

**Final Official Statement Dated January 18, 2018**

The delivery of the Bonds is subject to the opinion of Katten Muchin Rosenman LLP, Bond Counsel, to the effect that under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for federal income tax purposes and that, assuming continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, interest on the Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income. See "TAX MATTERS" herein.



**\$8,650,000**  
**VILLAGE OF MONTGOMERY**  
 Kane and Kendall Counties, Illinois  
**Special Assessment Improvement Refunding Bonds, Series 2018**  
**(Lakewood Creek Project)**

**Dated Date of Delivery****Book-Entry****Due Serially March 1, 2019-2030**

This Final Official Statement is being furnished in connection with the issuance of the Special Assessment Improvement Refunding Bonds, Series 2018 (the "Bonds") by the Village of Montgomery, Kane and Kendall Counties, Illinois (the "Village"). The Bonds are issuable only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only, in denominations of \$5,000 or integral multiples of \$1,000 in excess thereof. Beneficial Owners of the Bonds will not receive physical certificates representing their interest in the Bonds purchased. Principal of, premium, if any, and interest (payable on March 1 and September 1 of each year, commencing September 1, 2018) on the Bonds are payable by Amalgamated Bank of Chicago, Chicago, Illinois, as Trustee, to DTC, which will remit such principal, premium, if any, and interest to DTC's Participants, who in turn will be responsible for remitting such payments to the Beneficial Owners of the Bonds, as described herein.

**AMOUNTS, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS<sup>(1)</sup>**

Principal Amount	Due Mar. 1	Interest Rate	Yield or Price	CUSIP Number (1)	Principal Amount	Due Mar. 1	Interest Rate	Yield or Price	CUSIP Number (1)
\$555,000	2019	1.900%	1.900%	613837 AC7	\$745,000	2025	3.000%	3.000%	613837 AJ2
580,000	2020	2.100%	2.100%	613837 AD5	785,000	2026	3.100%	3.100%	613837 AK9
610,000	2021	2.300%	2.300%	613837 AE3	825,000	2027	3.200%	3.200%	613837 AL7
650,000	2022	2.450%	2.450%	613837 AF0	870,000	2028	3.300%	3.300%	613837 AM5
675,000	2023	2.600%	2.600%	613837 AG8	795,000	2029	3.400%	3.400%	613837 AN3
710,000	2024	2.850%	2.850%	613837 AH6	850,000	2030	3.450%	3.450%	613837 AP8

The Bonds are subject to optional and special mandatory redemption prior to maturity as set forth herein.

THE BONDS ARE BEING ISSUED PURSUANT TO THE SPECIAL ASSESSMENT SUPPLEMENTAL BOND AND PROCEDURES ACT AND THE LOCAL GOVERNMENT DEBT REFORM ACT AND, IN THE OPINION OF KATTEN MUCHIN ROSENMAN LLP, CHICAGO, ILLINOIS, BOND COUNSEL, WILL CONSTITUTE VALID AND LEGALLY BINDING LIMITED OBLIGATIONS OF THE VILLAGE OF MONTGOMERY, ILLINOIS PAYABLE FROM THE SPECIAL ASSESSMENTS AND AMOUNTS ON DEPOSIT IN CERTAIN OF THE FUNDS ESTABLISHED AND MAINTAINED PURSUANT TO THE TRUST INDENTURE, AS SET FORTH HEREIN. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE VILLAGE AND NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE VILLAGE, THE COUNTY OF KANE, THE COUNTY OF KENDALL, THE STATE OF ILLINOIS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. NO HOLDER OF ANY BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy and policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"). See "BOND INSURANCE" herein and **APPENDIX B - BOND INSURANCE POLICY** herein.



The Village will use the proceeds of the Bonds to: (i) currently refund all of the outstanding Special Assessment Improvement Refunding Bonds, Series 2006 (Lakewood Creek Project) (the "Series 2006 Bonds"); (ii) fund certain reserves and (iii) pay certain costs of issuance of the Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Bonds are offered when, as and if issued, subject to prior sale, withdrawal or modification of the offer without notice, delivery of the approving legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. See "TAX MATTERS" herein and **APPENDIX E** hereto. Certain legal matters will be passed upon for the Underwriter by Ice Miller LLP, Chicago, Illinois, and for the Village by Mickey, Wilson, Weiler, Renzi and Andersson, P.C., Aurora, Illinois. It is expected that the Bonds will be available for delivery to DTC in New York, New York on or about February 6, 2018.

**BERNARDISECURITIES**  
 MUNICIPAL BOND SPECIALISTS

(1) CUSIP numbers appearing in this Final Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial 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 on the cover of this Final Official Statement.

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 Final 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.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Final Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the headings “**BOND INSURANCE**” and **APPENDIX B - BOND INSURANCE POLICY** herein.

**VILLAGE OF MONTGOMERY**  
**Kane and Kendall Counties, Illinois**

**Board of Trustees**

Matthew Brolley  
*President*

Stan Bond  
Denny Lee

Peter Heinz  
Doug Marecek

Stephen Jungermann  
Theresa Sperling

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**Officials**

Penny Fitzpatrick  
*Village Clerk*

Jeffrey Zoephel  
*Village Administrator*

Justin VanVooren  
*Director of Finance*

Mickey, Wilson, Weiler, Renzi and Andersson, P.C.  
*Corporation Counsel*

**PROFESSIONAL SERVICES**

**BOND COUNSEL**

*Katten Muchin Rosenman LLP*  
*Chicago, Illinois*

**TRUSTEE**

*Amalgamated Bank of Chicago,*  
*Chicago, Illinois*

**MUNICIPAL ADVISOR**

*Speer Financial, Inc.*  
*Chicago, Illinois*

**SERVICING AGENT**

*Municap, Inc.*  
*Columbia, Maryland*

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## BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Final Official Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors.

<b>Issuer:</b>	Village of Montgomery, Kane and Kendall Counties, Illinois.
<b>Issue:</b>	\$8,650,000 Special Assessment Improvement Refunding Bonds, Series 2018.
<b>Dated Date:</b>	Date of delivery (expected to be on or about February 6, 2018).
<b>Interest Due:</b>	Each March 1 and September 1, commencing September 1, 2018.
<b>Principal Due:</b>	Serially each March 1, commencing March 1, 2019 through 2030, as detailed on the front page of this Final Official Statement.
<b>Optional Redemption:</b>	Bonds maturing on or after March 1, 2028, are callable at the option of the Village on any date on or after March 1, 2027, at a price of par plus accrued interest. See <b>“THE BONDS – Redemption”</b> herein.
<b>Authorization:</b>	By vote of the Village Board of Trustees.
<b>Security:</b>	<b>THE BONDS ARE BEING ISSUED PURSUANT TO THE SPECIAL ASSESSMENT SUPPLEMENTAL BOND AND PROCEDURES ACT AND THE LOCAL GOVERNMENT DEBT REFORM ACT AND, IN THE OPINION OF KATTEN MUCHIN ROSENMAN LLP, CHICAGO, ILLINOIS, BOND COUNSEL, WILL CONSTITUTE VALID AND LEGALLY BINDING LIMITED OBLIGATIONS OF THE VILLAGE OF MONTGOMERY, ILLINOIS PAYABLE FROM THE SPECIAL ASSESSMENTS AND AMOUNTS ON DEPOSIT IN CERTAIN OF THE FUNDS ESTABLISHED AND MAINTAINED PURSUANT TO THE TRUST INDENTURE, AS SET FORTH HEREIN. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE VILLAGE AND NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE VILLAGE, THE COUNTY OF KANE, THE COUNTY OF KENDALL, THE STATE OF ILLINOIS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. NO HOLDER OF ANY BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS.</b>
<b>Rating/Insurance:</b>	S&P Global Ratings, New York, New York, is expected to assign its municipal bond rating of “AA/Stable Outlook” to this issue of Bonds with the understanding that upon delivery of the Bonds, a policy guaranteeing payment when due of the principal of and interest on the Bonds will be issued by <b>BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”)</b> . See <b>“BOND INSURANCE”</b> herein and <b>APPENDIX B - BOND INSURANCE POLICY</b> herein. The cost for the bond insurance premium and the related rating fee of S&P Global Ratings, New York, New York, will be paid by the Village. See <b>“INSURED INVESTMENT RATING”</b> herein.
<b>Purpose:</b>	The Village will use the proceeds of the Bonds to: (i) currently refund all of the outstanding Special Assessment Improvement Refunding Bonds, Series 2006 (Lakewood Creek Project) (the “Series 2006 Bonds”); (ii) fund certain reserves and (iii) pay certain costs of issuance of the Bonds. See <b>“ESTIMATED SOURCES AND USES OF FUNDS”</b> and <b>“PLAN OF FINANCE”</b> herein.
<b>Tax Matters:</b>	Katten Muchin Rosenman LLP, Chicago, Illinois, will provide an opinion as to the exclusion from gross income for federal income tax purposes of the interest on the Bonds as discussed under <b>“TAX MATTERS”</b> in this Final Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
<b>No Bank Qualification:</b>	The Bonds are <b>not</b> “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
<b>Trustee:</b>	Amalgamated Bank of Chicago, Chicago, Illinois.
<b>Delivery:</b>	The Bonds are expected to be delivered on or about February 6, 2018.
<b>Book-Entry Form:</b>	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 <b>“THE BONDS - Book-Entry-Only System”</b> herein.
<b>Denomination:</b>	\$5,000 and \$1,000 excess thereof.
<b>Underwriter:</b>	Bernardi Securities, Inc., Chicago, Illinois.
<b>Municipal Advisor:</b>	Speer Financial, Inc., Chicago, Illinois.

**\$8,650,000**  
**Village of Montgomery**  
**Kane and Kendall Counties, Illinois**  
**Special Assessment Improvement Refunding Bonds, Series 2018**  
**(Lakewood Creek Project)**

**INTRODUCTORY STATEMENT**

The purpose of this Final Official Statement, which includes the cover page and Appendices attached hereto (the "Final Official Statement"), is to set forth certain information in connection with the issuance and sale by the Village of Montgomery, Kane and Kendall Counties, Illinois (the "Village") of \$8,650,000 aggregate principal amount Special Assessment Improvement Refunding Bonds, Series 2018 (the "Bonds"). Certain factors that may affect an investment decision concerning the Bonds are described throughout this Final Official Statement. Persons considering a purchase of the Bonds should read this Final Official Statement in its entirety. Copies of statutes, resolutions, reports or other documents referred to herein are available, upon request, from the Village.

The Bonds will be issued by the Village pursuant to (i) the Illinois Constitution of 1970; (ii) Division 2 of Article 9 of the Illinois Municipal Code, 65 ILCS 5/9-2-1; (iii) the Special Assessment Supplemental Bond and Procedures Act, 50 ILCS 460; (iv) the Illinois Local Government Debt Reform Act of the State of Illinois, 30 ILCS 350; and (v) Ordinance No. 1796 adopted by the President and Board of Trustees of the Village (the "Village Board") on January 8, 2018, as supplemented by a Bond order dated January 18, 2018, providing for the issuance of the Bonds (the "Bond Ordinance"). The Bonds will be issued as fully registered bonds without coupons in book-entry only form in denominations of \$5,000 or any integral multiple of \$1,000 in excess of \$5,000. The Bonds will be secured primarily by special assessments (the "Assessments") imposed on the lots (collectively, the "Lots") benefited by the hereinafter described Improvements. In addition, the Bonds will be payable from and secured by certain funds established pursuant to the Bond Ordinance and the Trust Indenture dated as of January 1, 2018 (the "Trust Indenture") between the Village and Amalgamated Bank of Chicago, Chicago, Illinois, as trustee (the "Trustee"). Payment of principal of and interest on the Bonds will be insured in accordance with the terms of a municipal bond insurance policy (the "Policy") to be issued simultaneously with the delivery of the Bonds by Build America Mutual Assurance Company ("BAM") (the "Insurer"). See **"SECURITY AND SOURCE OF PAYMENT FOR THE BONDS"** herein. Capitalized terms used but not defined herein shall have the meaning given such terms in the Trust Indenture. See **APPENDIX A – THE TRUST INDENTURE**.

The Assessments have been approved by the Sixteenth Judicial Court, Kendall County, Illinois (the "Court") following notice and proceedings required by Division 2 of Article 9 of the Illinois Municipal Code and the Special Assessment Supplemental Bond and Procedures Act (collectively, the "Act"). The Assessments will be used to pay debt service on the Bonds, pay Costs of Making and Levying as described herein under **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Funds and Accounts – Making and Levying Fund"** and make deposits to the General Reserve Fund as described under **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Funds and Accounts – General Reserve Fund."** See **"SPECIAL ASSESSMENT ROLL."**

The Village previously issued its \$14,270,000 Special Assessment Improvement Refunding Bonds, Series 2006 (Lakewood Creek Project) (the "Series 2006 Bonds" or the "Prior Bonds") pursuant to a Trust Indenture dated as of December 1, 2006 (the "2006 Indenture") between the Village and the Trustee. The proceeds of the Prior Bonds were used to advance refund the Village's previously issued \$12,500,000 Special Assessment Improvement Bonds, Series 2001 (Lakewood Creek Project) (the "Series 2001 Bonds"). Proceeds of the Series 2001 Bonds were used to construct certain improvements consisting of sanitary sewers, storm sewers, water mains, streets, curbs, gutters, sidewalks, street lights, road improvements, grading landscaping and engineering (collectively, the "Improvements") that were required in connection with the development of Lakewood Creek (the "Development"). See **"THE DEVELOPMENT"**.

The Bonds are being issued to (i) currently refund all of the outstanding Series 2006 Bonds, (ii) fund certain reserves and (iii) pay certain expenses incurred in connection with the issuance of the Bonds. The proceeds of the Bonds and monies released from the 2006 Indenture will be deposited to: (i) the Escrow Fund held under the 2018 Escrow Deposit Agreement by and between the Village and the 2006 Trustee; (ii) the Debt Service Reserve Account for the Bonds in the amount of the initial Reserve Requirement equal to \$865,000; and, (iii) the Costs of Issuance Fund. See **“ESTIMATED SOURCES AND USES OF FUNDS”** and **“PLAN OF FINANCE.”**

IN THE OPINION OF BOND COUNSEL, THE BONDS WILL CONSTITUTE VALID AND LEGALLY BINDING LIMITED OBLIGATIONS OF THE VILLAGE PAYABLE SOLELY AND ONLY FROM THE SPECIAL ASSESSMENTS AND AMOUNTS ON DEPOSIT IN CERTAIN OF THE FUNDS ESTABLISHED AND MAINTAINED PURSUANT TO THE TRUST INDENTURE, AS SET FORTH HEREIN. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE VILLAGE AND NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE VILLAGE, THE COUNTY OF KANE, THE COUNTY OF KENDALL, THE STATE OF ILLINOIS (THE “STATE”), OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. NO HOLDER OF ANY BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

A copy of any document or agreement referred to herein may be obtained upon request from the Village.

