment Financing (TIF) District #2 Fund is used to account for the property taxes, collected on the incremental increase in the equalized assessed value, and restricted for expenditures incurred related to the Village's Aucutt Road TIF District.

Montgomery Development Fund

The Montgomery Development Fund (MDF) accounts for the Village's loan program established to provide financial support to new or expanding business in the Village; encourage economic development by supporting projects that create or retain jobs; encourage area financial institutions to work with the Village and to utilize MDF programs to better serve its customers; and support projects and investments that protect and expand the tax base. The MDF consists of two programs: the Forgivable Loan Program and the Low Interest Loan Program.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for motor fuel tax allocations from the State of Illinois and expenditures related to the Village's annual road rehabilitation and construction program.

Police Gift Fund

The Police Gift Fund is used to account for contributions from donors restricted for educational and equipment purchases for the police force.

Montgomery Crossing Special Service Area Fund

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

Blackberry Crossing Special Service Area Fund

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

INDIVIDUAL FUND SCHEDULES

SPECIAL REVENUE FUNDS – Continued

Ogden Hill Special Service Area Fund

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

Marquis Pointe Special Service Area Fund

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

Baltimore Special Service Area Fund

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

Arbor Ridge Special Service Area Fund

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

Fairfield Way Special Service Area Fund

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

Foxmoor Special Service Area Fund

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

Tax Increment Financing District #1 Fund

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

Tax Increment Financing District #3 Fund

The Tax Increment Financing (TIF) District #3 Fund is used to account for the property taxes, collected on the incremental increase in the equalized assessed value, and restricted for expenditures incurred related to the Village's Aucutt Road TIF District.

INDIVIDUAL FUND SCHEDULES

SPECIAL REVENUE FUNDS – Continued

Tax Increment Financing District #4 Fund

The Tax Increment Financing (TIF) District #4 Fund is used to account for the property taxes, collected on the incremental increase in the equalized assessed value, and restricted for expenditures incurred related to the Village's Aucutt Road TIF District.

American Rescue Plan Fund

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

Saratoga Springs Special Service Area Fund

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

Orchard Prairie North Special Service Area Fund

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

Blackberry Crossing West Special Service Area Fund

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

Fieldstone Special Service Area Fund

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

DEBT SERVICE FUND

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Debt Service Fund

The Debt Service Fund is used to accumulate monies for the Village's general obligation alternate revenue source bonds (Series 2011 and Series 2014) for payment of the principal and interest on governmental debt (non-proprietary). Utility tax revenues are transferred from the Capital Improvement Fund to finance the annual payment requirements.

INDIVIDUAL FUND SCHEDULES

CAPITAL PROJECTS FUNDS

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

Capital Improvement Fund

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

Infrastructure Improvement Fund

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

Vehicle and Equipment Replacement Fund

The Vehicle and Equipment Replacement Fund is used to account for contributions from other departments assigned for the future replacement of vehicles and equipment.

Lakewood Creek Project Fund

The Lakewood Creek Project Fund is used to account for the revenue restricted to capital improvements in the Lakewood Creek neighborhood. The public improvements are complete and the fees paid for third-party management of the Lakewood Creek Special Assessment now flow through this fund.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water Fund

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

INDIVIDUAL FUND SCHEDULES

ENTERPRISE FUNDS – Continued

Refuse Fund

The Refuse Fund is used to account for refuse services contracted by the Village for the benefit of its citizens, but performed by a private entity. This fund is financed by fees charged to residents on their bi-monthly utility bill.

INTERNAL SERVICE FUND

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

Employee Insurance Fund

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

FIDUCIARY FUNDS

PENSION TRUST FUND

Police Pension Fund

The Police Pension Fund is used to account for the resources necessary to provide retirement and disability pension benefits to full-time sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employer and employee contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. Financing is provided by the Village contributions, employee payroll withholdings, and investment earnings.

CUSTODIAL FUNDS

Lakewood Creek Special Assessment Fund

The Lakewood Creek Special Assessment Fund is used to account for the contributions from property owners and payments of principal and interest on the Special Assessment Bonds.

Cornell Special Service Area Fund

The Cornell Special Service Area Fund is used to account for the tax collections to pay principal and interest on the Special Service Area #17 Bonds.

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Debt Service Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Capital Improvement - Capital Projects Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Infrastructure Improvement - Capital Projects Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2022

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

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental Funds

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2022

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2022

	Montgomery Development	Motor Fuel Tax	Police Gift	Montgomery Crossing Special Service Area
ASSETS				
Cash and Investments	\$ 1,802,298	1,431,943	8,245	117,095
Receivables - Net of Allowances				
Property Taxes	-	-	-	56,503
Notes	36,906	-	-	-
Accrued Interest	-	6,663	-	18
Due from Other Governments	-	61,871	-	-
Total Assets	1,839,204	1,500,477	8,245	173,616
LIABILITIES				
Accounts Payable	3,463	-	-	426
Due to Other Funds	-	-	-	-
Total Liabilities	3,463	-	-	426
DEFERRED INFLOWS OF RESOURCES				
Grants	-	-	-	-
Property Taxes	-	-	-	56,503
Total Deferred Inflows of Resources	-	-	-	56,503
Total Liabilities and Deferred Inflows of Resources	3,463	-	-	56,929
FUND BALANCES				
Restricted	-	1,500,477	8,245	116,687
Assigned	1,835,741	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,835,741	1,500,477	8,245	116,687
Total Liabilities and Fund Balances	1,839,204	1,500,477	8,245	173,616

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

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet - Continued

April 30, 2022

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

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

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

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

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Montgomery Development - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Police Gift - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Montgomery Crossing Special Service Area - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Blackberry Crossing Special Service Area - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Ogden Hill Special Service Area - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Marquis Pointe Special Service Area - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Baltimore Special Service Area - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Arbor Ridge Special Service Area - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Fairfield Way Special Service Area - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Foxmoor Special Service Area - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Tax Increment Financing District #1 - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Tax Increment Financing District #3 - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Tax Increment Financing District #4 - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Saratoga Springs Special Service Area - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Orchard Prairie North Special Service Area - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Blackberry Crossing West Special Service Area - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Fieldstone Special Service Area - Special Revenue Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet

April 30, 2022

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

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Vehicle and Equipment Replacement - Capital Projects Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Lakewood Creek Project - Capital Projects Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Water - Enterprise Fund - by Account

Combining Schedule of Net Position

April 30, 2022

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Water - Enterprise Fund - by Account

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Water - Enterprise Fund - by Account

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Water Account - Enterprise Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Water Account - Enterprise Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Water Improvement Account - Enterprise Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Refuse - Enterprise Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Employee Insurance - Internal Service Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension - Pension Trust Fund

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Custodial Funds

**Combining Statement of Fiduciary Net Position
April 30, 2022**

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

VILLAGE OF MONTGOMERY, ILLINOIS

Custodial Funds

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

**Consolidated Year-End Financial Report
April 30, 2022**

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



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

November 9, 2022

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

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

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds of 2013

April 30, 2022

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2023	\$ 150,000	137,950	287,950
2024	155,000	133,450	288,450
2025	160,000	128,800	288,800
2026	165,000	122,400	287,400
2027	175,000	115,800	290,800
2028	180,000	108,800	288,800
2029	190,000	101,600	291,600
2030	195,000	94,000	289,000
2031	205,000	86,200	291,200
2032	210,000	78,000	288,000
2033	220,000	69,600	289,600
2034	230,000	60,800	290,800
2035	240,000	51,600	291,600
2036	245,000	42,000	287,000
2037	255,000	32,200	287,200
2038	270,000	22,000	292,000
2039	280,000	11,200	291,200
	<u>3,525,000</u>	<u>1,396,400</u>	<u>4,921,400</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

**Taxable General Obligation Alternate Revenue Source Refunding Bonds of 2014
April 30, 2022**

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

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

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds of 2017

April 30, 2022

Date of Issue	July 18, 2017
Date of Maturity	December 1, 2037
Authorized Issue	\$3,370,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

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

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds of 2021

April 30, 2022

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

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

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2002

April 30, 2022

Date of Issue	February 23, 2002
Date of Maturity	December 1, 2022
Authorized Issue	\$1,128,780
Denomination of Bonds	Various
Interest Rate	2.675%
Interest Dates	June 1 and December 1
Principal Maturity Dates	June 1 and December 1
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2023	\$ 73,316	1,474	74,790

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2011

April 30, 2022

Date of Issue	October 20, 2011
Date of Maturity	April 19, 2032
Authorized Issue	\$4,310,177
Denomination of Bonds	Various
Interest Rate	1.25%
Interest Dates	April 19 and October 19
Principal Maturity Dates	April 19 and October 19
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2023	\$ 222,178	28,702	250,880
2024	224,965	25,915	250,880
2025	227,786	23,094	250,880
2026	230,642	20,238	250,880
2027	233,534	17,346	250,880
2028	236,462	14,418	250,880
2029	239,427	11,453	250,880
2030	242,429	8,451	250,880
2031	245,469	5,411	250,880
2032	248,549	2,331	250,880
	<u>2,351,441</u>	<u>157,359</u>	<u>2,508,800</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2014

April 30, 2022

Date of Issue	June 1, 2014
Date of Maturity	December 7, 2034
Authorized Issue	\$2,392,635
Denomination of Bonds	Various
Interest Rate	1.995%
Interest Dates	June 1 and December 1
Principal Maturity Dates	June 1 and December 1
Payable at	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2023	\$ 119,915	34,537	154,452
2024	122,319	32,133	154,452
2025	124,773	29,679	154,452
2026	127,274	27,178	154,452
2027	129,826	24,626	154,452
2028	132,429	22,023	154,452
2029	135,084	19,368	154,452
2030	137,792	16,660	154,452
2031	140,555	13,897	154,452
2032	143,373	11,079	154,452
2033	146,248	8,204	154,452
2034	149,180	5,272	154,452
2035	152,167	2,285	154,452
	<u>1,760,935</u>	<u>246,941</u>	<u>2,007,876</u>

STATISTICAL SECTION (Unaudited)

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

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

VILLAGE OF MONTGOMERY, ILLINOIS

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

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

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

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

Data Source: Audited Financial Statements

* The Economic Development (Revolving Loan) Fund was dissolved on October 11, 2016 by the Illinois Department of Commerce and Economic Opportunity. All money was released to Village control to be expended in any manner deemed appropriate by the Village.

** The Village implemented GASB Nos. 74 and 75 as of April 30, 2019.

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
General Government	\$ 3,089,899	3,215,504	3,543,827	4,000,986	4,244,641	4,116,922	4,200,723	6,387,862	5,011,178	4,490,044
Public Safety	5,048,569	5,001,049	4,948,830	5,805,768	5,678,585	6,129,886	6,313,301	6,782,631	6,726,856	6,966,682
Highways and Streets	3,818,065	4,608,540	4,376,423	5,085,800	5,719,404	7,466,762	7,298,111	8,252,272	7,895,794	8,240,386
Sanitation *	1,159,173	1,265,497	64,954	-	-	-	-	-	-	-
Interest on Long-Term Debt	496,752	466,594	358,069	344,003	318,881	296,284	261,329	208,114	169,165	809,417
Total Governmental Activities Expenses	13,612,458	14,557,184	13,292,103	15,236,557	15,961,511	18,009,854	18,073,464	21,630,879	19,802,993	20,506,529
Business-Type Activities										
Water	5,097,758	5,235,850	5,528,881	5,507,018	5,864,400	6,224,449	6,196,236	6,488,139	6,943,904	7,304,945
Refuse *	-	-	1,235,387	1,293,243	1,332,282	1,213,171	1,198,372	1,237,572	1,292,619	1,355,620
Total Business-Type Activities Expenses	5,097,758	5,235,850	6,764,268	6,800,261	7,196,682	7,437,620	7,394,608	7,725,711	8,236,523	8,660,565
Total Primary Government Expenses	18,710,216	19,793,034	20,056,371	22,036,818	23,158,193	25,447,474	25,468,072	29,356,590	28,039,516	29,167,094
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	479,102	749,477	560,053	488,315	603,044	676,638	691,978	966,971	943,663	956,177
Public Safety	737,683	478,482	314,769	509,588	271,302	235,286	334,673	295,685	297,355	297,238
Highways and Streets	281,136	607,452	648,251	713,056	621,374	640,824	618,241	659,160	682,834	1,012,753
Sanitation *	1,133,823	1,190,325	7,852	-	-	-	-	-	-	-
Operating Grants/Contributions	601,387	605,838	673,299	1,319,509	681,547	655,684	526,178	770,589	2,377,050	1,395,873
Capital Grants/Contributions	5,634,735	195,711	6,783	-	403,637	-	-	-	-	-
Total Governmental Activities	8,867,866	3,827,285	2,211,007	3,030,468	2,580,904	2,208,432	2,171,070	2,692,405	4,300,902	3,662,041
Business-Type Activities										
Charges for Services	4,008,166	4,114,506	5,689,543	5,864,368	6,205,808	5,930,548	6,113,989	6,354,241	6,789,258	5,836,790
Capital Grants/Contributions	2,268,670	39,361	117,713	-	587,125	-	-	327,702	672,298	1,359,618
Total Business-Type Activities	6,276,836	4,153,867	5,807,256	5,864,368	6,792,933	5,930,548	6,113,989	6,681,943	7,461,556	7,196,408
Total Primary Government	15,144,702	7,981,152	8,018,263	8,894,836	9,373,837	8,138,980	8,285,059	9,374,348	11,762,458	10,858,449

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense) Revenue										
Governmental Activities	\$ (4,744,592)	(10,729,899)	(11,081,096)	(12,206,089)	(13,380,607)	(15,801,422)	(15,902,394)	(18,938,474)	(15,502,091)	(16,844,488)
Business-Type Activities	1,179,078	(1,081,983)	(957,012)	(935,893)	(403,749)	(1,507,072)	(1,280,619)	(1,043,768)	(774,967)	(1,464,157)
Total Net Revenue (Expense)	(3,565,514)	(11,811,882)	(12,038,108)	(13,141,982)	(13,784,356)	(17,308,494)	(17,183,013)	(19,982,242)	(16,277,058)	(18,308,645)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	2,570,184	2,607,364	2,650,814	2,681,695	2,833,737	2,811,662	3,447,801	3,743,444	3,841,421	3,911,419
Utility Taxes	1,301,361	1,391,352	1,324,307	1,256,073	1,330,011	1,248,464	1,280,686	1,193,929	1,184,554	1,334,160
Video Gaming Taxes	-	17,477	48,392	60,261	69,783	110,129	131,568	135,367	126,539	231,672
Cannabis Taxes	-	-	-	-	-	-	-	3,886	16,314	30,865
Intergovernmental - Unrestricted										
Sales Taxes	2,690,164	2,851,053	3,169,321	5,967,427	6,565,069	7,141,902	7,587,026	7,856,323	8,310,885	9,487,212
Income Taxes	1,661,642	1,796,712	1,805,718	1,964,982	1,742,849	1,677,747	1,907,508	1,814,022	2,238,047	3,098,877
Replacement Taxes	56,957	76,855	66,610	56,272	68,467	64,221	61,977	67,840	86,049	187,562
Local Use Taxes	303,898	316,541	370,691	436,512	456,796	487,302	566,143	652,788	845,150	746,446
TIF Surplus	-	-	-	-	-	15,785	11,307	14,392	9,339	11,330
Franchise Fees	229,121	218,343	237,577	258,965	261,152	246,034	250,229	241,068	222,507	221,506
Investment Earnings	42,991	16,143	25,919	44,614	44,830	112,229	220,896	246,982	149,734	(127,604)
Miscellaneous	366,025	269,258	129,626	288,798	377,165	301,864	321,695	539,535	323,890	290,801
Total Governmental Activities	9,222,343	9,561,098	9,828,975	13,015,599	13,749,859	14,217,339	15,786,836	16,509,576	17,354,429	19,424,246
Business-Type Activities										
Investment Earnings	1,987	1,373	4,745	19,148	24,775	59,077	104,802	84,921	52,921	(32,143)
Miscellaneous	-	-	-	71,058	227,671	88,362	122,744	940,195	405,092	571,731
Total Business-Type Activities	1,987	1,373	4,745	90,206	252,446	147,439	227,546	1,025,116	458,013	539,588
Total Primary Government	9,224,330	9,562,471	9,833,720	13,105,805	14,002,305	14,364,778	16,014,382	17,534,692	17,812,442	19,963,834
Changes in Net Position										
Governmental Activities	4,477,751	(1,168,801)	(1,252,121)	809,510	369,252	(1,584,083)	(115,558)	(2,428,898)	1,852,338	2,579,758
Business-Type Activities	1,181,065	(1,080,610)	(952,267)	(845,687)	(151,303)	(1,359,633)	(1,053,073)	(18,652)	(316,954)	(924,569)
Total Primary Government	5,658,816	(2,249,411)	(2,204,388)	(36,177)	217,949	(2,943,716)	(1,168,631)	(2,447,550)	1,535,384	1,655,189

Data Source: Audited Financial Statements

*- The Refuse Fund (Sanitation) changed from a department in the General Fund to an Enterprise Fund during the year ended April 30, 2015.