## **THE BONDS**

### **General Description of the Bonds**

The Bonds will be issued in the aggregate principal amount of \$8,650,000, will bear interest at the rates, and will mature on the dates, as set forth on the cover page of this Final Official Statement and are subject to optional, mandatory and special mandatory redemption as described herein. The Bonds will be issued only as fully registered bonds without coupons in book-entry form, initially in authorized denominations of \$5,000 or any integral multiple of \$1,000 in excess of \$5,000.

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds. Principal of, premium, if any, and interest on the Bonds will be paid by the Trustee directly to DTC, which will remit such principal, premium, if any, and interest to DTC's Participants, who, in turn will be responsible for remitting such payments to the Beneficial Owners of the Bonds. See **“THE BONDS - Book-Entry-Only System.”**

Interest on the Bonds will be paid in lawful money of the United States of America semiannually on March 1 and September 1 of each year (each, an “Interest Payment Date”), commencing September 1, 2018. Interest on the Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

The Bonds shall be designated “Special Assessment Improvement Refunding Bonds, Series 2018.” Each Bond shall be dated the date of delivery (the “Dated Date”) and shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless such Bond is registered as of an Interest Payment Date, in which event it shall bear interest from the date thereof, or unless such Bond is registered prior to the first Interest Payment Date, in which event it shall bear interest from the Dated Date, or unless, as shown by the records of the Trustee, interest on such Bond shall be in default, in which event it shall bear interest from the date to which interest has been paid in full.



## Redemption

*Optional Redemption.* The Bonds maturing on or after March 1, 2028 are subject to optional redemption prior to maturity at the option of the Village, from such maturities and in such principal amounts as the Village shall determine and within a maturity by lot, on any date on or after March 1, 2027, at a redemption price of par plus accrued interest to the redemption date.

Any optional redemption of the Bonds shall be applied, to the extent possible, to reduce pro rata the amount of Bonds maturing in each year and subject to mandatory sinking fund redemption, and so as to maintain the proportion of principal maturing, in each year to the total original principal amount of the Bonds as of the date of issuance.

*Special Mandatory Redemption Upon Prepayment.* The Bonds are also subject to mandatory redemption on any Interest Payment Date, by operation of the Prepayment Account of the Debt Service Fund, in part and by lot, at the Redemption Price equal to the principal amount thereof to be redeemed.

In the event of the mandatory redemption of Bonds by operation of the Prepayment Account of the Debt Service Fund as described above, the principal amount so redeemed shall be credited pro-rata against the unsatisfied balance of future Sinking Fund Installments and final maturity amount of the Bonds. See "**THE BONDS - Prepayments of Assessments.**"

*Redemption Provisions; Notice of Redemption.* If less than all the Bonds of any maturity are to be redeemed on any redemption date, the Bond Registrar appointed in the Trust Indenture shall assign to each Bond of the maturities to be redeemed a distinctive number for each \$1,000 of principal amount of that Bond. The notice of redemption is required to state that such redemption is subject to the irrevocable deposit of funds sufficient to redeem the Bonds to be redeemed on the redemption date. The Trustee shall then select by lot from the numbers so assigned, using such method as it shall deem proper in its discretion, as many numbers as, at \$1,000 per number, shall equal the principal amount of the Bonds of that maturity to be redeemed; provided that following any redemption, no Bond shall be outstanding in an amount less than \$5,000. See "**THE BONDS – General Description of the Bonds**" herein.

When redemption of Bonds is authorized or required pursuant to the Trust Indenture, the Trustee shall give notice, in the name of the Village, of the redemption of such Bonds, which notice shall specify the Bonds to be redeemed, whether the redemption is conditioned upon the deposit of funds sufficient to effect the redemption, the redemption date, and the place where amounts due upon such redemption will be payable. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by first class mail, postage prepaid, by the Trustee, not less than 30 days nor more than 60 days prior to the redemption date, to the Owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books of the Bond Registrar; provided that if all Bonds are held in book-entry form such notice may be given in accordance with the representation letter of the Securities Depository. Failure to give notice of redemption by mail, or any defect in such notice, to the Owner of any Bond of any Series shall not affect the validity of the proceedings for the redemption of any other Bonds. Reference is further expressly made to any notice of redemption as may be agreed upon with the Securities Depository, which notice may be given in lieu of the mailed notice hereinabove specified. Notwithstanding the foregoing, a Supplemental Indenture authorizing a Series of Bonds may specify a different method for the giving of a notice of redemption, or a different time by which such notice shall be given.

**Purchase in Lieu of Redemption.** In lieu of redemption as provided in the Trust Indenture, moneys accumulated in the Debt Service Account and the General Reserve Fund may be used, as directed by the Village, for the purchase of outstanding Bonds. The Village may purchase Bonds from any available funds at public or private sale, as and when and at such prices as the Village may in its discretion determine, but at a price not exceeding the principal amount thereof plus accrued interest thereon, or in the case of Bonds which by their terms are subject to redemption prior to maturity, at the then current or first applicable Redemption Price, as the case may be. All Bonds so purchased shall at such times as shall be selected by the Village be delivered to and cancelled by the Trustee and no Bonds shall be issued in place thereof.

### **Prepayments of Assessments**

Under the Act, the Assessments are subject to prepayment at any time. The Trustee is obligated by the Trust Indenture to calculate the proper amount of prepayment for any Lot, as follows:

The amount of the then current unpaid Assessment (or portion thereof) with respect to such Lot shall be determined (being the sum of the unpaid amounts in the Roll Component "Total Assessment" for such Lot taking into account any interest and charges related to delinquencies in payment and also such interest, accruing at the rate of 7.75% per annum, as may be payable since the last payment made with respect to such Lot's Assessment). This amount shall be reduced by the Debt Service Reserve Account Credit being an amount calculated as follows: a ratio shall be determined which shall be the unpaid amounts in the Roll Component "Total Assessment" for such Lot divided by the total of all Assessments then remaining unpaid (including the amount represented by the Prepayment and delinquent Assessments, but only so much thereof as represents the delinquent amount from the Roll Component "Total Assessment"); such product shall be multiplied by the amount, to be provided by the Trustee, as the amount (net of any interest earnings accrued) on deposit to the credit of the Debt Service Reserve Account.

After determination of the proper amount for Prepayment, as specified above, the Servicing Agent shall provide such calculation and information to the Trustee, the Assessee and the Village. There shall be a five business day interim after receipt of such information from the Servicing Agent for inquiry or correction by the Village; and, thereupon, the Trustee shall be authorized to accept Prepayment with respect to such Lot and give receipt for same. The amount so received shall immediately be deposited by the Trustee in the Prepayment Account. At such time, the Village shall write the word "Paid" on the Roll opposite the Lot on which the Assessment (or portion thereof) is prepaid, together with the name and post office address of the person making the Prepayment and the date of same, or otherwise note that the Assessment (or portion thereof) has been prepaid. In addition, pursuant to the Special Assessment Law, when the amount of any Prepayment has been made in full, the Village, by its Authorized Officers, and with the cooperation of the Trustee, shall execute and record, in the Recorder's Office of Kendall County, a release of the Special Assessment Lien with respect to such Lot for which such prepayment has been made and shall deliver a copy of such release to the owner of such Lot.

### **Additional Bonds**

Other than the Bonds, no obligations may be issued under the Trust Indenture other than obligations to refund part or all of the Bonds then Outstanding, but only if, as of the time immediately following the issuance of such refunding bonds, the debt service in each year on all Bonds then outstanding is no greater than the debt service in each year on all Bonds then outstanding as of the time immediately prior to the issuance of such refunding bonds.

## **Book-Entry-Only System**

THE INFORMATION PROVIDED IMMEDIATELY BELOW CONCERNING DTC AND THE BOOK-ENTRY-ONLY SYSTEM, AS IT CURRENTLY EXISTS, IS BASED SOLELY ON INFORMATION PROVIDED BY DTC AND IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY, THE UNDERWRITER OR THE VILLAGE.

When the Bonds are issued, ownership interests will be available to purchasers only through the Book-Entry-Only System maintained by DTC. DTC will act as securities depository for the Bonds. Initially, the Bonds will be issued as fully-registered Bonds, registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered bond will be issued in the aggregate original principal amount of the Bonds and will be deposited with DTC. The following discussion will not apply to the Bonds if issued in certificate form due to the discontinuance of the DTC Book-Entry-Only system, as described below.

DTC, the world's largest 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, as amended (the "Exchange Act"). DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that its participants (the "Direct Participants") deposit with the 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, and trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants" and together with the Direct Participants, the "DTC Participants"). The DTC Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission (the "Commission"). The DTC Rules applicable to its Participants are on file with the Commission. DTC has a S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") rating of AA+. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchase of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "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 and Indirect Participants through which the Beneficial Owner entered into the transaction. Transfer of beneficial ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest of the Bonds, except in the event that use of the book entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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. Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and payments of principal and interest on the Bonds 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 Trustee, on payable dates 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 Trustee, or the Village, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest 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 Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving written notice to the Village or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered as described in the Trust Indenture. The Village may discontinue use of the system of book entry transfers through DTC (or a successor securities depository) as described in the Trust Indenture. In that event, Bonds will be printed and delivered as described in the Trust Indenture.

NEITHER THE VILLAGE, THE UNDERWRITER, NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM ON THE BONDS; (3) THE DELIVERY BY ANY SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST INDENTURE TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

## **BOND INSURANCE**

The information contained under the headings “**BOND INSURANCE**” and **APPENDIX B - BOND INSURANCE POLICY** herein, was supplied by BAM and not the Village.

### **Bond Insurance Policy**

Concurrently with the issuance of the Bonds, BAM will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Final Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **Build America Mutual Assurance Company**

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM. The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: [www.buildamerica.com](http://www.buildamerica.com).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at [www.standardandpoors.com](http://www.standardandpoors.com). The rating of BAM should be evaluated independently. The rating reflects the S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

### **Capitalization of BAM**

BAM’s total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2017 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$508.7 million, \$79.5 million and \$429.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM’s most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM’s website at [www.buildamerica.com](http://www.buildamerica.com), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Final Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the headings **“BOND INSURANCE”** and **APPENDIX B - BOND INSURANCE POLICY**.

### **Additional Information Available from BAM**

**Credit Insights Videos.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM’s website at [buildamerica.com/creditisights/](http://buildamerica.com/creditisights/). (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Credit Profiles.** Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM’s website at [buildamerica.com/obligor/](http://buildamerica.com/obligor/). BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Disclaimers.** The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

## **PLAN OF FINANCE**

### **General**

The Village will use the proceeds of the Bonds and the moneys released under the 2006 Indenture to: (i) currently refund all of the outstanding Series 2006 Bonds, (ii) fund certain reserves and (iii) pay certain expenses incurred in connection with the issuance of the Bonds. See **“ESTIMATED SOURCES AND USES OF FUNDS”**

### **Refunding of Prior Bonds**

The Village has determined the refunding of the Prior Bonds to be in the public interest and in furtherance of the public purposes of the Village. The Village expects to deposit \$8,257,686.85 from the proceeds of the Bonds and \$1,885,826.36 from amounts on deposit in certain funds held by the Trustee for the Prior Bonds into the Escrow Fund held under the 2018 Escrow Deposit Agreement by and between the Village and the 2006 Trustee. The table below sets forth the maturity date, interest rate, redemption date and principal amount payable to refund the Prior Bonds.

**Special Assessment Improvement Refunding Bonds, Series 2006**  
(Lakewood Creek Project)

<u>Maturity</u>	<u>Original Outstanding Amount</u>	<u>Outstanding Amount after Prepayments</u>	<u>Refunded Amount</u>	<u>Redemption Price(s)</u>	<u>Redemption Date</u>	<u>CUSIPs(1)</u>
3/1/2018 .....	\$ 511,000(2)	\$ 480,000(2)	\$ 480,000	100.00%	N/A	
3/1/2019 .....	551,000(2)	518,000(2)	518,000	100.00%	3/9/2018	
3/1/2020 .....	594,000(2)	559,000(2)	559,000	100.00%	3/9/2018	
3/1/2021 .....	640,000(2)	602,000(2)	602,000	100.00%	3/9/2018	
3/1/2022 .....	689,000(2)	648,000(2)	648,000	100.00%	3/9/2018	
3/1/2023 .....	738,000(2)	694,000(2)	694,000	100.00%	3/9/2018	
3/1/2024 .....	791,000(2)	744,000(2)	744,000	100.00%	3/9/2018	
3/1/2025 .....	845,000(2)	795,000(2)	795,000	100.00%	3/9/2018	
3/1/2026 .....	904,000(2)	850,000(2)	850,000	100.00%	3/9/2018	
3/1/2027 .....	965,000(2)	907,000(2)	907,000	100.00%	3/9/2018	
3/1/2028 .....	1,030,000(2)	968,000(2)	968,000	100.00%	3/9/2018	
3/1/2029 .....	1,099,000(2)	1,033,000(2)	1,033,000	100.00%	3/9/2018	
3/1/2030 .....	<u>1,173,000</u>	<u>1,103,000</u>	<u>1,103,000</u>	100.00%	3/9/2018	613837AB9
Total .....	\$10,530,000	\$9,901,000	\$9,901,000			

- Notes: (1) CUSIP numbers appearing in this Final Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial 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 on the cover of this Final Official Statement.
- (2) Mandatory sinking fund redemption of the Term Bond due March 1, 2030.