VILLAGE OF MONTGOMERY, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
April 30, 2022 (Unaudited)**

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

Data Source: Audited Financial Statements

*The Economic Development (Revolving Loan) Fund was dissolved on October 11, 2016 by the Illinois Department of Commerce and Economic Opportunity. All money was released to Village control to be expended in any manner deemed appropriate by the Village.

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

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

Data Source: Audited Financial Statements

* Shared income taxes were reclassified to a non-tax revenue in fiscal year 2013.

** The Sanitation (Refuse) function changed from a department in the General Fund to an Enterprise Fund during the year ended April 30, 2015.

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

Tax Levy Year		Residential Property	Commercial Property	Industrial Property
2012	Kane County	\$ 105,322,142	\$ 20,071,750	\$ 43,379,949
	Kendall County	183,611,931	31,452,582	2,828,579
2013	Kane County	95,690,557	15,832,182	42,166,350
	Kendall County	173,665,059	30,805,075	2,773,279
2014	Kane County	93,950,487	15,891,731	40,619,798
	Kendall County	171,747,048	31,054,702	2,773,279
2015	Kane County	98,338,791	15,564,174	41,358,775
	Kendall County	176,394,904	32,053,647	2,773,279
2016	Kane County	108,568,782	16,037,793	42,098,691
	Kendall County	198,500,016	31,838,517	2,773,279
2017	Kane County	116,542,473	16,680,893	42,863,804
	Kendall County	210,473,440	32,512,305	2,773,279
2018	Kane County	124,172,746	19,251,029	47,928,447
	Kendall County	226,660,110	33,337,544	2,773,279
2019	Kane County	131,975,374	20,052,122	47,563,340
	Kendall County	238,717,322	36,043,368	2,993,873
2020	Kane County	139,057,427	20,623,242	49,421,934
	Kendall County	251,810,811	36,202,110	2,993,873
2021	Kane County	145,310,112	22,377,391	51,487,377
	Kendall County	270,940,448	42,396,473	2,993,873

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

Railroad Property	Farm Property	Total Equalized Assessed Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Actual Value	Direct Tax Rate
\$ 970,041	\$ 424,227	\$ 170,168,109	\$ 510,504,327	33.33%	0.5305
10,056	139,612	218,042,760	654,128,280		0.5305
		<u>388,210,869</u>	<u>1,164,632,607</u>		
1,054,188	399,615	155,142,892	465,428,676	33.33%	0.0629
10,056	150,992	207,404,461	622,213,383		0.5824
		<u>362,547,353</u>	<u>1,087,642,059</u>		
1,062,546	396,287	151,920,849	455,762,547	33.33%	0.5989
10,056	163,392	205,748,477	617,245,431		0.5937
		<u>357,669,326</u>	<u>1,073,007,978</u>		
1,114,199	417,234	156,793,173	470,379,519	33.33%	0.5883
10,056	180,852	211,412,738	634,238,214		0.5804
		<u>368,205,911</u>	<u>1,104,617,733</u>		
1,263,415	426,791	168,395,472	505,186,416	33.33%	0.5387
10,056	189,322	233,311,190	699,933,570		0.5391
		<u>401,706,662</u>	<u>1,205,119,986</u>		
1,408,869	424,682	177,920,721	533,762,163	33.33%	0.0534
10,056	198,652	245,967,732	737,903,196		0.5125
		<u>423,888,453</u>	<u>1,271,665,359</u>		
1,513,472	503,549	193,369,243	580,107,729	33.33%	0.0471
34,962	208,952	263,014,847	789,044,541		0.4851
		<u>456,384,090</u>	<u>1,369,152,270</u>		
1,755,043	539,472	201,885,351	605,656,053	33.33%	0.0427
51,654	220,299	278,026,516	834,079,548		0.4549
		<u>479,911,867</u>	<u>1,439,735,601</u>		
2,122,285	577,506	211,802,394	635,407,182	33.33%	0.0408
44,025	232,679	291,283,498	873,850,494		0.4602
		<u>503,085,892</u>	<u>1,509,257,676</u>		
2,533,135	617,221	222,325,236	666,975,708	33.33%	0.4340
45,052	245,509	316,621,355	949,864,065		0.4340
		<u>538,946,591</u>	<u>1,616,839,773</u>		

VILLAGE OF MONTGOMERY, ILLINOIS

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

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

Notes:

- (1) Property tax rates are per \$100 of assessed valuation
- (2) Representative tax rates for other government units are from Kane County Tax Code AU013, which represents the largest portion of the Village's 2012 to 2013 and 2017 to 2020 EAV
- (3) Representative tax rates for other government units are from Kendall County Tax Code OS009, which represents the largest portion of the Village's 2014 to 2016 EAV

Data Source: Offices of the Kane County and Kendall County Clerks

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

		2021 Tax Levy			2012 Tax Levy		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
United Facilities, Inc.	\$ 9,125,819	1	1.69%	United Facilities	\$ 9,609,489	1	2.48%
Montgomery Properties LLC	6,722,113	2	1.25%	Wal-mart Stores Inc.	4,630,509	2	1.19%
American Crystal Sugar Co.	6,712,445	3	1.25%	Menards, Inc	3,252,914	3	0.84%
Allsteel 900 Kneil LLC	4,600,022	4	0.85%	Fox River Foods Inc	2,835,473	4	0.73%
Wal-mart Stores Inc.	4,505,391	5	0.84%	2001 Baseline Road LLC	2,793,776	5	0.72%
Victorian My Mazel LLC	4,039,106	6	0.75%	IP Eat Five LLC	2,434,216	6	0.63%
Montgomery Investors LLC	3,426,710	7	0.64%	JC Penny Properties, Inc.	2,333,634	7	0.60%
IP Eat Five LLC	3,015,648	8	0.56%	Centerpoint Properties	2,298,500	8	0.59%
Carl Buddig & Co.	2,967,737	9	0.55%	Monmouth Capital Corp.	2,151,263	9	0.55%
Fox River Foods Inc.	2,958,909	10	0.55%	Victorian Apartments LLC	1,838,868	10	0.47%
	<u>48,073,900</u>		<u>8.92%</u>		<u>34,178,642</u>		<u>8.80%</u>
2021 EAV	<u>\$ 538,946,591</u>			2012 EAV	<u>\$ 388,210,869</u>		

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

VILLAGE OF MONTGOMERY, ILLINOIS

**Property Tax Levies and Collections - Last Ten Tax Levy Years
April 30, 2022 (Unaudited)**

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 2,059,447	\$ 2,052,971	99.69%	\$ -	\$ 2,052,971	99.69%
2013	2,096,375	2,093,262	99.85%	2,020	2,095,282	99.95%
2014	2,131,362	2,128,444	99.86%	12,511	2,140,955	100.45%
2015	2,136,891	2,131,871	99.77%	3,779	2,135,650	99.94%
2016	2,164,974	2,162,561	99.89%	(2,183)	2,160,378	99.79%
2017	2,174,319	2,172,629	99.92%	-	2,172,629	99.92%
2018	2,233,407	2,231,693	99.92%	-	2,231,693	99.92%
2019	2,227,811	2,224,971	99.87%	-	2,224,971	99.87%
2020	2,270,093	2,269,701	99.98%	-	2,269,701	99.98%
2021	2,337,471	*	*	*	*	*

Data Source: Village Records

*Taxes are collected in two installments due in June and September of the following year.

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

VILLAGE OF MONTGOMERY, ILLINOIS

**Sales Tax Base - Taxable Sales by Category - Last Ten Calendar Years
April 30, 2022 (Unaudited)**

	2012	2013	2014
General Merchandise	\$ 751,216	731,581	884,321
Food	186,712	179,076	161,385
Drinking and Eating Places	177,489	174,763	171,217
Apparel	14,541	14,019	15,067
Furniture & H.H. & Radio	2,374	22,547	9,446
Lumber, Building Hardware	337,541	381,898	424,927
Automobile and Filling Stations	371,747	439,511	416,930
Drugs and Miscellaneous Retail	299,006	329,801	354,712
Agriculture and All Others	376,804	385,633	360,361
Manufacturers	138,385	170,761	208,833
Censored (1)	24,506	8,346	18,700
Totals	<u>2,680,321</u>	<u>2,837,936</u>	<u>3,025,899</u>
Village Portion of State Sales Tax Rate	1.00%	1.00%	1.00%
Village Non-Home Rule Rate	-	-	-
Totals	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>

Notes:

- (1) Censored - The State will not release data if 4 or fewer businesses are included in a particular category for each County.
- (2) The Village Non-Home Rule Sales Tax was implemented on July 1, 2015.
- (3) The above numbers are the total sales tax dollars received by the Village before applicable sales tax rebates.

Data Source: Illinois Department of Revenue SIC Reporting and Village Records

2015 (2)	2016	2017	2018	2019	2020	2021
1,489,844	1,190,970	1,237,033	1,254,109	1,290,509	1,195,077	1,197,255
245,183	1,048,995	1,208,296	1,736,738	1,820,355	1,917,507	2,118,785
327,968	450,668	501,084	518,035	497,951	491,359	602,973
24,467	32,781	37,558	41,964	38,410	-	51,331
33,435	28,547	29,595	17,397	56,064	41,412	62,642
652,700	878,745	883,918	925,284	978,447	1,190,904	1,245,094
526,431	677,443	742,106	777,910	760,091	690,846	808,983
449,040	578,138	728,736	724,141	731,524	801,553	1,312,607
927,918	1,066,314	1,050,707	1,102,859	1,145,558	1,172,402	1,476,337
330,015	509,575	550,425	416,946	477,130	390,417	476,391
12,132	14,538	23,887	35,699	13,520	39,290	-
5,019,133	6,476,714	6,993,345	7,551,082	7,809,559	7,930,767	9,352,398
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

VILLAGE OF MONTGOMERY, ILLINOIS

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

Fiscal Year		Village Portion of State Rate	State Portion of State Rate	Total State Rate	Village Non-Home Rule Rate	Regional Transportation Authority Rate	Public Safety Rate	Total Rate Village (Kendall County)
2013	Kane	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	Kendall	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2014	Kane	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	Kendall	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2015	Kane	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	Kendall	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2016	Kane	1.00%	5.25%	6.25%	1.00%	0.75%	0.00%	8.00%
	Kendall	1.00%	5.25%	6.25%	1.00%	0.00%	1.00%	8.25%
2017	Kane	1.00%	5.25%	6.25%	1.00%	0.75%	0.00%	8.00%
	Kendall	1.00%	5.25%	6.25%	1.00%	0.00%	1.00%	8.25%
2018	Kane	1.00%	5.25%	6.25%	1.00%	0.75%	0.00%	8.00%
	Kendall	1.00%	5.25%	6.25%	1.00%	0.00%	1.00%	8.25%
2019	Kane	1.00%	5.25%	6.25%	1.00%	0.75%	0.00%	8.00%
	Kendall	1.00%	5.25%	6.25%	1.00%	0.00%	1.00%	8.25%
2020	Kane	1.00%	5.25%	6.25%	1.00%	0.75%	0.00%	8.00%
	Kendall	1.00%	5.25%	6.25%	1.00%	0.00%	1.00%	8.25%
2021	Kane	1.00%	5.25%	6.25%	1.00%	0.75%	0.00%	8.00%
	Kendall	1.00%	5.25%	6.25%	1.00%	0.00%	1.00%	8.25%
2022	Kane	1.00%	5.25%	6.25%	1.00%	0.75%	0.00%	8.00%
	Kendall	1.00%	5.25%	6.25%	1.00%	0.00%	1.00%	8.25%

Data Source: Village and State Records

Note: The rates listed in this table apply to sales of general merchandise. Sales of food not prepared for immediate consumption, drugs and titled vehicles are subject to a different tax rate. This rate is 1.75% in Kane County and 1.00% in Kendall County for sales of food and 7.00% in Kane County and 6.25% in Kendall County for sales of titled vehicles.

VILLAGE OF MONTGOMERY, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
April 30, 2022 (Unaudited)**

Fiscal Year	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Alternate Revenue Source Bonds	Capital Lease Payable	General Obligation Alternate Revenue Source Bonds	IEPA Loans				
2013	\$ 12,325,300	\$ -	\$ 1,973,909	\$ 4,774,966	\$ 19,074,175	4.00%	\$ 1,034.50	
2014	11,336,945	201,467	6,431,249	4,627,334	22,596,995	4.73%	1,225.57	
2015	10,655,742	103,071	5,995,585	6,759,592	23,513,990	4.87%	1,275.30	
2016	9,891,082	-	5,540,147	6,534,438	21,965,667	4.56%	1,191.33	
2017	9,101,691	-	5,069,944	6,159,856	20,331,491	3.96%	1,102.70	
2018	8,262,302	-	8,095,875	5,778,319	22,136,496	4.15%	1,200.59	
2019	6,864,771	-	7,570,586	5,390,258	19,825,615	3.67%	1,075.26	
2020	5,464,385	-	7,274,750	4,995,551	17,734,686	3.23%	961.86	
2021	4,431,166	-	6,969,593	4,594,071	15,994,830	2.50%	789.40	
2022	19,814,732	-	6,665,138	4,185,692	30,665,562	4.87%	1,513.45	

Data Source: Village Records

Notes:

Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

VILLAGE OF MONTGOMERY, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
April 30, 2022 (Unaudited)**

Fiscal Year	Gross General Obligation Bonds	Debt Payable From Other Sources	Net General Obligation Bonds	Total Estimated Actual Value of Taxable Property	Percentage of Estimated Actual Value of Taxable Property (1)	Per Capita (2)
2013	\$ 14,299,209	\$ 56,089	\$ 14,243,120	\$ 1,164,632,607	1.22%	\$ 772.49
2014	17,768,194	59,033	17,709,161	1,087,642,059	1.63%	960.47
2015	16,651,327	56,089	16,595,238	1,073,007,978	1.55%	900.06
2016	15,431,229	-	15,431,229	1,104,617,733	1.40%	836.93
2017	14,171,635	-	14,171,635	1,205,119,986	1.18%	768.61
2018	16,358,177	-	16,358,177	1,271,665,359	1.29%	887.20
2019	14,435,357	-	14,435,357	1,369,152,270	1.05%	782.91
2020	12,739,135	-	12,739,135	1,439,735,601	0.88%	690.92
2021	11,400,759	-	11,400,759	1,509,257,676	0.76%	562.67
2022	26,479,870	-	26,479,870	1,616,839,773	1.64%	1,306.87

Data Source: Village Records

Notes:

Details regarding the Village's outstanding debt can be found in the notes to the financial statements. See Demographic and Economic Statistics schedule for population data.

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

VILLAGE OF MONTGOMERY, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt April 30, 2022 (Unaudited)

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

Data Source: Kane and Kendall Clerks

Note: Overlapping and bonded debt percentages based on 2021 EAV, the most current available.

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

VILLAGE OF MONTGOMERY, ILLINOIS

**Schedule of Legal Debt Margin - Last Ten Fiscal Years
April 30, 2022 (Unaudited)**

	2013	2014	2015	2016
Assessed Value of Property	<u>\$ 388,210,869</u>	<u>362,547,353</u>	<u>357,669,326</u>	<u>368,205,911</u>
Debt Limit 8.625% of Assessed Value	33,483,187	31,269,709	30,848,979	31,757,760
Total Debt Applicable to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>33,483,187</u>	<u>31,269,709</u>	<u>30,848,979</u>	<u>31,757,760</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>0.000%</u>	<u>0.000%</u>	<u>0.000%</u>	<u>0.000%</u>

Data Source: Audited Financial Statements

2017	2018	2019	2020	2021	2022
401,706,662	423,888,453	456,384,090	479,911,867	503,085,892	538,946,591
34,647,200	36,560,379	39,363,128	41,392,399	43,391,158	46,484,143
-	-	-	-	-	-
34,647,200	36,560,379	39,363,128	41,392,399	43,391,158	46,484,143
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

VILLAGE OF MONTGOMERY, ILLINOIS

**Pledged Revenue Coverage - Last Ten Fiscal Years
April 30, 2022 (Unaudited)**

Fiscal Year	General Obligation Alternate Revenue Source Bonds and IEPA Loans						Coverage
	Water Charges and Other	Less: Operating Expenses (1)	Net Available Revenue	Debt Service			
				Principal	Interest		
2013	\$ 4,010,153	\$ 3,127,373	\$ 882,780	\$ 419,238	\$ 183,683	1.4642	
2014	4,115,879	2,864,628	1,251,251	533,228	227,090	1.6457	
2015	4,572,131	3,204,017	1,368,114	685,374	302,158	1.3854	
2016	4,565,238	3,014,249	1,550,989	760,453	313,743	1.4439	
2017	4,871,852	3,690,643	1,181,209	834,582	301,039	1.0401	
2018	4,732,639	3,982,215	750,424	861,537	357,429	0.6156	
2019	4,913,784	3,894,124	1,019,660	888,061	370,998	0.8099	
2020	5,112,726	4,112,382	1,000,344	669,707	341,987	0.9888	
2021	5,947,562	4,675,196	1,272,366	706,637	327,684	1.2301	
2022	5,836,790	4,970,925	865,865	712,834	312,603	0.8444	

Data Source: Village Records

(1) Total expenses exclusive of depreciation and bond interest.