**ESTIMATED SOURCES AND USES OF FUNDS**

**Sources:**

Par Amount .....	\$ 8,650,000.00
2006 Indenture Funds .....	<u>3,260,225.42</u>
Total .....	\$11,910,225.42

**Uses:**

Deposit to Escrow Fund .....	\$10,143,513.21
Debt Service Reserve Account .....	865,000.00
Debt Service Account .....	476.74
General Reserve Fund .....	300,000.00
Making and Levying Fund .....	133,557.06
Annual Interest Account .....	75,365.26
Assessment Fund .....	0.00(2)
Costs of Issuance(1) .....	<u>392,313.15</u>
Total .....	\$11,910,225.42

- Notes: (1) Includes bond insurance premium and Underwriter's discount.
- (2) Assessments are currently in collection, any amount received above \$709,937.87 required to be deposited in the Escrow Fund will be transferred to the Assessment Fund for the Bonds.

## SPECIAL ASSESSMENT ROLL

The following table sets forth pertinent portions of the Assessment Roll approved by the Court and cash flow of the Assessments. The Assessments have been adjusted to reflect past prepayments by individual homeowners.

Date	Construction & Bonding	Levying & Collecting	Reserve for Deficiency	Total Assessment	Interest Component	Total Assessment With Interest
1/1/2018 . . . .	\$ 378,308.83	\$ 11,349.27	\$ 24,741.40	\$ 414,399.50	\$ 840,111.48	\$ 1,254,510.98
1/1/2019 . . . .	425,001.86	12,750.06	27,795.12	465,547.04	807,995.52	1,273,542.56
1/1/2020 . . . .	474,553.65	14,236.61	31,035.81	519,826.07	771,915.62	1,291,741.70
1/1/2021 . . . .	529,822.96	15,894.69	34,650.42	580,368.07	731,629.10	1,311,997.17
1/1/2022 . . . .	588,903.93	17,667.12	38,514.31	645,085.37	686,650.57	1,331,735.94
1/1/2023 . . . .	651,796.58	19,553.90	42,627.50	713,977.98	636,656.46	1,350,634.44
1/1/2024 . . . .	721,359.67	21,640.79	47,176.92	790,177.38	581,323.16	1,371,500.54
1/1/2025 . . . .	795,687.35	23,870.62	52,037.95	871,595.91	520,084.41	1,391,680.33
1/1/2026 . . . .	876,685.46	26,300.56	57,335.23	960,321.25	452,535.74	1,412,856.98
1/1/2027 . . . .	964,354.01	28,930.62	63,068.75	1,056,353.37	378,110.84	1,434,464.21
1/1/2028 . . . .	1,058,692.99	31,760.79	69,238.52	1,159,692.31	296,243.45	1,455,935.76
1/1/2029 . . . .	1,160,655.32	34,819.66	75,906.86	1,271,381.83	206,367.29	1,477,749.13
1/1/2030 . . . .	1,270,241.00	38,107.23	83,073.76	1,391,421.99	107,835.20	1,499,257.20
Total . . . . .	\$9,896,063.61	\$296,881.92	\$647,202.55	\$10,840,148.07	\$7,017,458.85	\$17,857,606.93

## Assessments Per Home

The following table sets forth the amount and total Assessment for each single family home and duplex home prior to the credit for Debt Service Reserve Account earnings and gains and savings associated with the refunding, both of which may be transferred to the Assessee's Credit Fund:

Date	Per Single Family Home	Per Duplex Home	Total Assessment With Interest
1/1/2018 . . . . .	\$1,977.93	\$1,551.58	\$1,254,510.98
1/1/2019 . . . . .	2,007.93	1,575.12	1,273,542.56
1/1/2020 . . . . .	2,036.63	1,597.63	1,291,741.70
1/1/2021 . . . . .	2,068.56	1,622.68	1,311,997.17
1/1/2022 . . . . .	2,099.68	1,647.09	1,331,735.94
1/1/2023 . . . . .	2,129.48	1,670.47	1,350,634.44
1/1/2024 . . . . .	2,162.38	1,696.27	1,371,500.54
1/1/2025 . . . . .	2,194.20	1,721.23	1,391,680.33
1/1/2026 . . . . .	2,227.58	1,747.42	1,412,856.98
1/1/2027 . . . . .	2,261.65	1,774.15	1,434,464.21
1/1/2028 . . . . .	2,295.50	1,800.70	1,455,935.76
1/1/2029 . . . . .	2,329.90	1,827.68	1,477,749.13
1/1/2030 . . . . .	2,363.81	1,854.28	1,499,257.20

Source: The Servicing Agent.



## Delinquency/Collection Rates

The following table sets forth the history of collection rates and delinquency rates for the Assessments from January 1, 2013 to April 30, 2017:

Assessment Year	Due January 1	Total Assessment	Assessment Collected Prior to Tax Sale(1)	Percentage Collection Prior to Tax Sale	Assessment Collected through Tax Sale(2)	Total Percentage Received
2012 .....	2013.....	\$1,080,328	\$ 896,564	82.99%	\$183,764	100.00%
2013 .....	2014.....	1,092,644	993,546	90.93%	99,098	100.00%
2014 .....	2015.....	1,105,497	1,011,432	91.49%	94,065	100.00%
2015 .....	2016.....	1,111,414	989,722	89.05%	121,692	100.00%
2016 .....	2017.....	1,121,126	1,057,289	94.31%	63,837	100.00%
2017 .....	2018.....	1,117,183	-----In Collection-----			

- Notes: (1) Total Assessments collected prior to tax sale is the amount collected during the calendar year for January 1 of the subsequent year plus additional Assessments collected in the subsequent calendar year through mid-November at which point all homes with outstanding debt are auctioned at a tax sale.
- (2) Represents collections received after tax sale (usually mid-November of year subsequent to due date).

As of the date of this Final Official Statement, the Village is not aware of any delinquent or unpaid Assessment related to any foreclosure proceeding within the Development.

## Market Value

The following table shows the equalized assessed valuation and estimated market value as of the 2016 Assessment of homes within the Development (as defined herein) that have not prepaid their assessments as of December 1, 2017:

Number of Houses	Percentage of Total Houses	Equalized Assessed Valuation	Estimated Market Value
80	12%	\$25,000 – 30,001	\$ 75,000 – 90,003
192	28%	\$30,001 – 40,000	\$ 90,003 – 120,000
111	16%	\$40,001 – 50,000	\$120,003 – 150,000
170	25%	\$50,001 – 60,000	\$150,003 – 180,000
93	14%	\$60,001 – 70,000	\$180,003 – 210,000
31	5%	\$70,001 +	\$210,003 +
677	100%		

## Trends

The following table shows the trends in equalized assessed valuations and estimated market value for homes within the Development that have not prepaid their assessments as of December 1, 2017:

	Levy Year		
	2014	2015	2016
EAV .....	\$27,295,389	\$28,342,288	\$32,218,518
Market Value.....	81,886,167	85,026,864	96,655,554
% Growth.....	N/A	3.84%	13.68%

## Value to Lien Ratio

The following table sets forth the value to lien ratio with respect to the Development, based on \$8,650,000 aggregate principal amount of Bonds and the estimated 2016 market value of \$96,655,554 for the homes in the Development that have not prepaid their assessments as of December 1, 2017:

2016 Assessed Market Value of Land and Houses	\$	96,655,554
Bonds Outstanding (2018 Bonds)	\$	8,650,000
Value to Lien Ratio		11.17:1.00 <sup>(1)</sup>

Note: (1) The ratio reflects the value to lien for the Bonds and does not take into account any existing or future overlapping debt issued by the Village or other public entity with the ability to levy ad valorem taxes on the Development.

This Value to Lien Ratio is based on the estimated market value. No assurance can be given that the foregoing ratio can or will be maintained during the period of time the Bonds are outstanding both because property values could drop and because other public entities, over which the Village has no control, could issue additional indebtedness secured by a lien on a parity with the lien securing payment of the Bonds or payable through the levy or imposition of a tax on a parity with the Assessment.

## DEBT SERVICE REQUIREMENTS

The following table sets forth the annual debt service requirements for the Bonds based on the maturity, and interest rate set forth on the cover of this Final Official Statement, assuming no redemptions other than mandatory sinking fund redemptions are made:

Bond Year Ending	Principal	Interest	Annual Debt Service
2018 .....	\$ 0.00	\$ 141,572.43	\$ 141,572.43
2019 .....	515,000.00	243,342.50	758,342.50
2020 .....	565,000.00	231,980.00	796,980.00
2021 .....	600,000.00	218,875.00	818,875.00
2022 .....	630,000.00	203,897.50	833,897.50
2023 .....	665,000.00	187,160.00	852,160.00
2024 .....	700,000.00	168,267.50	868,267.50
2025 .....	740,000.00	146,975.00	886,975.00
2026 .....	780,000.00	123,632.50	903,632.50
2027 .....	825,000.00	98,265.00	923,265.00
2028 .....	870,000.00	70,710.00	940,710.00
2029 .....	920,000.00	42,840.00	962,840.00
2030 .....	850,000.00	14,662.50	864,662.50
Total .....	\$8,660,000.00	\$1,892,179.93	\$10,552,179.93

## DEBT SERVICE COVERAGE

The following table sets forth expected annual debt service and coverage ratios for the Bonds based on the maturity, and interest rate set forth on the cover of this Final Official Statement, assuming no redemptions other than mandatory sinking fund redemptions are made:

Year	Total Assessment With Interest (1)	Making & Levying (1)	Net Assessment (1)	Debt Service	Debt Service Coverage
2018 .....	\$ 1,254,510.98	\$ (34,373.60)	\$ 1,220,137.37	\$ 854,245.93 (2)	1.43x
2019 .....	1,273,542.56	(34,895.07)	1,238,647.49	798,342.50	1.55x
2020 .....	1,291,741.70	(35,393.72)	1,256,347.97	811,980.00	1.55x
2021 .....	1,311,997.17	(35,948.72)	1,276,048.44	828,875.00	1.54x
2022 .....	1,331,735.94	(36,489.56)	1,295,246.38	853,897.50	1.52x
2023 .....	1,350,634.44	(37,007.38)	1,313,627.05	862,160.00	1.52x
2024 .....	1,371,500.54	(37,579.11)	1,333,921.43	878,267.50	1.52x
2025 .....	1,391,680.33	(38,132.04)	1,353,548.29	891,975.00	1.52x
2026 .....	1,412,856.98	(38,712.28)	1,374,144.70	908,632.50	1.51x
2027 .....	1,434,464.21	(39,304.32)	1,395,159.89	923,265.00	1.51x
2028 .....	1,455,935.76	(39,892.64)	1,416,043.12	940,710.00	1.51x
2029 .....	1,477,749.13	(40,490.33)	1,437,258.80	837,840.00	1.72x
2030 .....	1,499,257.20	(41,079.65)	1,458,177.55	864,662.50	1.69x
Total .....	\$17,857,606.93	\$ (489,298.43)	\$17,368,308.50	\$11,254,853.43	

Notes: (1) Source: The Servicing Agent.

(2) Includes \$712,673.50 of debt service due March 1, 2018 on the Series 2006 Bonds.

## SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

### General

The Bonds are limited obligations of the Village, payable solely from (i) the Assessments, and (ii) all Funds and Accounts established under the Trust Indenture except any Rebate Fund or Account, including the Debt Service Reserve Account and the General Reserve Fund (collectively, the "Trust Estate"). See **"SECURITY AND SOURCE OF PAYMENT FOR THE BONDS- Funds and Accounts."**

The Bonds do not constitute an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation. No holder of the Bonds shall have the right to compel the appropriation or taxing power of the Village, the State or any other political subdivision of the State or any use of the general funds of the Village for payment of principal of or interest on the Bonds.

The Trust Estate is pledged to, and a security interest in the Trust Estate is granted to, the Trustee for the benefit of the Owners of the Bonds, subject only to the provisions of the Trust Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Trust Indenture. See **APPENDIX A – TRUST INDENTURE** herein.

### Funds and Accounts

Disposition of Assessment Receipts. As soon as practicable after the receipt of any payments with respect to the Assessments, whether an Installment or a Prepayment (collectively Installments and Prepayments or any other payment on account of the Assessment constituting the "Assessment Receipts"), the Village shall transmit the Assessment Receipts to the Trustee for deposit into the Assessment Fund.

Disposition of Moneys in the Assessment Fund. On February 15th of each year, the Trustee shall transfer all amounts on deposit in the Assessment Fund to the Funds and Accounts as follows:

(1) To the Making and Levying Fund, 2.74% of the amount of each Installment so collected and then on deposit in the Assessment Fund inclusive of the amount of interest collected on the costs of making and levying portion then remaining within the Assessment.

(2) To the Debt Service Account of the Debt Service Fund, the amount required to be deposited therein so that the aggregate amount held in the Debt Service Account will equal the sum of (i) the interest due on all Bonds Outstanding on the March 1 Interest Payment Date, and (ii) all Principal Installments due on the Bonds on the March 1 Interest Payment Date.

On April 1st of each year, the Trustee shall transfer all amounts on deposit in the Assessment Fund to the Funds and Accounts as follows:

(1) To the Debt Service Account of the Debt Service Fund, the amount required to be deposited therein so that the aggregate amount held in the Debt Service Account will equal the interest due on all Outstanding Bonds on the September 1 Interest Payment Date.

(2) To the Debt Service Reserve Account of the Debt Service Fund, a sum sufficient such that the amount to the credit of such account will be equal to the Debt Service Reserve Requirement.

(3) To the General Reserve Fund, all amounts remaining.

Making and Levying Fund; Deposits; Payment of Costs of Making and Levying. The Costs of Making and Levying, including costs of issuance of the Bonds, shall be paid by the Trustee from time to time as they become due and payable from moneys in the Making and Levying Fund. The Trustee shall disburse moneys for Costs of Making and Levying upon a Written Certificate of the Village stating (i) the name and address of the person, firm or corporation to whom payment is due (which may be the Village for costs advanced), (ii) the amount to be paid, and (iii) the nature of the payment and that the cost is a proper Cost of Making and Levying.

Debt Service Fund - Debt Service Account. The Trustee shall pay out of the Debt Service Account ( 1) on or before each Interest Payment Date the amount required for the interest payable on such date; (2) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date; and (3) on or before any redemption date for the Bonds, the amount required for the payment of principal of and interest on the Bonds then to be redeemed.

Amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) may and, if so directed by the Village, shall be applied by the Trustee, on or prior to the 60th day preceding the due date of such Sinking Fund Installment, to (1) the purchase of Bonds for which such Sinking Fund Installment was established, or (2) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms. All purchases of any Bonds pursuant to this paragraph shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds, and such purchases shall be made by the Trustee as directed by the Village. The applicable sinking fund Redemption Price (or principal amount of maturing bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such Sinking Fund Installment date, for the purpose of calculating the amount of such account. As soon as practicable after the 45th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, by giving notice as provided in the Trust Indenture, on such due date Bonds for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment after making allowance for any Bonds purchased or redeemed which the Village has directed the Trustee to apply as a credit against such Sinking Fund Installment as provided in the Trust Indenture. The Trustee shall pay out of the Debt Service Account on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing). All expenses in connection with the purchase or redemption of Bonds shall be paid from the Making and Levying Fund. Any purchase of Bonds pursuant to this paragraph may be made with or without tenders of Bonds and at either public or private sale, in such manner as the Village may determine.

Debt Service Fund - Debt Service Reserve Account. As of the Issue Date, the sum of \$865,000 will be held in the Debt Service Reserve Account of the Debt Service Fund. \$865,000 is the Debt Service Reserve Requirement as of the Issue Date and is equal to 10% of the principal of the Bonds outstanding. Such amount shall constitute part of the Trust Estate and shall not be available to creditors of the Village other than the Bondowners.

If on any date on which the principal or sinking fund Redemption Price of or interest on the Bonds shall be due, the amount on deposit in the Debt Service Account in the Debt Service Fund shall be less than the amount required to pay such principal, Redemption Price or interest, then the Trustee shall apply amounts from the Debt Service Reserve Account to the extent necessary to cure the deficiency.

Whenever Bonds are to be redeemed from amounts on deposit in the Prepayment Account of the Debt Service Fund, the Trustee shall calculate the maximum principal amount of Bonds that can be redeemed taking into account any reduction in the Debt Service Reserve Requirement that will result upon such redemption and assuming that any moneys in the Debt Service Reserve Account, exclusive of interest earnings, in excess of the Debt Service Reserve Requirement will be available, as of the redemption date, for the payment of the Redemption Price of the Bonds to be redeemed. In the event such calculation indicates that there will be an excess attributable solely to the Prepayment, such excess shall be transferred to the Prepayment Account in anticipation of the mandatory redemption of Bonds and applied to the redemption of Bonds in the same manner as the Prepayment.

Except as otherwise provided above and except for interest income which is payable to the Assessee's Credit Fund, if the amount on deposit in the Debt Service Reserve Account shall exceed the Debt Service Reserve Requirement, such excess shall be transferred to the General Reserve Fund.

Whenever the amount in a Debt Service Reserve Account, together with the amount in the Debt Service Account and the General Reserve Fund (less any amount required to be paid to a Rebate Fund), is sufficient to pay in full all Outstanding Bonds in accordance with their terms (including the maximum amount of principal or applicable sinking fund Redemption Price and interest which could become payable thereon), the funds on deposit in the Debt Service Reserve Account shall be transferred to the Debt Service Account. Prior to said transfer, all investments held in the Debt Service Reserve Account shall be liquidated to the extent necessary in order to provide for the timely payment of principal and interest (or Redemption Price) on Bonds. Any provision of the Trust Indenture to the contrary notwithstanding, so long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Bonds in accordance with their terms (including the maximum amount of principal or applicable sinking fund Redemption Price and interest which could become payable thereon), no deposits shall be required to be made into the Debt Service Reserve Account.

Debt Service Fund - Prepayment Account. Amounts to the credit of the Prepayment Account shall be applied by the Trustee to the redemption of Bonds on any date. To the fullest extent possible, all of the amounts in the Prepayment Account shall be applied to the payment of the Redemption Price of Bonds on each such date of redemption, taking into account amounts available from the Debt Service Account to pay interest on such Bonds, amounts transferable from the Debt Service Reserve Account and amounts transferable from the General Reserve Fund. The amount necessary from the Prepayment Account shall be transferred to the Debt Service Account on the applicable date of redemption and applied to the Redemption Price.

General Reserve Fund. If five days prior to any Interest Payment Date, the sum of the amount held in the Debt Service Account available for disbursement on such Interest Payment Date shall be less than the amount required to pay the interest and Principal Installments on Bonds to become due on such Interest Payment Date, then the Trustee shall withdraw from the General Reserve Fund and deposit into the Debt Service Account the amount necessary to cure such deficiency.

If at any time the amount held in the Debt Service Reserve Account shall be less than the Debt Service Reserve Requirement, then the Trustee shall withdraw from the General Reserve Fund and deposit into the Debt Service Reserve Account, the amount necessary to cure such deficiency.

At the direction of the Village expressed in a Written Certificate of the Village, the Trustee shall withdraw from the General Reserve Fund and pay (i) to the Making and Levying Fund to the extent required to increase the sum then held in the Making and Levying Fund to an amount sufficient to pay any Costs of Making and Levying then due and payable as set forth in Written Certificates of the Village filed with the Trustee pursuant to the Trust Indenture; (ii) to the 2018 Rebate Fund (and any other Rebate Fund established with respect to a Series of Refunding Bonds) the estimated amount needed to provide for the payment of any amounts to become due to the United States of America pursuant to Section 148(f) of the Internal Revenue Code of 1986 (the "Code") with respect to the Bonds in the current or the next ensuing Bond Year and (iii) to the Insurer any amounts due under Section 316 of the Trust Indenture.

After provision has been made for any payments to the Series 2018 Rebate Fund or other Rebate Fund and to the Insurer pursuant to the preceding paragraph, amounts in the General Reserve Fund not then required to meet a deficiency as required in the first three paragraphs of this section shall be retained and used at the Written Request of the Village filed with the Trustee to purchase Bonds as may be available as permitted by the Trust Indenture or to optionally redeem Bonds at the next available date of redemption at the then applicable Redemption Price.

The General Reserve Fund Requirement is the amount equal to \$300,000.

## **Covenants of the Village**

The Village covenants and agrees with the Bondowners as follows:

1. The Village shall punctually pay or cause to be paid, but solely from the Trust Estate and not otherwise, the principal or Redemption Price of every Bond and the interest thereon, at the date, and places and in the manner mentioned in the Bonds, according to the true intent and meaning thereof.

2. The Village shall not directly or indirectly extend or assent to the extension of the mandatory redemption or maturity of any of the Bonds or interest except as provided in the Trust Indenture with respect to Supplemental Indentures. Nothing in the Trust Indenture shall be deemed to limit the right of the Village to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

3. At any and all times the Village shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver, all and every such further Supplemental Indentures, ordinances, resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Assessments and other moneys, securities and funds pledged by the Trust Indenture or assigned, or intended so to be, or which the Village may become bound to pledge or assign.

4. The Village is acting pursuant to the Act and all applicable laws to issue the Bonds and to adopt the Trust Indenture and to pledge the Trust Estate in the manner and to the extent provided in the Trust Indenture. Except to the extent otherwise provided in the Trust Indenture, the Trust Estate is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the respective pledges and assignments created by the Trust Indenture and all corporate or other action on the part of the Village to that end has been and will be duly and validly taken. The Bonds and the provisions of the Trust Indenture are and will be the valid and legally enforceable obligations of the Village in accordance with their terms and the terms of the Trust Indenture, except as the enforcement thereof may be limited by bankruptcy or other similar laws affecting creditors' rights generally. The Village shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Bondowners under the Trust Indenture against all claims and demands of all persons whomsoever.

5. The Village has good right and lawful power to construct the Improvement and to make the Assessments and so long as any of the Bonds are Outstanding will use its best efforts to oppose any change in law or regulation that would materially adversely affect its good right and lawful power to collect the Assessment.

6. Other than as provided herein under "**THE BONDS - Additional Bonds**," the Village shall not issue any bonds, notes, debentures, or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the Trust Estate, other moneys, securities or funds held or set aside by the Village or by the Trustee under the Trust Indenture and shall not create or cause to be created any lien or charge on the Trust Estate, or such moneys, securities or funds; provided however, that the Village may issue obligations secured by a pledge or assignment of the Assessment to be received on or after such date as the pledge or the assignment provided by the Indenture is discharged.

7. The Village shall diligently enforce the Special Assessment Lien, including, without limitation, the enforcement of any delinquent Assessment by the commencement and maintenance of an action to foreclose the lien of any delinquent Assessment in the manner provided by law.

8. The Village shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Village under the provisions of the Act and the Trust Indenture.

9. The Village will not take any action or omit to take any action which is lawful and within its power to take, and which, if taken or omitted, would cause interest on any Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Bond is subject on the date of original issuance thereof.

10. The Village will not permit any of the proceeds of the Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any Bond to constitute a "private activity bond" within the meaning of Section 141 of the Code.

11. The Village will not permit any of the proceeds of the Bonds or other moneys to be invested in any manner that would cause any Bond to constitute an "arbitrage bond" within the meaning of Section 148 of the Code or a "hedge bond" within the meaning of Section 149(g) of the Code.

12. The Village will comply with the provisions of Section 148(f) of the Code relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

## **Investments**

Moneys held in the Funds and Accounts established under the Trust Indenture may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds and Accounts. The Trustee shall make all such investments of moneys held by it in accordance with Written Requests of the Village filed with it. In making any investment in any Investment Securities with moneys in any Fund or Account established under the Trust Indenture, the Village may instruct the Trustee to combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Investment Securities. See **APPENDIX A – TRUST INDENTURE** for the definition of "Investment Securities."

## **Enforcement of Special Assessment Liens**

Where the payment of the Assessment is delinquent, the Village may enforce the collection of the lien through any of the available remedies under Article 9 of the Illinois Municipal Code. Pursuant to Article 9 of the Illinois Municipal Code, the following remedies may be used by the Village to enforce the non-payment of the Assessment:

1. The delinquent special assessment tax may be included in the Kendall County Collector's Annual Tax Sale;
2. The Village may institute an action to foreclose the lien; or
3. The Village may sell or assign the special assessment lien to a third party, subject to court approval.

Each of the above enforcement remedies will be discussed more fully below.

Enforcement Through the County Collector's Annual Tax Sale. In counties, such as Kendall, where the population is less than 1,000,000, the tax sale process begins with the County Collector, prior to August 15th of each year, designating a day in the month of October upon which application will be made to the circuit court for judgment and order of sale for unpaid special assessment taxes and the date upon which the taxes will be sold. (The sale must take place on the Monday succeeding the date designated by the collector for the application). An advertisement containing the date of the application and the date of the sale must be published, at least once, not more than 30 days but not less than 15 days prior to the date of the application for judgment and order of sale.

Subsequent to August 15th of each year, the Village shall submit to the County Collector a report setting forth all properties on which he/she has been unable to collect either special and/or special assessment taxes. The Village's report shall be submitted to the County Collector not less than 5 days prior to the date fixed for application for judgment.

Once the County Collector receives the municipality's delinquency list, the County Collector shall proceed to obtain judgment against those properties for which special assessments and/or special taxes remain due and unpaid. The County Collector's application for judgment against lands for unpaid special taxes and/or special assessments shall be made concurrently with the County Collector's annual application for judgment and order of sale. It is from this point forward that delinquent special taxes and special assessments are treated no differently than unpaid general taxes under the Illinois Property Tax Code. The link between the sale of unpaid special assessments and unpaid general taxes can be found in Section 9-2-97 of the Illinois Municipal Code where it is expressly stated that the provisions of the Illinois Property Tax Code shall apply to all proceedings to collect special assessments and special taxes under the Code.

From here, the focus shifts to the tax sale provisions of the Illinois Property Tax Code. After the proper notice has been given, the County Collector can then apply for judgment upon those special assessments or special taxes that remain due and unpaid for the year in question. Upon entry of the judgment, and provided the delinquent taxes are not subsequently paid by the taxpayer, the County Collector conducts an annual tax sale. Successful purchasers at the tax sale pay the amount of the delinquent special assessment taxes, together with interest, penalties and costs for the least penalty percentage. Upon full payment of this amount, plus the payment of any prior outstanding taxes on the property, the tax purchaser receives a certificate of purchase. At which time, the lien for all delinquent taxes is shifted from the County to the tax purchaser. The certificate of purchase represents a lien, which may, in the absence of the delinquent taxpayer's exercise of its right of redemption, entitle the holder to obtain a tax deed and legal title to the parcel of real estate. Although redemption periods vary with the type of property involved and the procedure by which the certificate of purchase is obtained, in most cases, the redemption period is two years from the date of the tax sale for commercial and industrial properties and two and one half years from the date of the tax sale for residential properties (seven or less dwelling units).



If the lien for special assessment taxes is not sold at the annual tax sale, the Property Tax Code requires the tax lien to be forfeited to the State. Although the Property Tax Code refers to the lien being forfeited to the State, the Village's interest in the lien remains unchanged and the forfeiture may be redeemed by paying the amount due on the delinquent special assessment, together with the interest, costs and penalties fixed by law to the Village Collector. There is no time limit within which the forfeiture must be redeemed. If the forfeiture remains unpaid, however, it may trigger some other tax enforcement procedures under the Property Tax Code, such as tax forfeiture sales, scavenger sales and foreclosure sales. Under these other enforcement procedures, purchasers receive certificates of purchase and generally acquire the same rights as any other certificate of purchase holders, subject to different penalty interest schedules and, in certain circumstances, a shorter redemption period.

Foreclosure Action. Pursuant to Section 9-2-65 of the Illinois Municipal Code, the Village is authorized to institute an action to foreclose the special assessment lien. Where a foreclosure action has been filed, the real property which is subject to the special assessment lien, may be sold at a judicial foreclosure sale. Any action to foreclose the special assessment lien shall proceed in the same manner as foreclosures of delinquent general taxes under the Illinois Property Tax Code.

In an action to foreclose the special assessment lien, the court, upon making a finding that there has been a default in the payment of the special assessment, will authorize the lien to be sold at a public foreclosure sale. Where the lien has been sold, the successful bidder will be given a certificate of sale, which, if the lien is not redeemed prior to the expiration of the period of redemption, may be converted into a deed to the property. The Illinois Constitution prescribes certain minimum redemption periods for the redemption of delinquent property taxes, including special assessments. While these minimum redemption periods may not be shortened, the Illinois General Assembly has provided for longer periods of redemption for certain types of properties. For instance, for residential property with less than seven dwelling units, the Illinois Constitution provides for a minimum redemption period of two years. Under the Illinois Property Tax Code, the legislature has extended the minimum redemption period for such properties to two and a half years. Reference should be made to both the Illinois Constitution and the Illinois Property Tax Code for determining the applicable period of redemption for a particular property.