VILLAGE OF MONTGOMERY, ILLINOIS

Demographic and Economic Statistics - Last Ten Calendar Years April 30, 2022 (Unaudited)

Calendar Year	Population	Personal Income (in Thousands)	Per Capita Personal Income (1)	Unemployment Rate (2)
2013	18,438	\$ 477,212,316	\$ 25,882	8.50%
2014	18,438	477,783,894	25,913	6.70%
2015	18,438	483,296,856	26,212	5.55%
2016	18,438	481,342,428	26,106	5.35%
2017	18,438	512,816,094	27,813	4.60%
2018	18,438	533,171,646	28,917	4.25%
2019	18,438	540,362,466	29,307	3.90%
2020	18,438	549,692,094	29,813	8.75%
2021 (3)	20,262	640,096,842	31,591	6.10%
2022 (4)	20,262	630,087,414	31,097	5.30%

Data Source:

- (1) US Census Bureau, 2014-2018 American Community Survey 5-Year Estimates
- (2) Illinois Department of Employment Security, Kane and Kendall Counties
- (3) Illinois Department of Employment Security, Kane and Kendall Counties, April 2021
- (4) Illinois Department of Employment Security, Kane and Kendall Counties, April 2022

VILLAGE OF MONTGOMERY, ILLINOIS

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

Employer	2022			2013		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
School District #308	3,296	1	17.88%			
Carl Buddig & Co.	589	2	3.20%			
Performance Food Service	379	3	2.06%			
Eby-Brown Co., LLC	329	4	1.78%			
Lyon LLC	300	5	1.63%	90	10	0.49%
Blain Supply, Inc.	250	6	1.36%	120	9	0.65%
Wal-Mart Stores, Inc.	250	7	1.36%	258	5	1.40%
Aurora Bearing Co.	246	8	1.33%	250	6	1.36%
US Medical Glove	220	9	1.19%			
Hormann, LLC	200	10	1.09%			
Caterpillar, Inc.				3,700	1	20.07%
Fox River Foods, Inc.				520	2	2.82%
Gusto Packing				486	3	2.64%
VVF Illinois Services				287	4	1.56%
ComEd				200	7	1.08%
International Paper				150	8	0.81%
	<u>6,059</u>		<u>32.87%</u>	<u>6,061</u>		<u>32.88%</u>

Data Source:

Montgomery Economic Development Corporation

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

2013 Illinois Manufacturers Directory, 2011 Illinois Services Directory, Selective Telephone Survey

VILLAGE OF MONTGOMERY, ILLINOIS

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

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

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

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

Data Source: Village Records

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

VILLAGE OF MONTGOMERY, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2022 (Unaudited)**

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

Data Source: Village Records

N/A - Not Available

* Village began monthly utility billing effective January 1, 2022

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	4	4	4	4	4	4	4	4	4	4
Patrol Units	19	19	19	19	19	19	19	19	19	25
Highways and Streets										
Residential Streets (Miles)	76	76	76	76	76.5	76.5	76.5	76.5	76.5	76.5
Water										
Water Mains (Miles)	114	117	117	117	118	118	133	133	133	133
Fire Hydrants	1,372	1,680	1,680	1,680	1,700	1,700	1,747	1,747	1,747	1,747
Storage Capacity (Millions of Gallons)	4.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8

Data Source: Village Records

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

1. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

2. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

3. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

4. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the bond registrar and request that copies of notices be provided directly to them.

5. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

8. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Village of Montgomery
Kane and Kendall Counties, Illinois

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the President and Board of Trustees of the Village of Montgomery, Kane and Kendall Counties, Illinois (the "*Village*"), passed preliminary to the issue by the Village of its fully registered General Obligation Bonds (Alternate Revenue Source), Series 2023 (the "*Bonds*"), to the amount of \$_____, dated the date hereof, due serially on December 30 of the years and in the amounts and bearing interest as follows:

2038
2039
2040
2041
2042
2043
2044
2045
2046
2047
2048

the Bonds being subject to redemption prior to maturity at the option of the Village as a whole or in part in any order of their maturity as determined by the Village (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 30, 20__, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the Village and is payable from (a)(i) together with the Village's outstanding General Obligation Alternate Bonds, Series 2013, and General Obligation Alternate Bonds, Series 2017, the net revenues of the waterworks system of the Village and (ii) collections distributed to the Village from taxes imposed under the Income Tax Act of the State of Illinois, as amended, or substitute taxes therefor as provided for by the State of Illinois in the future and (b) ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the Village's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "*Code*"). For tax years beginning after December 31, 2022, interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such Village covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX D

**VILLAGE OF MONTGOMERY, ILLINOIS
KANE AND KENDALL COUNTIES**

**EXCERPTS OF FISCAL YEAR 2022 AUDITED FINANCIAL STATEMENTS
RELATING TO THE VILLAGE'S PENSION PLANS**

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village – Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village limits its exposure to credit risk by diversifying its portfolio and by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The municipal bonds are rated AA to Aa3 by Standard and Poor's and Moody's, the IMET, the IPRIME and the Illinois Trust are not rated.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 105% of all bank balances in excess of federal depository insurance with the collateral held by an independent third party or by the Federal Reserve and in the Village's name. At April 30, 2022, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's agency separate from where the investment was purchased. The Village's investments in IMET, IPRIME, and Illinois Trust are not subject to custodial credit risk.

Police Pension Fund

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Continued

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

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

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

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

Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.26%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2020 attach as an enforceable lien on January 1, 2020, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Kane and Kendall Counties and are payable in two installments, on or about June and September. Kane and Kendall Counties collect such taxes and remit them periodically.

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Grants

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

Financial Impact of COVID-19

The World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village’s operations and financial position cannot be determined.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. Separate reports are issued for the Police Pension Plans and may be obtained by writing to the Village. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount recognized for the pension plans are:

	Net Pension Liabilities/ (Assets)	Deferred Outflows	Deferred Inflows	Pension Expense/ (Revenue)
IMRF	\$ (2,012,141)	569,863	2,141,310	487,770
Police Pension	7,377,626	2,796,593	1,905,436	(962,235)
	<u>5,365,485</u>	<u>3,366,456</u>	<u>4,046,746</u>	<u>(474,465)</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date.).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	47
Inactive Plan Members Entitled to but not yet Receiving Benefits	56
Active Plan Members	<u>39</u>
Total	<u><u>142</u></u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2022, the Village's contribution was 8.28% of covered payroll.

Net Pension (Asset). The Village's net pension (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	3.25%
Inflation	2.25%

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.00%	(0.60%)
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	(0.90%)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior year valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

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

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

Changes in the Net Pension (Asset)

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

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

For the year ended April 30, 2022, the Village recognized pension revenue of \$487,770. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 494,785	(1,547)	493,238
Change in Assumptions	-	(51,518)	(51,518)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(2,088,245)	(2,088,245)
	<u>494,785</u>	<u>(2,141,310)</u>	<u>(1,646,525)</u>
Pension Contributions Made Subsequent to the Measurement Date	75,078	-	75,078
	<u>75,078</u>	<u>-</u>	<u>75,078</u>
Total Deferred Amounts Related to IMRF	<u>569,863</u>	<u>(2,141,310)</u>	<u>(1,571,447)</u>

\$75,078 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (275,992)
2024	(627,612)
2025	(430,861)
2026	(312,059)
2027	-
Thereafter	<u>-</u>
Total	<u>(1,646,524)</u>

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At April 30, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	9
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>32</u>
Total	<u><u>45</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2022, the Village's contribution was 28.11% of covered payroll.

Significant Investments. At year end, the Pension Plan has no investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2022, using the following actuarial methods and assumptions:

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

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

Changes in the Net Pension Liability

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

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

For the year ended April 30, 2022, the Village recognized pension expense of \$962,235. At April 30, 2022, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 635,221	(2,464,153)	(1,828,932)
Change in Assumptions	2,161,372	(92,181)	2,069,191
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	650,898	650,898
Total Deferred Amounts Related to Police Pension	<u>2,796,593</u>	<u>(1,905,436)</u>	<u>891,157</u>

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

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

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village’s defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare, dental and vision insurance benefits for retirees and their dependents. Retirees are responsible for the full cost of coverage, except qualified PEDA or PSEBA employees, in which the Village is 100% responsible. Coverage ends once the retiree becomes eligible for Medicare for healthcare and when the retiree stops paying for dental and vision.

Plan Membership. As of April 30, 2022, the measurement date, the following employees were covered by the benefit terms:

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

Total OPEB Liability

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

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	3.50%
Discount Rate	3.42%
Healthcare Cost Trend Rates	7.00% Decreasing to an Ultimate Rate of 4.00% for 2029 and Later Years
Retirees' Share of Benefit-Related Costs	100% of Projected Health Insurance Premiums for Retirees

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs – Continued. The discount rate was based on the Bond Buyer 20-Bond GO Index.

Mortality rates were based on the RP-2014 study with blue collar adjustment. These rates are improved generationally using MP-2020 Improvement Rates.

Change in the Total OPEB Liability

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.42%, while the prior valuation used 2.12%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using various Healthcare Trend Rates, as well as what the total OPEB liability would be if it were calculated using Healthcare Trend Rates that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 3,110,712	3,605,024	4,222,286

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

For the year ended April 30, 2022, the Village recognized OPEB expense of \$22,068. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	(669,242)	(669,242)
Change in Assumptions	-	(2,377,316)	(2,377,316)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	-	(3,046,558)	(3,046,558)

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (255,478)
2024	(255,478)
2025	(255,478)
2026	(255,478)
2027	(255,478)
Thereafter	<u>(1,769,168)</u>
Total	<u><u>(3,046,558)</u></u>

SUBSEQUENT EVENTS

American Rescue Plan Act

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$2,671,051 to be received in two installments. On September 22, 2021, the Village received their first installment of \$1,334,836 and September 16, 2022 their second installment of \$1,336,215.

VILLAGE OF MONTGOMERY, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

April 30, 2022

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 298,271	\$ 298,271	\$ -	\$ 2,242,641	13.30%
2017	299,313	299,313	-	2,218,784	13.49%
2018	278,172	278,172	-	2,404,142	11.57%
2019	234,160	245,804	11,644	2,274,274	10.81%
2020	251,155	251,155	-	2,388,962	10.51%
2021	278,822	278,822	-	2,788,608	10.00%
2022	238,104	238,104	-	2,875,169	8.28%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015)

Note:

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

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 427,528	\$ 449,027	\$ 21,499	\$ 2,010,832	22.33%
2016	436,387	452,282	15,895	1,951,463	23.18%
2017	520,987	520,987	-	2,070,191	25.17%
2018	530,247	580,602	50,355	2,226,229	26.08%
2019	594,049	557,590	(36,459)	2,376,298	23.46%
2020	661,733	636,733	(25,000)	2,680,466	23.75%
2021	850,278	850,278	-	2,889,254	29.43%
2022	856,162	856,162	-	3,046,217	28.11%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	3.25%
Investment Rate of Return	7.00%
Mortality	PubS-2010(A) Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

Note:

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

VILLAGE OF MONTGOMERY, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2022

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2022

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 231,852
Interest	891,008
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(308,800)
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(433,918)</u>
Net Change in Total Pension Liability	380,142
Total Pension Liability - Beginning	<u>12,012,911</u>
Total Pension Liability - Ending	<u><u>12,393,053</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 298,271
Contributions - Members	100,919
Net Investment Income	52,165
Benefit Payments, Including Refunds of Member Contributions	(433,918)
Other (Net Transfer)	<u>(10,193)</u>
Net Change in Plan Fiduciary Net Position	7,244
Plan Net Position - Beginning	<u>10,450,285</u>
Plan Net Position - Ending	<u><u>10,457,529</u></u>
Employer's Net Pension Liability/(Asset)	<u><u>\$ 1,935,524</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.38%
Covered Payroll	\$ 2,242,641
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	86.31%

Note:

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

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
242,720	232,978	229,595	216,197	242,225	253,148
917,636	949,180	960,197	997,777	1,025,787	1,079,206
-	-	-	-	-	-
(233,085)	(91,234)	132,196	(32,006)	323,985	493,103
(33,076)	(390,097)	387,680	-	(119,988)	-
(493,110)	(509,785)	(594,711)	(891,581)	(725,693)	(755,591)
401,085	191,042	1,114,957	290,387	746,316	1,069,866
12,393,053	12,794,138	12,985,180	14,100,137	14,390,524	15,136,840
12,794,138	12,985,180	14,100,137	14,390,524	15,136,840	16,206,706
299,313	271,330	260,328	235,164	277,716	253,331
99,846	103,737	104,971	106,016	113,519	127,945
718,169	1,936,009	(659,593)	2,281,458	2,010,237	2,698,334
(493,110)	(509,785)	(594,711)	(891,581)	(725,693)	(755,591)
104,625	(158,186)	226,689	156,785	143,096	20,950
728,843	1,643,105	(662,316)	1,887,842	1,818,875	2,344,969
10,457,529	11,186,372	12,829,477	12,167,161	14,055,003	15,873,878
11,186,372	12,829,477	12,167,161	14,055,003	15,873,878	18,218,847
1,607,766	155,703	1,932,976	335,521	(737,038)	(2,012,141)
87.43%	98.80%	86.29%	97.67%	104.87%	112.42%
2,218,784	2,305,270	2,332,691	2,355,898	2,355,898	2,843,218
72.46%	6.75%	82.86%	14.24%	(31.28%)	(70.77%)

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2022

	<u>4/30/2015</u>
Total Pension Liability	
Service Cost	\$ 463,455
Interest	782,101
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change in Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	(431,684)
Administrative Expense	<u>-</u>
Net Change in Total Pension Liability	813,872
Total Pension Liability - Beginning	<u>11,388,718</u>
Total Pension Liability - Ending	<u><u>12,202,590</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 449,027
Contributions - Members	228,037
Net Investment Income	471,668
Benefit Payments, Including Refunds of Member Contributions	(431,684)
Administrative Expense	<u>(8,625)</u>
Net Change in Plan Fiduciary Net Position	708,423
Plan Net Position - Beginning	<u>7,498,173</u>
Plan Net Position - Ending	<u><u>8,206,596</u></u>
Employer's Net Pension Liability	<u><u>\$ 3,995,994</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.25%
Covered Payroll	\$ 2,010,832
Employer's Net Pension Liability as a Percentage of Covered Payroll	198.72%

Note:

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

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

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2022

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	6.54%
2016	0.29%
2017	6.61%
2018	4.98%
2019	6.15%
2020	(4.30%)
2021	1.98%
2022	2.26%

Note:

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

VILLAGE OF MONTGOMERY, ILLINOIS

Retiree Benefits Plan

Required Supplementary Information

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2022

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

Notes:

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

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

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

APPENDIX E

**VILLAGE OF MONTGOMERY, ILLINOIS
KANE AND KENDALL COUNTIES**

FORM OF CONTINUING DISCLOSURE UNDERTAKING

**CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12**

This Continuing Disclosure Undertaking (the “*Agreement*”) is executed and delivered by Village of Montgomery, Kane and Kendall Counties, Illinois (the “*Village*”) in connection with the issuance of \$ _____ General Obligation Bonds (Alternate Revenue Source), Series 2023 (the “*Bonds*”). The Bonds are being issued pursuant to an Ordinance, as adopted by the President and Board of Trustees of the Village on October 9, 2023 (as supplemented by the Bond Notification authorized therein and executed in connection therewith, the “*Ordinance*”).

In consideration of the issuance of the Bonds by the Village and the purchase of such Bonds by the beneficial owners thereof, the Village covenants and agrees as follows:

1. **PURPOSE OF THIS AGREEMENT.** This Agreement is executed and delivered by the Village as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Village represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. **DEFINITIONS.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information means information of the type contained under the following headings and subheadings of, and in the following appendices and exhibits to, the Official Statement:

1. The table under the heading of “**DESCRIPTION OF THE BONDS—Debt Service Coverage**” within the Official Statement.
2. The tables titled “**Retailers’ Occupation, Service Occupation and Use Tax**” and “**Income Tax Revenue History**” under the heading “**SOCIOECONOMIC INFORMATION**” within the Official Statement;
3. All of the tables under the heading “**DEBT INFORMATION**” (only as it relates to direct debt) within the Official Statement;
4. All of the tables under the heading “**PROPERTY ASSESSMENT AND TAX INFORMATION**” within the Official Statement;
5. All of the tables under the heading “**THE SYSTEM**” within the Official Statement; and
6. All of the tables under the heading “**FINANCIAL INFORMATION (excluding Budget and Interim Financial Information)**” within the Official Statement.