The lien for a special assessment is of equal force and validity with a lien for general real estate taxes. Therefore, when general real estate taxes and special assessments are sold together at a foreclosure sale and the amount of the sale is insufficient to satisfy each the liens in full, the proceeds from the sale will be divided between the two taxes on a pro rata basis.

Such foreclosure actions, as described above, are not mandatory under the Code. However, in the Trust Indenture the Village has covenanted with the holders of the Bonds to diligently enforce the Assessments. For a description of this covenant, as well as other events of default and remedies under the Trust Indenture, see **APPENDIX A - TRUST INDENTURE**. Furthermore, as trustee for the holders of the special assessment bonds, the bondholders may compel the Village to perform its duty and use all lawful means, including foreclosure, to collect the assessments out of which the bondholders are to be paid.

Moreover, no assurances can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. See "**RISK FACTORS - Potential Delay and Limitations in Foreclosure Proceedings**" below. The ability of the Village to foreclose the lien of delinquent special assessments might be limited in certain instances (i.e., consent may be required prior to foreclosure where the property is being held by the Federal Deposit Insurance Corporation (the "FDIC"), as receiver). See "**RISK FACTORS - Bankruptcy**" and "**RISK FACTORS - Assessment Delinquencies**." Nor can any assurances be given that the real property subject to sale or foreclosure and sale will be sold or, if sold, that the proceeds will be sufficient to pay any delinquent installment. There is no requirement under the Code that the Village purchase or otherwise acquire any lot or parcel of property offered for sale or subject to foreclosure if there is no other purchaser at such sale.

Sale and Assignment of Special Assessment Lien. As an alternative enforcement method to the Village initiating a foreclosure action, Article 9 of the Illinois Municipal Code authorizes the Village to sell and assign the enforcement of the special assessment lien to a third party. In order for the Village to sell and assign the special assessment lien, the Village must first file a petition in the Circuit Court of Kendall County seeking authorization for the assignment, together with proper notification to the owners of the properties affected and owners and holders of the special assessment bonds and vouchers.

If, after hearing the petition, the court authorizes the Village to sell and assign the special assessment lien, the Village may, upon proper notice, sell the liens at a public sale. Upon the confirmation of the sale by the court, the purchaser of the lien will receive from the Village a certificate of sale and assignment of the lien.

Notwithstanding the sale and assignment of the lien to a third party, the special assessment lien may still be redeemed by payment of the lien amount, plus costs and penalties, to the County Clerk at anytime prior to the entry of a foreclosure judgment.

Similar to the authority granted to the Village, the assignee of the special assessment lien may file a complaint to foreclose the lien. However, the assignee's filing of the foreclosure action must occur within 5 years from the date of the sale and assignment of the special assessment lien. If no action is commenced within 5 years from the assignment date, the lien and all rights of action to enforce the same shall expire and cease to exist.

## **THE SERVICING AGREEMENT**

Pursuant to the Bond Ordinance, the Village has retained Municap, Inc. to serve as third party administrator and servicing agent for Assessments within the Development. Municap, Inc. (the "Servicing Agent") and the Village will, prior to the delivery of the Bonds, enter into the Service Agreement (the "Servicing Agreement") dated as of January 1, 2018. Pursuant to the Servicing Agreement, the Servicing Agent is to (i) administer the collection of the Assessments; (ii) keep the books and records of account with respect to the Assessment Roll, as amended from time to time at the direction of the Village; (iii) cause publication of and make demand for payment of the Assessments; (iv) send installment bills and give receipt for payment of same; (v) make publication of the delinquencies and convey information on same to the Trustee; (vi) prepare for signature of the Trustee notice and report to the Kendall County general officer receiving taxes of installment delinquencies; and (vii) receive requests for Prepayments and calculate the amount due on any Assessment at the time of Prepayments and give receipt for the same. Pursuant to the Servicing Agreement, the Servicing Agent will diligently pursue collection of the Assessments and is to invoke the interest and penalties provisions to the full extent authorized by the Bond Ordinance. See **APPENDIX D – THE SERVICING AGREEMENT**.

## **THE DEVELOPMENT**

The information provided in this section "**THE DEVELOPMENT**" has been included because it may be considered relevant to an informed evaluation and analysis of the Bonds. The Development is a residential development, containing detached single family and duplex homes on the site. The Bonds are secured solely by the Assessments and certain other amounts on deposit with the Trustee. See "**SECURITY AND SOURCE OF PAYMENT FOR THE BOND.**"

A map of the Development can be found in **APPENDIX G – MAP OF THE DEVELOPMENT**.

## **General**

The Lots that were developed consist of an approximately 245 acre parcel known as Lakewood Creek. When completed, the project in its entirety had 413 single family homes and 322 multifamily (duplex) homes. The plat and engineering plans were approved by the Village for the Lots. All of the Lots have been sold to individuals or entities unrelated to the original developer or owner. Of the 735 homes, 58 homes (45 single family and 13 duplex homes) had prepaid their assessments as of December 1, 2017.

Sanitary sewer service and treatment is provided by the Fox Metro Water Reclamation District. Water is supplied by the Village. The cable T.V. franchise in this region is Comcast, AT&T and Metronet. Northern Illinois Gas Co., and Commonwealth Edison provide gas, and electrical service, respectively, to the Site.

## **Zoning**

The Lots are classified as an R-2/R-3/R-4 Planned Unit Development permitting development of each Unit with the densities and bulk restrictions set forth in the preliminary engineering plans which have been approved by the Village. The Development plan consisted of 735 residential units and the final plats and engineering plans were separately approved for each unit by the Village. The final plat approval for all Units has been secured.

## **The Improvements**

The Improvements consisted of sanitary sewers, storm sewers, water mains, streets, curbs, gutters, sidewalks, street lights, road improvements, grading, excavation, landscaping and engineering. The Improvements were financed from Series 2001 Bond proceeds (together with interest earnings thereon) in the amount of approximately \$8,926,831 and Developer's equity in the amount of approximately \$1,818,276. All of the Improvements have been completed, and an Order Approving Certificate of Cost and Completion was entered by the Circuit Court on December 17, 2003.

## **THE VILLAGE**

The Village is located in the Fox River Valley in northern Illinois covering a 10 square mile area in southern Kane County and northern Kendall County. Located immediately south of the City of Aurora, the Village is 6 miles west of the City of Naperville, 18 miles northwest of the City of Joliet, and 43 miles west of the City of Chicago "loop" business district. The Fox River runs through the center of the Village.

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.

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 57 full-time employees and 11 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 an unincorporated subdivision with a population of approximately 9,000. Sanitary sewerage treatment is provided by the Fox Metro Water Reclamation District, whose treatment plant is located near the Village.

## **Transportation**

The Village is easily accessed by different modes of transportation. U.S. Route 30 is the major east-west corridor, while Illinois Routes 25 and 31 along with Orchard Road are the major north-south corridors. The north-south corridors give access to Interstate 88, which is five miles to the north; which provides connection to O'Hare and Midway airports. O'Hare is approximately 30 miles away, while Midway is approximately 37 miles away. By car, the Loop, O'Hare Airport and Midway Airport are 55, 50 and 60 minutes away, respectively. Other public/private airports nearby include Aurora Municipal Airport in Sugar Grove, Clow Airport in Bolingbrook and DuPage Airport in St. Charles. The Village is also served by the Burlington Northern/Santa Fe Railroads with commuter access being a short drive away in downtown Aurora.

## **Commerce and Industry**

There is a wide variety of commercial establishments in the Village including JC Penney, Menards, WalMart, Sam's Club, Walgreens, Aldi, Firestone, Harris Bank, Jimmy John's, Fifth Third Bank, and Chase Bank. In addition the Village has a diversified base of industrial, manufacturing, processing, wholesale and logistics firms. Among those firms are Butterball, Performance Food Service, Aurora Metals, Aurora Bearing, Hormann GADCO, Eby-Brown, United Facilities (General Mills), Yellow Transportation, Home Depot, and Lyon Workspace Products.

The Village saw commercial and industrial development rebound beginning in calendar year 2015, further into calendar year 2016, and continue to thrive in the community. 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 O'Reilly Auto Parts and Speedway, as well as other new businesses occupying vacant buildings like Food Market La Chiquita and South Moon BBQ. As the economy continues the steady recovery, many small business owners are exploring expansion and growth strategies. One great example is the expansion of the Riverview Diner across the Fox River from the Village Hall.

Commercial development has helped the Village's sales tax, our single largest revenue source. The Village receives a one percent state sales tax on retail sales of tangible personal property within the Village. Sales tax is collected by the State and 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 the Village. In fact, sales tax stayed fairly consistent even through the Great Recession. On July 1, 2015, the Village began collecting a non-home rule sales tax on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. Although the Village budgeted for \$150,000 in non-home rule sales tax revenues per month, non-home rule sales tax revenue has averaged approximately \$210,000. This new revenue source is being utilized to maintain or build infrastructure throughout the community.

The largest industrial project by far was the announcement by American Crystal and United Sugars Corporation (USC) of the ground breaking on a new \$30 million bulk sugar storage and transfer facility. The 20-acre facility consists of a 26,000 square-foot bulk storage dome, a 17,000 square foot transfer facility and 5,500 feet of rail track space. The dome itself stands 134 feet high and 183 feet wide. There is also room for a second dome. The dome holds over 60,000 metric tons or 1.3 million hundredweights of sugar and enables the transfer of nearly twice that amount to many of the largest sugar users in the U.S. The facility is not attached to a producing sugar factory, making it the largest freestanding sugar storage facility of its kind in the country. United Sugars' Montgomery facility is the largest single sugar storage asset in the U.S. and began operations in late 2016.

In addition, Nexeo Solutions and Old Dominion Freight Line have also built industrial buildings in the Village within the last year. Nexeo Solutions, the largest global chemical and plastics distributor, completed a \$12 million, 158,000 square-foot warehouse and plastics distribution facility in early 2017. Old Dominion Freight Line, an industry-leading domestic and global shipper, began construction in November 2016 of a \$13 million, 52,000 square-foot freight depot that was completed in June 2017.

## **Community Life**

### *Parks and Open Space*

The Village is served by both the Fox Valley Park District and the Oswegoland Park District. The Village is home to an impressive 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 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.

Waubensee 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 several healthcare facilities located in the area including two hospitals, Presence Mercy and Rush Copley Medical Centers, located in nearby Aurora. Presence Mercy and Rush Copley offer a wide range of care in both medical treatment and behavioral health services. The Presence Mercy complex has nearly 300 beds and the Rush Copley complex has more than 200 beds. These facilities are supplemented by more than 300 doctors and 100 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 County. 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)				
	2013	2014	2015	2016	2017
Farm and Forestry.....	485	448	448	510	477
Mining and Quarrying.....	106	115	135	152	116
Construction.....	7,089	7,751	8,314	9,224	9,647
Manufacturing.....	30,653	30,334	31,063	31,318	31,649
Transportation, Communications, Utilities.....	6,238	6,597	6,485	6,576	6,936
Wholesale Trade.....	12,188	12,220	12,733	13,258	12,845
Retail Trade.....	19,628	19,889	20,476	21,158	21,041
Finance, Insurance, Real Estate.....	9,060	9,061	8,898	8,710	8,514
Services (2).....	81,151	83,417	83,376	80,976	84,401
Total.....	166,598	169,832	171,928	171,882	175,626

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(1)

Name	Product/Service	Approximate Employment
Caterpillar, Inc. ....	Construction Equipment.....	2,000 (2)
PERFORMANCE Foodservice – Fox River .....	Food Service Distributors .....	435
Eby-Brown Co., LLC.....	Wholesale Tobacco and Confectionary .....	400
V F Illinois Services.....	Soap, Glycerin and Fatty Acids .....	350
Lyon, LLC.....	Steel Storage Equipment and Cabinets Company Headquarters.....	300
Aurora Bearing Co. ....	Bearings.....	250
Hormann, LLC.....	Overhead Garage Doors Company Headquarters.....	200
Aurora Metals Division, LLC.....	Copper-Based Alloy, Gray Iron and Stainless Steel Castings.....	140
International Paper .....	Corrugated Cartons.....	120
Energy Services Air-Conditioning & Heating Co.....	HVAC and Electrical Contractors .....	100
Michels Corp. ....	Industrial Contractors .....	100
Lakone Co. ....	Custom Plastic Injection and Molding .....	85

Notes: (1) Source: 2017 Illinois Manufacturers Directory, 2017 Illinois Services Directory and a selective telephone survey.  
(2) Caterpillar, Inc. has announced its plan to move approximately 800 manufacturing jobs from this facility, reduce its manufacturing space and eliminate the use of a large building on the campus. There have been no reductions in workforce thus far.

#### Major Area Employers(1)

Location	Name	Product/Service	Approximate Employment
Naperville.....	Edward Hospital .....	General Hospital.....	4,500
Naperville.....	Alcatel-Lucent .....	Telecommunications Research & Development.....	3,000
Aurora.....	Rush-Copley Medical Center.....	Hospital and Medical Center .....	2,000
Batavia.....	Fermi Research Alliance .....	High Energy Physics Research Laboratory.....	1,700
Sugar Grove.....	Waubensee Community College.....	Community College.....	1,460
Aurora.....	Provena Mercy Medical Center.....	Medical & Psychiatric Hospital .....	1,300
Naperville.....	BP.....	Chemical & Petrochemical Research .....	1,200
Aurora.....	Dreyer Medical Clinic .....	Medical Services.....	1,200
Naperville.....	Nalco Company .....	Water Treatment Company Headquarters .....	1,200
Batavia.....	Suncast Corp. ....	Plastic Lawn Products .....	800
Aurora.....	MetLife, Inc. ....	Insurance and Financial Services .....	760

Note: (1) Source: 2017 Illinois Manufacturers Directory, 2017 Illinois Services Directory and a selective telephone survey.

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 2012-2016 American Community Survey 5-year estimated values.