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the Village prepared pursuant to the standards and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the Village and which has filed with the Village a written acceptance of such designation, and such agent's successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Financial Obligation of the Village means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii), *provided*, that such term does not include municipal securities as to which an Official Statement has been provided to the MSRB consistent with the Rule.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated November 15, 2023, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the Village pursuant to Sections 4 and 5.

3. CUSIP NUMBER. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the Village will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the Village remains legally liable for the payment of such Bonds; *provided, however*, that the Village will not be required to make such filings under new CUSIP

Numbers unless the Village has been notified in writing by the Participating Underwriter or the Village's financial advisor that new CUSIP Numbers have been assigned to the Bonds. The Village will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the Village hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Village will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the Village hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

6. CONSEQUENCES OF FAILURE OF THE VILLAGE TO PROVIDE INFORMATION. The Village shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Village to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause the Village to provide the information as required by this Agreement. A default under this Agreement shall not be deemed a default under the Ordinance, and the sole remedy under this Agreement in the event of any failure of the Village to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Village by ordinance authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Village (such as the Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Village shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the Village shall be terminated hereunder if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance. The Village shall give notice to EMMA in a timely manner if this Section is applicable.

9. FUTURE CHANGES TO THE RULE. As set forth in Section 1 of this Agreement, the Village has executed and delivered this Agreement solely and only to assist the Participating Underwriter in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the Village shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the Village shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. DISSEMINATION AGENT. The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Village chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Village shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event. If the Village is changed, the Village shall disseminate such information to EMMA.

12. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Village, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. RECORDKEEPING. The Village shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The Village shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the Village under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

VILLAGE OF MONTGOMERY
KANE AND KENDALL COUNTIES, ILLINOIS

Village President

Date: _____, 2023

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Village shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the Village's fiscal year (currently April 30), beginning with the fiscal year ending April 30, 2024. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (*i.e.*, as subject to the pronouncements of the Governmental Standards Accounting Board and subject to any express requirements of State law). Audited Financial Statements will be submitted to EMMA within 30 days after availability to Village.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Village will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Village*
13. The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Village, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.

EXHIBIT III
CUSIP NUMBERS

YEAR OF MATURITY	CUSIP NUMBER (_____)
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OFFICIAL BID FORM
(Open Speer Auction)

Village of Montgomery
200 N. River St.
Montgomery, Illinois 60538

October 10, 2023
Speer Financial, Inc.

Members of the Village Board:

For the \$4,840,000* General Obligation Bonds (Alternate Revenue Source), Series 2023, of the Village of Montgomery, Kane and Kendall Counties, Illinois, as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you \$ _____ (no less than \$4,791,600). The Bonds are dated the date of delivery, expected to be on or about October 25, 2023. The Bonds will bear interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). **The premium or discount, if any, is subject to adjustment allowing the same \$ _____ gross spread per \$1,000 bond as bid herein.**

MATURITIES* - DECEMBER 30

\$355,000	2038	\$455,000.....	2044
370,000	2039	475,000.....	2045
385,000	2040	495,000.....	2046
400,000	2041	515,000.....	2047
415,000	2042	540,000.....	2048
435,000	2043		

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois. The Village will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the Village's good faith bank and under the terms provided in the Official Notice of Sale for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the order of the Treasurer of the Village in the amount of the Deposit under the terms provided in the Official Notice of Sale for the Bonds.

Form of Deposit (Check One)

Prior to Bid Opening:
Certified/Cashier's Check
Wire Transfer

Within TWO hours of Bidding:
Wire Transfer

Amount: \$96,800

Account Manager Information

Name _____
Address _____
By _____
Village _____ State/Zip _____
Direct Phone (_____) _____
FAX Number (_____) _____
E-Mail Address _____

Bidders Option Insurance

<p>We have purchased insurance from: <u>Name of Insurer</u> <i>(Please fill in)</i></p> <p>_____</p> <p>Premium: _____</p> <p>Maturities: (Check One) <input type="checkbox"/> _____ Years <input type="checkbox"/> All</p>
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The foregoing bid was accepted and the Bonds sold by a bond ordinance adopted by the President and Board of Trustees of the Village on the 9th day of October, 2023, as supplemented by a related notification of sale, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

VILLAGE OF MONTGOMERY, ILLINOIS

*Subject to change.

President

----- **NOT PART OF THE BID** -----
(Calculation of true interest cost)

	Bid	Post Sale Revision
Gross Interest	\$	
Less Premium/Plus Discount	\$	
True Interest Cost	\$	
True Interest Rate	%	
TOTAL BOND YEARS	99,698.89	
AVERAGE LIFE	20.599 Years	

OFFICIAL NOTICE OF SALE

\$4,840,000*

VILLAGE OF MONTGOMERY

Kane and Kendall Counties, Illinois

General Obligation Bonds (Alternate Revenue Source), Series 2023

(Open Speer Auction)

The Village of Montgomery, Kane and Kendall Counties, Illinois (the "Village"), will receive electronic bids on the SpeerAuction ("SpeerAuction") website address "www.SpeerAuction.com" for its \$4,840,000* General Obligation Bonds (Alternate Revenue Source), Series 2023 (the "Bonds"), on an all or none basis between 10:45 A.M. and 11:00 A.M., C.D.T., Tuesday, October 10, 2023. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the Village's sale (as described below). Award will be made or all bids rejected at a meeting of the Village on that date. The Village reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds will constitute valid and legally binding obligations of the Village payable from: (a) (i) together with the Village's outstanding General Obligation Alternate Bonds, Series 2013 and General Obligation Alternate Bonds, Series 2017, the net revenues to be derived from the operation of the System, (ii) collections distributed to the Village from taxes imposed under the Income Tax Act of the State of Illinois as amended, or substitute taxes thereof as provided by the State of Illinois in the future, and (b) ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

- (1) All bids must be submitted on the SpeerAuction website at www.SpeerAuction.com. **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the Village shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.
- (2) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid the prior bid will remain valid.
- (3) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.
- (4) The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.
- (5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)
- (6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

Rules of SpeerAuction

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

**Subject to change.*

Establishment of Issue Price (10% Test May Apply if Competitive Sale Requirements are Not Satisfied)

- (a) The winning bidder shall assist the Village in establishing the issue price of the Bonds and shall execute and deliver to the Village at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A** to this Official Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Village and Chapman and Cutler LLP, Chicago, Illinois (“Bond Counsel”). All actions to be taken by the Village under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Village by the Village’s municipal advisor and any notice or report to be provided to the Village may be provided to Speer Financial, Inc., Chicago, Illinois (“Speer”).
- (b) The Village intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:
- (i) the Village shall disseminate this Official Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
 - (ii) all bidders shall have an equal opportunity to bid;
 - (iii) the Village may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
 - (iv) the Village anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

- (c) In the event that the competitive sale requirements are not satisfied, the Village shall so advise the winning bidder. **The Village will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity, though the winning bidder may elect to apply the “hold the offering price rule” (as described below). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Unless a bidder intends to apply the “hold-the-offering-price rule” as described below, bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test (as described below) in order to establish the issue price of the Bonds.** If the competitive sale requirements are not satisfied, the 10% test shall apply to determine the issue price of each maturity of the Bonds unless the winning bidder shall request that the “hold-the-offering-price rule” (as described below) shall apply. The winning bidder must notify Speer of its intention to apply the “hold-the-offering-price rule” at or prior to the time the Bonds are awarded.
- (i) If the winning bidder does not request that the “hold-the-offering-price rule” apply to determine the issue price of the Bonds, the following two paragraphs shall apply:

The Village shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the Village if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds.

Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Village the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public. In addition, if the 10% test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the purchaser shall provide the Village with a representation as to the price of prices, as of the date of closing, at which the purchaser reasonably expects to sell the remaining Bonds of such maturity.

- (ii) If the winning bidder does request that the “hold-the-offering-price rule” apply to determine the issue price of the Bonds, the following three paragraphs shall apply:

The Village may determine to treat (i) pursuant to the 10% test, the first price at which 10% of a maturity of the Bonds is sold to the Public as the issue price of that maturity and/or (ii) the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the Village if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Village shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule or both. Bids will *not* be subject to cancellation in the event that the Village determines to apply the hold-the-offering-price rule to any maturity of the Bonds.