### Employment By Industry(I)

Classification	The Village		Kane County		Kendall County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining .....	226	2.4%	1,482	0.6%	689	1.1%	65,146	1.1%
Construction .....	479	5.0%	16,837	6.5%	3,431	5.5%	317,245	5.2%
Manufacturing .....	1,265	13.3%	44,176	17.1%	8,302	13.3%	763,429	12.4%
Wholesale Trade .....	532	5.6%	10,266	4.0%	2,362	3.8%	187,477	3.1%
Retail Trade .....	898	9.4%	29,089	11.3%	7,107	11.4%	670,576	10.9%
Transportation and Warehousing, and Utilities .....	865	9.1%	12,718	4.9%	4,771	7.6%	370,802	6.0%
Information .....	140	1.5%	5,297	2.0%	976	1.6%	121,338	2.0%
Finance and Insurance, and Real Estate and Rental and Leasing.....	563	5.9%	17,044	6.6%	5,025	8.0%	448,924	7.3%
Professional, Scientific, and Management, and Administrative and Waste Management Services ..	963	10.1%	32,690	12.7%	5,942	9.5%	709,106	11.6%
Educational Services and Health Care and Social Assistance.....	1,865	19.5%	48,416	18.7%	13,968	22.3%	1,404,905	22.9%
Arts, Entertainment and Recreation and Accommodation and Food Services.....	801	8.4%	21,990	8.5%	4,317	6.9%	556,087	9.1%
Other Services, Except Public Administration...	352	3.7%	11,499	4.4%	3,370	5.4%	291,022	4.7%
Public Administration.....	591	6.2%	6,908	2.7%	2,345	3.7%	228,064	3.7%
Total .....	9,540	100.0%	258,412	100.0%	62,605	100.0%	6,134,121	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

### Employment By Occupation(I)

Classification	The Village		Kane County		Kendall County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts .....	3,872	40.6%	88,233	34.1%	24,462	39.1%	2,280,198	37.2%
Service.....	1,199	12.6%	42,672	16.5%	8,310	13.3%	1,062,499	17.3%
Sales and Office .....	2,159	22.6%	64,916	25.1%	16,758	26.8%	1,489,090	24.3%
Natural Resources, Construction, and Maintenance .....	764	8.0%	20,156	7.8%	5,253	8.4%	443,197	7.2%
Production, Transportation, and Material Moving.....	1,546	16.2%	42,435	16.4%	7,822	12.5%	859,137	14.0%
Total .....	9,540	100.0%	258,412	100.0%	62,605	100.0%	6,134,121	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

### Annual Average Unemployment Rates(I)

Calendar Year	The Village	Kane County	Kendall County	The State
2008 .....	2.9%	6.3%	6.1%	6.4%
2009 .....	4.8%	10.5%	10.1%	10.1%
2010 .....	11.1%	11.0%	10.2%	9.6%
2011 .....	9.9%	9.8%	9.3%	9.8%
2012 .....	9.0%	8.8%	8.4%	8.9%
2013 .....	9.0%	8.7%	8.4%	9.2%
2014 .....	7.0%	6.8%	6.4%	7.1%
2015 .....	5.5%	5.8%	5.1%	5.9%
2016 .....	5.5%	5.5%	5.2%	5.9%
2017(2) .....	N/A	4.1%	4.1%	4.6%

Notes: (1) Source: Illinois Department of Employment Security.  
(2) As of September 2017.



## Building Permits

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

Calendar Year	Residential Single-Family Units	Value	Residential Multi-Family Units	Value	Commercial Units	Value	Industrial Units	Value	Miscellaneous Units	Value	Total Units	Value
2007....	244	\$46,903,500	0	\$ 0	7	\$3,414,200	0	\$ 0	956	\$18,223,141	1,207	\$68,540,841
2008....	91	16,046,000	0	0	6	2,074,500	1	1,170,000	767	10,180,261	865	29,470,761
2009....	55	9,004,500	0	0	2	1,551,500	0	0	547	7,706,847	604	18,262,847
2010....	67	11,772,000	0	0	1	850,000	0	0	535	3,127,526	603	15,749,526
2011....	46	8,631,500	0	0	1	730,000	0	0	522	6,812,263	569	16,173,763
2012....	51	10,251,000	0	0	1	500,000	0	0	446	8,287,589	498	19,038,589
2013....	25	4,527,500	0	0	2	7,000,000	1	30,000	531	5,432,152	559	16,989,652
2014....	31	5,346,000	0	0	3	2,923,970	0	0	474	3,994,683	508	12,264,653
2015....	28	5,069,500	1	440,000	2	3,285,000	1	750,000	537	11,075,152	569	20,619,652
2016....	4	639,000	4	440,000	7	7,139,000	4	29,405,509	582	10,196,377	601	47,819,886

Note: (1) Sources: 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 \$192,600, which compares with \$215,800 for Kane County, \$205,500 for Kendall County and \$174,800 for the State. The following table represents the five year average market value of specified owner-occupied units for the Village, Kane and Kendall Counties and the State at the time of the 2012-2016 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 .....	85	1.8%	3,998	3.1%	929	2.9%	236,380	7.5%
\$50,000 to \$99,999 .....	310	6.4%	10,289	8.1%	1,423	4.4%	514,549	16.2%
\$100,000 to \$149,999 .....	768	16.0%	19,031	15.0%	5,231	16.3%	527,244	16.6%
\$150,000 to \$199,999 .....	1,518	31.6%	24,486	19.3%	7,735	24.1%	520,909	16.4%
\$200,000 to \$299,999 .....	2,044	42.5%	34,878	27.4%	11,744	36.5%	643,217	20.3%
\$300,000 to \$499,999 .....	77	1.6%	26,549	20.9%	4,607	14.3%	479,792	15.1%
\$500,000 to \$999,999 .....	7	0.1%	6,872	5.4%	441	1.4%	196,189	6.2%
\$1,000,000 or more .....	0	0.0%	972	0.8%	42	0.1%	48,801	1.5%
Total .....	4,809	100.0%	127,075	100.0%	32,152	100.0%	3,167,081	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

### Mortgage Status(1)

	The Village		Kane County		Kendall County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage .....	3,951	82.2%	93,172	73.3%	25,714	80.0%	2,071,942	65.4%
Housing Units Without a Mortgage .....	858	17.8%	33,903	26.7%	6,438	20.0%	1,095,139	34.6%
Total .....	4,809	100.0%	127,075	100.0%	32,152	100.0%	3,167,081	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

## Income

### Per Capita Personal Income for the Highest Income Counties in the State(1)

Rank		2012-2016
1	Lake County	\$40,655
2	DuPage County	40,547
3	Monroe County	35,699
4	McHenry County	34,589
5	Piatt County	33,197
6	Putnam County	32,584
7	Woodford County	32,360
8	Will County	32,311
9	Cook County	32,179
10	<b>Kendall County</b>	<b>31,920</b>
11	Sangamon County	31,904
12	<b>Kane County</b>	<b>31,774</b>

Note: (1) Source: U.S. Bureau of the Census American Community 5-Year Estimates 2012-2016.

The following shows a ranking of median family income for the Chicago metropolitan area from the 2012-2016 American Community Survey.

### Ranking of Median Family Income(1)

County	Family Income	State Rank
DuPage County	\$100,467	1
Lake County	97,079	2
<b>Kendall County</b>	<b>93,135</b>	<b>3</b>
McHenry County	92,187	4
Will County	90,541	5
<b>Kane County</b>	<b>83,680</b>	<b>8</b>
Cook County	70,076	20

Note: (1) Source: U.S. Bureau of the Census American Community 5-Year Estimates 2012-2016.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median family income of \$90,096. This compares to \$83,680 for Kane County, \$93,135 for Kendall County and \$73,714 for the State. The following table represents the distribution of family incomes for the Village, Kane and Kendall Counties and the State at the time of the 2012-2016 American Community Survey.

### Family Income(1)

Income	The Village		Kane County		Kendall County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	41	0.9%	3,739	2.9%	568	1.8%	132,725	4.3%
\$10,000 to \$14,999	26	0.6%	2,374	1.8%	263	0.8%	80,194	2.6%
\$15,000 to \$24,999	60	1.3%	6,816	5.3%	810	2.6%	209,560	6.7%
\$25,000 to \$34,999	284	6.2%	8,524	6.6%	1,140	3.6%	238,239	7.6%
\$35,000 to \$49,999	478	10.4%	13,549	10.5%	3,191	10.2%	366,398	11.7%
\$50,000 to \$74,999	1,000	21.8%	22,540	17.4%	5,480	17.5%	559,852	17.9%
\$75,000 to \$99,999	840	18.3%	19,353	14.9%	5,702	18.2%	458,296	14.7%
\$100,000 to \$149,999	1,248	27.2%	27,481	21.2%	7,694	24.6%	568,779	18.2%
\$150,000 to \$199,999	219	4.8%	12,924	10.0%	4,085	13.1%	248,870	8.0%
\$200,000 or more	396	8.6%	12,175	9.4%	2,318	7.4%	259,684	8.3%
Total	4,592	100.0%	129,475	100.0%	31,251	100.0%	3,122,597	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median household income of \$80,900. This compares to \$71,602 for Kane County, \$85,736 for Kendall County and \$59,196 for the State. The following table represents the distribution of household incomes for the Village, Kane and Kendall Counties and the State at the time of the 2012-2016 American Community Survey.

### Household Income(1)

Income	The Village		Kane County		Kendall County		The State	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under \$10,000 .....	97	1.6%	7,286	4.2%	1,056	2.7%	341,280	7.1%
\$10,000 to \$14,999 .....	90	1.5%	5,454	3.1%	603	1.5%	212,171	4.4%
\$15,000 to \$24,999 .....	270	4.5%	13,180	7.6%	1,448	3.7%	463,092	9.6%
\$25,000 to \$34,999 .....	527	8.7%	13,705	7.9%	2,238	5.7%	439,726	9.2%
\$35,000 to \$49,999 .....	575	9.5%	20,308	11.7%	4,163	10.6%	605,086	12.6%
\$50,000 to \$74,999 .....	1,285	21.3%	30,412	17.5%	7,174	18.3%	842,052	17.5%
\$75,000 to \$99,999 .....	1,147	19.0%	23,798	13.7%	7,244	18.4%	612,265	12.7%
\$100,000 to \$149,999 .....	1,433	23.7%	32,271	18.6%	8,588	21.9%	698,513	14.5%
\$150,000 to \$199,999 .....	219	3.6%	14,077	8.1%	4,258	10.8%	289,346	6.0%
\$200,000 or more .....	396	6.6%	13,277	7.6%	2,503	6.4%	298,593	6.2%
Total .....	6,039	100.0%	173,768	100.0%	39,275	100.0%	4,802,124	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

## SPECIAL ASSESSMENT PROCEEDINGS

### The Act

Section 7 of Article VII of the Illinois Constitution permits a non-home rule unit to make local improvements by special assessment. Pursuant to the Illinois Municipal Code, as amended, including, in particular, the Special Assessment Law, being Article 9 of the Illinois Municipal Code as supplemented by the Act which, among other things, provides for the issuance and sale of bonds payable from special assessments, procedures are established for the making of such local improvements by the imposition of special assessments.

### Special Assessments

Pursuant to the Act, the Village adopted Ordinance Number 920 on November 27, 2000, providing for the Assessment (the "Special Assessment Ordinance"). Pursuant to the Special Assessment Ordinance, the Village determined to construct the Improvements and to issue the Bonds to finance the Improvements, and approved plans and an estimate of cost for the Improvements.

### Collection of Special Assessments

In general, when an individual fails to pay his assessment, the unpaid assessment is reported as delinquent to the county in which the property is located, and the property is sold at the annual tax sale in the same manner as if the real estate taxes for the property had not been paid. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Enforcement of Special Assessment Liens."

## **RISK FACTORS**

Investment in the Bonds involves risks which may not be appropriate for certain investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth in this Final Official Statement, in evaluating the Bonds. This discussion does not purport to be comprehensive or definitive. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners on the Site to pay their Assessments when due. Such failures to pay Assessments could result in the inability of the Village to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property on the Site.

### **Limited Source of Funds**

The Bonds, together with the interest thereon, are limited obligations of the Village, payable solely from the Assessments and the amounts on deposit in certain of the funds and accounts established and maintained under the Trust Indenture, all as more fully set forth therein. The Bonds are not general obligations of the Village and do not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation. No holder of the Bonds shall have the right to compel the exercise of any taxing power of the Village for payment of principal thereof or interest or premium, if any, thereon. See **"SECURITY AND SOURCE OF PAYMENT FOR THE BONDS - General"** herein.

### **Overlapping Indebtedness**

The Assessments and any penalties assessed for failure to pay such Assessments will constitute a lien against the parcels of land on which they will be levied until such Assessments are paid. Such lien will be on a parity with all special taxes and special assessments which may be levied by other agencies and the lien for general ad valorem real property taxes regardless of when they are imposed upon the same property. The Village, however, has no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the property within the Development.

The ability of an owner of land within the Development to pay the Assessments could be adversely affected if additional debt is issued or additional taxes or assessments are levied which are payable by the owners of land within the Development. The Imposition of additional liens, whether public or private, may reduce the ability or willingness of the landowners to pay the Assessments.

### **Assessment Delinquencies**

In order to pay debt service on the Bonds, it is necessary that the Assessments be paid in a timely manner. See **"SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Enforcement of Special Assessment Liens"** for a discussion of the provisions which apply, and procedures which the Village is obligated to follow under the Trust Indenture, in the event of delinquencies in the payment of Special Assessments. See **"RISK FACTORS - Potential Delay and Limitations in Foreclosure Proceedings"** and **"- Bankruptcy"** below, for a discussion of limitations on the Village's ability to foreclose the lien of delinquent unpaid Special Assessment in certain circumstances.

## **Potential Delay and Limitations in Foreclosure Proceedings**

The ability of the Village to foreclose the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency and other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. See "**RISK FACTORS - Bankruptcy.**" In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

The ability of the Village to foreclose the lien of a delinquent unpaid Assessment payment may be limited with regard to properties in which the FDIC or any successor to the FDIC may acquire an interest. The FDIC currently does not have an interest in the land within the Development. However, if a lender takes a security interest in property in the Development and becomes insolvent, such a lender could fall under the jurisdiction of the FDIC. The FDIC could assert federal preemptive power to challenge any prior taxes, special taxes and assessments where it is in their interest to do so, including the requirement that local agencies obtain the consent of the FDIC in order to foreclose the lien of delinquent Assessments.

If the Village is required to obtain the consent of the FDIC to foreclose on property located in the Development, such consent could be denied and the Village might be unable to pursue foreclosure proceedings. Additionally, obtaining such consent could delay the foreclosure proceedings. Any delay in foreclosure proceedings or the inability of the Village to foreclose on property in the Development in which the FDIC has an interest could result in a delay or default in payment of the Bonds.

In addition, potential investors should be aware that judicial foreclosure proceedings are not summary remedies and can be subject to significant procedural and other delays caused by crowded court calendars and other factors beyond the control of the Development or the Village. In addition, the Illinois Constitution prescribes certain minimum redemption periods, which may be as long as three years, in the event of foreclosure. See "**SECURITY AND SOURCE OF PAYMENT FOR THE BONDS - Enforcement of Special Assessment Liens.**" It should be assumed that under current conditions, it is estimated that a judicial foreclosure of the lien of the Assessment could take several years from initiation of litigation to the lien foreclosure sale.

Delays and uncertainties in the Assessment lien foreclosure process create significant risks for Bondowners. High rates of Assessment payment delinquencies which continue during the pendency of protracted Assessment lien foreclosure proceedings, could result in the rapid, total depletion of the Debt Service Reserve Account prior to replenishment from the resale of parcels in the Development upon foreclosure. In that event, there could be a default in payments of the principal of, and interest on, the Bonds.

## **Condemnation**

There may be an occasion where property within the Site is acquired by a unit of government through condemnation. When this occurs, the unit of government that acquired the property may seek to have the property declared exempt from taxation under the general exemption provisions of the Illinois Property Tax Code. A declaration that a property is exempt from taxation under these provisions does not, however, extend to special assessments. Notwithstanding the inapplicability of general exemption laws to special assessments, special assessments have been declared invalid where the property to be assessed is either owned by the State or the United States Government.

In addition, there is no assurance that future legislation will not be considered or enacted which will extend these general exemption provisions to special assessments or that judicial interpretations of existing Illinois law relating to the inapplicability of the general exemption provisions may be reconsidered or modified as to materially adversely affect the ability to collect the Assessment from such properties owned by units of local government.

### **Bankruptcy**

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although a bankruptcy proceeding would not cause the Assessments to become extinguished, the amount and priority of any Assessment Lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by a bankruptcy court having jurisdiction. In addition, bankruptcy of a property owner could result in a delay in commencement and completion foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of the principal of, and interest on, the Bonds and the possibility of delinquent tax Assessment installments not being paid in full.

### **Loss of Tax Exemption**

Interest on the Bonds could become includible in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds as a result of a failure of the Village to comply with certain provisions of the Code. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the optional redemption or mandatory redemption provisions of the Trust Indenture.

### **Limited Secondary Market**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. In addition, prices of issues for which a market is being made will depend on then prevailing circumstances. Such prices could be substantially different from the original purchase price.

### **Secondary Market and Prices**

The Underwriter presently does not intend to engage in secondary market trading of the Bonds. The Underwriter is not obligated to engage in secondary trading or to repurchase any of the Bonds at the request of the Owners thereof. No assurance can be given that a secondary market for any of the Bonds will be available and no assurance can be given that the initial offering prices for the Bonds will continue for any period of time.

## **Risk of Legislative and Judicial Changes**

Future legislation, regulations, governmental or judicial interpretation of regulations or legislation or practices and procedures related to property tax assessment, levy, collections or distribution could have a material effect on the calculation or availability of the Assessment. There is no assurance that legislation will not be considered or enacted in the future, and unless provision is made in such legislation for special service areas generally in Illinois, the generation of the Assessment could be materially adversely affected.

## **Information Not Verified**

Information concerning the Development has been obtained from the Village, the Servicing Agent, and other sources believed to be reliable, but much of that information involves predictions of future events, such as sales and ability of homeowners and other property owners to pay their share of the Assessment; such information is, by its nature, not subject to verification.

## **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 the Final 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 obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Final Official Statement, nor is the Municipal Advisor obligated by the Village's continuing disclosure

## **UNDERWRITING**

The Underwriter, Bernardi Securities, Inc., Chicago, Illinois, has agreed to purchase the Bonds from the Village for reoffering, subject to certain conditions, at an aggregate purchase price of \$8,554,850.00, which price reflects principal amount of the Bonds of \$8,650,000.00 and less Underwriter's discount of \$95,150.00. Under the bond purchase agreement between the Village and the Underwriter (the "Bond Purchase Agreement"), the Underwriter is obligated to purchase all of the Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain conditions set forth in the Bond Purchase Agreement. The Underwriter may change the prices and other terms with respect to the offer and sale of the Bonds from time to time after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering price set forth on the cover page of this Final Official Statement, including sales to dealers.

## **LEGAL OPINIONS**

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel. The proposed form of the opinion of Bond Counsel is included herein as **APPENDIX E**. Certain legal matters will be passed upon for the Underwriter by its counsel, Ice Miller LLP, Chicago, Illinois; and for the Village, by its counsel, Mickey, Wilson, Weiler, Renzi and Andersson, P.C., Aurora, Illinois.

## **REGISTRATION, TRANSFER AND EXCHANGE**

The Bonds will be issued in book-entry only form and DTC will act as securities depository for the Bonds. See **“THE BONDS- Book-Entry-Only System”**. If for any reason, the Bonds cease to be issued in the book-entry only, the following information will be relevant.

The Bonds, upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered Owner or its duly authorized attorney, may, at the option of the registered Owner thereof, and upon payment by such registered Owner of any charges which the Trustee may make as provided in the Trust Indenture, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and interest rate of any other Authorized Denominations.

The Bonds shall be transferable only upon the books of the Village, which shall be maintained for such purposes at the corporate trust office of the Trustee, by the registered Owner thereof in person or by its attorney duly authorized in writing, upon surrender thereof at the principal corporate trust office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Owner or its duly authorized attorney. Upon the transfer of any such Bond the Village shall cause the Trustee to issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series, maturity and interest rate as the surrendered Bond, of Authorized Denominations.

The Village and the Trustee may deem and treat the person in whose name any Bond shall be registered upon the books of the Village as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered Owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Village nor the Trustee shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Village shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Trustee and cancelled or retained by the Trustee. For every such exchange or transfer of Bonds, the Village or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Unless otherwise provided in a Supplemental Indenture, neither the Village nor the Trustee shall be required (a) to transfer or exchange Bonds of any Series for the period next preceding any interest payment date for such Bonds beginning with the Regular Record Date for such interest payment date and ending on such interest payment date, or for the period next preceding any date for the proposed payment of Defaulted Interest with respect to such Bonds beginning with the Special Record Date for the date of such proposed payment and ending, on the date of such proposed payment, (b) to transfer or exchange Bonds of any Series for a period beginning 15 days before the mailing of any notice of redemption and ending on the day of such mailing, or (c) to transfer, exchange or register any Bonds called for redemption.

## **TAX MATTERS**

On the date of issuance and delivery of the Bonds, Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel, will deliver an approving opinion with respect to the Bonds. The form of opinion expected to be delivered by Bond Counsel is attached as **APPENDIX E**. A summary of the opinion of Bond Counsel and a general discussion of certain other tax matters relating to the Bonds are set forth below.



Katten Muchin Rosenman LLP, Bond Counsel, is of the opinion that under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Code, Bond Counsel is of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. Bond Counsel is further of the opinion that interest on the Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income. Interest on the Bonds is not exempt from State of Illinois income taxes.

The Code contains certain requirements that must be satisfied from and after the date of issuance of the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of property financed with the proceeds of the Bonds.

### **Covenants to Comply**

The Village has covenanted in the Trust Indenture to comply with the requirements of the Code relating to the exclusion from gross income for Federal income tax purposes of interest on the Bonds.

### **Risks of Non-Compliance**

In the event that the Village fails to comply with the requirements of the Code, interest on the Bonds may become includable in the gross income of the owners thereof for Federal income tax purposes retroactive to the date of issue. In such event, the Trust Indenture requires neither acceleration of payment of principal of, or interest on, the Bonds nor payment of any additional interest or penalties to the owners of the Bonds.

### **Bonds Purchased at a Premium or a Discount**

The difference (if any) between the initial price at which a substantial amount of each maturity of the Bonds is sold to the public (the "Offering Price") and the principal amount payable at maturity of such Bonds is given special treatment for Federal income tax purposes. If the Offering Price is higher than the maturity value of a Bond, the difference between the two is known as "bond premium"; if the Offering Price is lower than the maturity value of a Bond, the difference between the two is known as "original issue discount".

The bond premium and original issue discount are amortized over the term of a Bond on the basis of the owner's yield from the date of purchase to the date of maturity, compounded at the end of each accrual period of one year or less with straight line interpolation between compounding dates, as provided more specifically in the Income Tax Regulations. The amount of bond premium accruing during each period is treated as an offset against interest paid on the Bond and is subtracted from the owner's tax basis in the Bond. The amount of original issue discount accruing during each period is treated as interest that is excludable from the gross income of the owner of such Bond for Federal income tax purposes, to the same extent and with the same limitations as current interest, and is added to the owner's tax basis in the Bond. A Bond's adjusted tax basis is used to determine whether, and to what extent, the owner realizes taxable gain or loss upon disposition of the Bond (whether by reason of sale, acceleration, redemption prior to maturity or payment at maturity of the Bond).

Owners who purchase Bonds at a price other than the Offering Price, after the termination of the initial public offering or at a market discount should consult their tax advisors with respect to the tax consequences of their ownership of the Bonds. In addition, owners of Bonds should consult their tax advisors with respect to the state and local tax consequences of owning the Bonds; under the applicable provisions of state or local income tax law, bond premium and original issue discount may give rise to taxable income at different times and in different amounts than they do for Federal income tax purposes.

## Exclusion From Gross Income Requirements

The Code sets forth certain requirements that must be satisfied on a continuing basis in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. Among these requirements are the following:

**Limitations on Private Use.** The Code includes limitations on the amount of Bond proceeds that may be used in the trade or business of, or used to make or finance loans to, persons other than governmental units.

**Investment Restrictions.** Except during certain “temporary periods,” proceeds of the Bonds and investment earnings thereon (other than amounts held in a reasonably required reserve or replacement fund, if any, or as part of “minor portion”) may generally not be invested in investments having a yield that is “materially higher” (1/8 of one percent) than the yield on the Bonds.

**Rebate of Arbitrage Profit.** Unless the Village qualifies for one of several exemptions, earnings from the investment of the “gross proceeds” of the Bonds in excess of the earnings that would have been realized if such investments had been made at a yield equal to the yield on the Bonds are required to be paid to the United States at periodic intervals. For this purpose, the term “gross proceeds” includes the original proceeds of the Bonds, amounts received as a result of investing such proceeds, and amounts to be used to pay debt service on the Bonds.

## Federal Income Tax Consequences

Pursuant to Section 103 of the Code, interest on the Bonds is not includible in the gross income of the owners thereof for Federal income tax purposes. However, the Code contains a number of other provisions relating to the treatment of interest on the Bonds which may affect the taxation of certain types of owners, depending on their particular tax situations. Some of the potentially applicable Federal income tax provisions are described in general terms below. **PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE BONDS.**

A. *Cost of Carry.* Owners of the Bonds will generally be denied a deduction for otherwise deductible interest on any debt that is treated for Federal income tax purposes as having been incurred or continued to purchase or carry the Bonds.

B. *Individual Owner.* Receipt of interest on the Bonds may increase the amount of Social Security and Railroad Retirement benefits included in the gross income of the recipients thereof for Federal income tax purposes.

C. *Certain Blue Cross or Blue Shield Organizations.* Receipt of interest on the Bonds may reduce a special deduction otherwise available to certain Blue Cross or Blue Shield organizations.

D. *Property or Casualty Insurance Companies.* Receipt of interest on the Bonds may reduce otherwise deductible underwriting losses of a property or casualty insurance company.

E. *Corporate Owners.* Interest on the Bonds is generally taken into account in computing the earnings and profits of a corporation and consequently may be subject to federal income taxes based thereon. Thus, for example, interest on the Bonds is taken into account in computing the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations, and the accumulated earnings tax.

F. *Foreign Personal Holding Company Income.* A United States shareholder of a foreign personal holding company may realize taxable income to the extent that interest on the Bonds held by such a company is properly allocable to the shareholder.

No assurance can be given that any future legislation or clarifications or amendments to the Code, if enacted into law, will not cause the interest on the Bonds to be subject, directly or indirectly, to federal or state income taxation, or otherwise prevent the Bondholders from realizing the full current benefit of the tax status of the interest thereon. Further, no assurance can be given that any such future legislation, or any actions of the Internal Revenue Service including, but not limited to, selection of the Bonds for audit examination, or the course or result of any examination of the Bonds, or other bonds which present similar tax issues, will not affect the market price for the Bonds.

## CONTINUING DISCLOSURE

In the Bond Ordinance, the Village has covenanted and agreed, for the benefit of the beneficial owners of the Bonds, to provide certain financial information and operating data relating to the Assessment within 210 days after the close of the Village's fiscal year (the "Annual Report"); and, in a timely manner, to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the Village with the Municipal Securities Rulemaking Board (the "MSRB") for disclosures on its Electronic Municipal Market Access system ("EMMA"). The information to be contained in the Annual Report will consist of the annual audited financial statement of the Village, and updated information with respect to the statements in the Final Official Statement contained under the captions "**SPECIAL ASSESSMENT ROLL – Delinquency/Collection Rates**", "**SPECIAL ASSESSMENT ROLL – Value to Lien Ratio**" and "**DEBT SERVICE REQUIREMENTS.**" Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units and will be prepared in accordance with standards of the Governmental Accounting Standards Board. If the audited financial statement is not available, then an unaudited financial statement will be included in the Annual Report and the audited financial statement will be filed promptly after it becomes available. The Village, in a timely manner not in excess of ten business days after the occurrence of the event, shall provide notice to the MSRB for disclosure on EMMA of any failure of the Village to provide any such report within the 210 day period and of the occurrence of any of the following events with respect to the Bonds.