By submitting a bid, the winning bidder shall (i) confirm that the Underwriters have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the “*initial offering price*”), and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

- (d) The Village acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Village further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price applicable to the Bonds.
- (e) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award, and (ii) any agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award.

- (f) Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:
- (i) “Public” means any person other than an Underwriter or a Related Party,
 - (ii) “Underwriter” means (A) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public including, specifically, the purchaser, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),
 - (iii) a purchaser of any of the Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
 - (iv) “Sale Date” means the date that the Bonds are awarded by the Village to the winning bidder.

Rules

- (1) A bidder (“Bidder”) submitting a winning bid (“Winning Bid”) is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the Village, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the Village.
- (2) Neither the Village, Speer, nor Grant Street Group (the “Auction Administrator”) is responsible for technical difficulties that result in loss of Bidder’s internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.
- (3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the Village exercises its right to reject bids, as set forth herein.
- (4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.
- (5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.
- (6) Neither the Village, Speer, nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Official Statement as they appear on SpeerAuction.
- (7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.
- (8) Neither the Village, Speer, nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder’s SpeerAuction password.
- (9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.
- (10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to SpeerAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Bonds are definitively awarded to the winning bidder only upon official award by the Village. If, for any reason, the Village fails to: (i) award Bonds to the winner reported by SpeerAuction, or (ii) deliver Bonds to winning bidder at settlement, neither the Village, Speer, nor the Auction Administrator will be liable for damages.

The Village reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the Village reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the fifteenth day of the month in which an interest payment date occurs. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in Chicago, Illinois. Semiannual interest is due June 30 and December 30 of each year commencing June 30, 2024, and is payable by Amalgamated Bank of Chicago, Chicago, Illinois (the “Bond Registrar”). The Bonds are dated the date of delivery, expected to be on or about October 25, 2023.

If the winning bidder is not a direct participant of DTC and does not have clearing privileges with DTC, the Bonds will be issued as Registered Bonds in the name of the purchaser. At the request of such winning bidder, the Village will assist in the timely conversion of the Registered Bonds into book-entry bonds with DTC as described herein.

MATURITIES* – DECEMBER 30

\$355,000	2038	\$455,000.....	2044
370,000	2039	475,000.....	2045
385,000	2040	495,000.....	2046
400,000	2041	515,000.....	2047
415,000	2042	540,000.....	2048
435,000	2043		

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds are callable in whole or in part on any date on or after December 30, 2032, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot.

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The differential between the highest rate bid and the lowest rate bid shall not exceed three percent (3%). No coupon shall exceed 5.5%. All bids must be for all of the Bonds, must be for not less than \$4,791,600.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the Village as determined by the Village’s Municipal Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the Village reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of profit per \$1,000 bond as submitted on the Official Bid Form. The dollar amount of profit must be written on the Official Bid Form for any adjustment to be allowed and is subject to verification.

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the Village’s Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The Village or its Municipal Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

*Subject to change.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-32. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association (“SIFMA”) will be required to pay SIFMA’s standard charge per bond.

The winning bidder is required to wire transfer from a solvent bank or trust company to the Village’s good faith bank the amount of **TWO PERCENT OF PAR** (the “Deposit”) **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier’s check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the Village. The Village reserves the right to award the Bonds to a bidder whose wire transfer is initiated but not received within such two hour time period provided that such bidder’s federal wire reference number has been received. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

The Deposit of the successful bidder will be retained by the Village pending delivery of the Bonds and all others, if received, will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Official Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the Village caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. No interest on the Deposit will accrue to the purchaser.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
30 North LaSalle Street
38th Floor
Chicago, IL 60602
ABA (for wires only) # 071003405
Credit To: 3281 Speer Bidding Escrow
RE: Village of Montgomery, Kane and Kendall Counties, Illinois
Bid for \$4,840,000* General Obligation Bonds (Alternate Revenue Source), Series 2023

Contemporaneously with such wire transfer, the winning bidder shall send an email to biddingscrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such bidder is not awarded the Bonds. The Village and any bidder who chooses to wire the Deposit hereby agree irrevocably that Speer shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to such bidder; (ii) if the bid is accepted, the Deposit shall be forwarded to the Village; (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the bidder; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) no interest on the Deposit will accrue to the winning bidder.

The Village covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “Undertaking”) to provide ongoing disclosure about the Village for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the Village delivering the Undertaking on or before the date of delivery of the Bonds.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the Village in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the Village in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about October 25, 2023. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the Village except failure of performance by the purchaser, the Village may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser’s interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the Village, shall constitute a “Final Official Statement” of the Village with respect to the Bonds, as that term is defined in the Rule. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled “Final Official Statement” rather than through supplementing the Official Statement by an addendum or addenda. By awarding the Bonds to any underwriter or underwriting syndicate, the Village agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 50 copies of the Final Official Statement to permit each “Participating Underwriter” (as that term is defined in the Rule) to comply with the provisions of such Rule. The Village shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Village it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The Village will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC, and will pay for bond counsel’s opinion. At the time of closing, the Village will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the unqualified opinion of Bond Counsel, that the Bonds are lawful and enforceable obligations of the Village in accordance with their terms; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the Village.

The Village intends to designate the Bonds as “qualified tax-exempt obligations” pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Village has authorized the printing and distribution of an Official Statement containing pertinent information relative to the Village and the Bonds. Copies of such Official Statement or additional information may be obtained from Ms. Jennifer Milewski, Director of Finance, Village of Montgomery, 200 N. River St., Montgomery, Illinois 60538 or an electronic copy of this Official Statement is available from the www.speerfinancial.com web site under “Debt Auction Center/Competitive Sales Calendar” from the Municipal Advisor to the Village, Speer Financial, Inc., 230 W. Monroe Street, Suite 2630, Chicago, Illinois 60606, telephone (312) 346-3700.

/s/ **JENNIFER MILEWSKI**
Director of Finance
VILLAGE OF MONTGOMERY
Kane and Kendall Counties, Illinois

/s/ **MATTHEW BROLLEY**
President
VILLAGE OF MONTGOMERY
Kane and Kendall Counties, Illinois

*Subject to change.

Exhibit A
Example Issue Price Certificate

CERTIFICATE OF PURCHASER

The undersigned, on behalf of _____, _____, _____ (the “*Purchaser*”), hereby certifies as set forth below with respect to the sale and issuance of the \$ _____ General Obligation Bonds (Alternate Revenue Source), Series 2023 (the “*Bonds*”), of the Village of Montgomery, Kane and Kendall Counties, Illinois (the “*Village*”).

I. General

On the Sale Date the Purchaser purchased the Bonds from the Village by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Sale” and having its bid accepted by the Village. The Purchaser has not modified the terms of the purchase since the Sale Date.

II. Price

A. 10% Test, All Maturities Sold by Closing

As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Schedule A* (the “*First Sale Price*”).

B. Competitive Sale Requirements Met (3 bids received)

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule A (the “*Expected Offering Prices*”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Schedule B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

C. Competitive Sale Requirements Not Met (3 bids not received)

1. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Schedule A*.

2. With respect to each of the _____ Maturities of the Bonds:

(a) As of the date of this certificate, the Purchaser has not sold at least 10% of the Bonds of this Maturity at any price.

(b) As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of Bonds of this Maturity equal to 10% or more of this Maturity will be at or below the Expected Sale Price listed on the attached *Schedule A* (the “*Expected First Sale Price*”).

D. Some Maturities Use Hold the Offer Price

1. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Schedule A*.

2. A. The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in *Schedule A* (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as *Schedule B*.

B. As set forth in the Notice of Sale and bid award, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “*Hold-the-Offering-Price Rule*”), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any third party distribution agreement would contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-the-Offering-Price Rule.

C. No Underwriter (as defined below) has offered or sold any Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.]

III. Defined Terms

[1. *General Rule Maturities* means those Maturities of the Bonds not listed in *Schedule A* hereto as the “Hold-the-Offering-Price Maturities.”]

[2. *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in *Schedule A* hereto as the “Hold-the-Offering-Price Maturities.”]

[3. *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2023), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

4. *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

5. *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

6. A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

7. *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2023.

8. *Underwriter* means (i) any person that agrees pursuant to a written contract with the Village (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, including, specifically, the Purchaser, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

IV. Use of Representations

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Village with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Bonds, and by Chapman and Cutler LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Village from time to time relating to the Bonds.

IN WITNESS WHEREOF, I hereunto affix my signature, this ___ day of _____, 2023.

_____,
_____, _____

By: _____
Title: _____

SCHEDULE A

SCHEDULE B