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 Bonds, or other material events affecting the tax status of the Bonds
7. Modifications to the rights of security holders, if material
8. Bond calls, if material
9. Defeasances
10. Release, substitution or sale of property securing repayment of the Bonds, if material
11. Rating changes
12. Tender offers
13. Bankruptcy, insolvency, receivership or similar event of the Village\*
14. 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
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

\* 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.

The Village has agreed to the foregoing undertakings in order to assist participating underwriters of the Bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Exchange Act (“Rule 15c2 12(b)(5)”). The Village will provide the foregoing information for so long as Rule 15c2-12(b)(5) is applicable to the Bonds and the Village remains an “obligated person” under the Rule with respect to the Bonds. No provision of the Bond Ordinance limits the remedies available to any beneficial owner of the Bonds with respect to the enforcement of the continuing disclosure covenants of the Village described above. Failure to comply with the continuing disclosure covenants will not constitute an event of default under the Bond Ordinance or the Trust Indenture.

The Village may amend the continuing disclosure undertakings contained in the Bond Ordinance upon a change in circumstances provided that (a) the change in circumstances arises from a change in legal requirements, law, or change in the identity, nature or status of the Village or the type of business conducted by the Village, (b) the undertakings, as amended, would have complied with the requirements of Rule 15c2-12(b)(5) at the time of this offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the Village, the amendment does not materially impair the interests of the beneficial owners of the Bonds.

### **Late Filing of Annual Reports and Corrective Action**

The Village, pursuant to issuing the Series 2006 Bonds, General Obligation (Alternate Revenue Source) Bonds, Series 2008A (the “Series 2008A Bonds”), General Obligation Alternate Revenue Source Refunding Bonds, Series 2010 (the “Series 2010 Bonds”), General Obligation Alternate Revenue Source Refunding Bonds, Series 2011 (the “Series 2011 Bonds”), and General Obligation Alternate Bonds, Series 2013 (the “Series 2013 Bonds” and, collectively, the “Prior Obligations”), entered into prior undertakings (each an “Applicable Prior Undertaking”) to file its audited financial statements, annual financial information, and notice of certain events with respect to the Prior Obligations pursuant to Rule 15c2-12(b)(5). The list of events for which the Village is required to provide notice includes rating changes on the Prior Obligations.

Pursuant to each Applicable Prior Undertaking, the Village covenanted to file its audited financial statements and annual financial information within 210 days of the Village’s fiscal year end (April 30) through certain information repositories as required by Rule 15c2-12(b)(5). The Village failed to file its annual financial information within the covenanted timeframe for fiscal year 2013 with respect to the Series 2008A Bonds, Series 2010 Bonds, Series 2011 Bonds, and Series 2013 Bonds. Further, the Village failed to file its audited financial statements and annual financial information within the covenanted timeframe for fiscal years 2013, 2016, and 2017 with respect to the Series 2006 Bonds. Notices of such failures have since been filed on EMMA.

At the time of the issuance, the Series 2006 Bonds were insured by Radian Asset Assurance, Inc. (“Radian”) and Radian was rated “AA” by S&P Global Ratings (“S&P”). Since that time, S&P issued multiple rating changes on Radian. On April 1, 2015, Assured Guaranty Corp. (“AGC”) completed the acquisition of Radian and, since April 2, 2015, S&P has maintained an “AA” rating on AGC. Further, at the time of issuance, the Series 2008A Bonds were rated “A2” by Moody’s Investor Service (“Moody’s”). In April 2010, Moody’s recalibrated its long-term U.S. municipal securities ratings scale to its global rating scale. Such recalibration resulted in the rating on the Series 2008A Bonds to be adjusted from “A2” to “Aa3” on April 16, 2010. The Village failed to file notice concerning the rating changes on the Series 2006 Bonds and Series 2008A Bonds within the required timeframe pursuant to each Applicable Prior Undertaking and Rule 15c2-12(b)(5). Notices of such rating changes have since been filed on EMMA.

Under the Commission’s Municipalities Continuing Disclosure Cooperation Initiative (the “MCDC Initiative”) the Village was reported during the underwriter’s self-reporting phase of the MCDC Initiative. The Village decided to self-report within the issuer self-reporting period.

## **NO LITIGATION**

At the time of delivery of and payment for the Bonds, the Village will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending with respect to which the Village has been served with process or is otherwise aware, or, to the knowledge of the officer of the Village executing such certificate, threatened against the Village affecting the existence of the Village, or the titles of its officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Bond Ordinance and/or the Trust Indenture, or the collection or application of the Special Assessment, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Ordinance, the Trust Indenture or any action of the Village contemplated by any of the said documents, or the collection or application of the Special Assessment, or in any way contesting the completeness or accuracy of the Bond Ordinance, the Trust Indenture or any amendments or supplements hereto, or contesting the powers of the Village contemplated by any of said documents, nor, to the knowledge of the officer of the Village executing such certificate, is there any basis therefor.

## **INSURED INVESTMENT RATING**

S&P has assigned a rating of “AA/Stable Outlook” to the Bonds, with the understanding that, upon delivery of the Bonds, a bond insurance policy will be issued by BAM. See “**BOND INSURANCE**” herein and **APPENDIX B - BOND INSURANCE POLICY** herein. Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10041.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

## **MISCELLANEOUS**

The references, excerpts, and summaries of documents and statutes contained in this Final Official Statement do not purport to be complete statements of the provisions of such documents and statutes, and reference is made to all such documents and statutes for full and complete statements of their terms and provisions.

The estimates, assumptions, statistical and financial information, and all other information contained in this Final Official Statement have been compiled from official and other sources believed to be reliable; however, none of such estimates, assumptions, or information is guaranteed by the Village, the Service Agent, or the Underwriter as to completeness or accuracy.

Any statement made in this Final Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, is set forth as such and not as a representation of fact; no representation is made that any of the estimates contained herein will be realized. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Final Official Statement nor any offer or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village or the Development since the date hereof.

## **AUTHORIZATION**

Any statements in this Final Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. The Village has authorized the execution and distribution of this Final Official Statement.

### **VILLAGE OF MONTGOMERY**

By: \_\_\_\_\_  
Its: Village President

**APPENDIX A**  
**TRUST INDENTURE**

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TRUST INDENTURE

BETWEEN

VILLAGE OF MONTGOMERY, ILLINOIS

AND

AMALGAMATED BANK OF CHICAGO, AS TRUSTEE

Dated as of January 1, 2018

\$8,650,000 Special Assessment Improvement Refunding Bonds, Series 2018  
(Lakewood Creek Project)

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# TRUST INDENTURE

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(This table of contents is not part of the Trust Indenture  
and is only for convenience of reference)

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## TRUST INDENTURE

This TRUST INDENTURE, dated as of January 1, 2018, by and between VILLAGE OF MONTGOMERY, ILLINOIS, a municipal corporation of the State of Illinois (the “*Village*”), and AMALGAMATED BANK OF CHICAGO, a banking institution duly organized and qualified under the laws of the State of Illinois to accept and administer the trust hereby created, and having its principal place of business in the City of Chicago, Illinois (the “*Trustee*”):

### W I T N E S S E T H:

WHEREAS the Village is a municipal corporation under the laws of the State including the Illinois Municipal Code; and

WHEREAS pursuant to the provisions of Article 9 of the Illinois Municipal Code and the Special Assessment Supplemental Bond and Procedures Act, the Village is authorized to, among other things, make local improvements by special assessment; and

WHEREAS on November 27, 2000, the President and Board of Trustees of the Village (the “*Corporate Authorities*”) adopted Ordinance Number 920 of the Village, entitled: “An Ordinance Establishing Local Improvements and Special Assessments for Lakewood Creek Subdivision in the Village of Montgomery, Illinois” (the “*Special Assessment Ordinance*”) providing for the acquisition and construction of a local improvement (the “*Improvement*”) as described and defined in the Special Assessment Ordinance, the cost thereof to be paid by a special assessment (the “*Assessment*”), as described in a petition filed by the Village in the Sixteenth Judicial Circuit Court, Kendall County, Illinois (the “*Court*”); and

WHEREAS all notices required by the law in connection with the Improvement have been given; and

WHEREAS on February 27, 2001, after first resolving all legal and benefit objections, the Court entered its judgment order of confirmation of the Assessment (the “*Confirmation Order*”); and no appeal of the Confirmation Order has been taken; and

WHEREAS the estimated costs of the Improvement as approved in the Confirmation Order are as follows:

Property Acquisition	\$ 2,979,204
Costs of Construction	5,164,596
Engineering	643,452
Contingency	139,580
Making, Levying and Collecting	375,000
Reserve for Deficiency	817,500
Bond Reserve	1,250,000
Bond Costs	500,000
Bond Interest	1,823,169
Total Assessment	<u>\$13,692,500</u>

WHEREAS the due date of the first installment of the Assessment was January 2, 2004, and the date from which interest began to accrue on the Assessment was January 1, 2003; and

WHEREAS pursuant to Section 9-2-112 of the Illinois Municipal Code, the Board of Local Improvements of the Village has accepted the Improvement and on December 17, 2003, and pursuant to Section 9-2-114 *et seq.* of the Illinois Municipal Code, the Court determined that \$13,692,500 was the final cost of the Improvement; and

WHEREAS on March 30, 2001 and for the purpose of financing costs of the Improvement, the Village issued its Special Assessment Improvement Bonds, Series 2001 (Lakewood Creek Project), in the aggregate principal amount of \$12,500,000 (the “2001 Bonds”); and

WHEREAS on January 4, 2007 and for the purpose refunding the then outstanding 2001 Bonds, the Village issued its Special Assessment Improvement Refunding Bonds, Series 2006 (Lakewood Creek Project) in the aggregate principal amount of \$14,270,000 (the “2006 Bonds”); and

WHEREAS on January 8, 2018, the Corporate Authorities adopted Ordinance Number 1796 entitled: “An Ordinance Authorizing the Issuance of Special Assessment Improvement Refunding Bonds, Series 2018 (Lakewood Creek Project) of the Village of Montgomery, Illinois (the “*Supplemental Ordinance*”) authorizing the issuance of the \$8,650,000 aggregate principal amount of Special Assessment Improvement Refunding Bonds, Series 2018 (Lakewood Creek Project) of the Village (the “*Series 2018 Bonds*”) for the purpose of refunding all of the outstanding 2006 Bonds; and

WHEREAS the Corporate Authorities has determined that it is advisable and advantageous to refund the 2006 Bonds, which are currently outstanding in the aggregate principal amount of \$9,915,000; and

WHEREAS the \$13,692,500 original amount of the Assessment has been reduced to \$10,445,456.97 by virtue of prepayments of the Assessment and regular payments of installments of the Assessment; and

WHEREAS in accordance with applicable provisions of the Local Government Debt Reform Act, the Village has determined to finance with the proceeds of the Series 2018 Bonds the costs of issuance of the Series 2018 Bonds, including the underwriting discount, in the aggregate amount of \$95,150 and the bond insurance premium with respect to the Series 2018 Bonds in the amount of \$184,488.15; and

WHEREAS the plan for the refunding of the outstanding 2006 Bonds will not increase the amount of any Assessment installment or extend the number of years in which installments are payable; and

WHEREAS the Series 2018 Bonds and any refunding bonds issued pursuant to this Indenture (collectively, the “*Bonds*”) will be payable from the Assessment; and

WHEREAS the Bonds will be secured by a Debt Service Reserve Account and the Special Assessment Lien; and

WHEREAS the execution and delivery of this Indenture has been in all respects duly and validly authorized by ordinance duly adopted and approved by the Corporate Authorities; and

WHEREAS the Trustee is willing to accept the trusts provided for in this Indenture; and

WHEREAS the Village and the Trustee agree as follows for the benefit of the other and for the benefit of the Owners of the Bonds;

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

### **GRANTING CLAUSES**

That the Village in consideration of the premises and the acceptance of the Bonds by those who shall own the same from time to time, in order to secure the payment by the Village to Bondowners of principal of, premium, if any, and interest on and any other sums payable on the Bonds Outstanding hereunder from time to time, in each case according to their tenor and effect, and to secure the observance and performance by the Village of all the covenants expressed or implied herein and in the Bonds, does hereby grant, warrant, assign and pledge unto the Trustee and unto its successors in trust and its assigns forever, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all right, title and interest of the Village in and to the Trust Estate hereinafter granted or purported to be granted for the further securing of the Bonds;

TO HAVE AND TO HOLD all and singular the Trust Estate whether or not now owned or held or whether or not derived from or with respect to property now or hereafter acquired, unto the Trustee and its successors in trust forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, and the pledge and assignment made in this Indenture by the Village and the covenants and agreements set forth in this Indenture to be performed by the Village shall be for the equal and proportionate benefit, security and protection of all Bondowners, without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others, except as otherwise expressly provided in or permitted by this Indenture, by reason of time of issuance, sale, delivery, maturity or expiration thereof or otherwise for any cause whatsoever; and

PROVIDED, HOWEVER, that if the Village shall pay or cause to be paid fully and promptly when due all liabilities, obligations and sums at any time secured hereby, including interest and attorneys fees, and shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein, then and in such event this Indenture shall become void and of no further force and effect; otherwise, the same shall remain in full force and effect upon the trusts and subject to the covenants and conditions hereinafter set forth.

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED by and between the parties hereto that all Bonds are to be issued, authenticated and delivered, and that all the Trust Estate is to be held and applied, subject to the further covenants, conditions, releases, uses and trusts hereinafter set forth, and the Village, for itself and its successors, does hereby covenant and agree to and with the Trustee and its respective successors in said trust, for the benefit of those who shall own the Bonds, as follows:

## ARTICLE I

### Definitions and Statutory Authority

**Section 101. Definitions.** Unless the context otherwise requires the following terms shall, for all purposes of this Indenture and of any certificate, opinion or other document herein mentioned, have the following, meanings:

“*Accountant’s Certificate*” shall mean a certificate signed by an Independent Public Accountant.

“*Act*” shall mean, the Illinois Municipal Code and the Special Assessment Law.

“*Assessee*” shall mean the person obligated to pay one or more Assessments.

“*Assessment*” shall mean the assessment for the Improvement as entered by the Court in the Confirmation Order.

“*Assessment Receipts*” shall mean the moneys received by the Village on account of the Assessment, including Installments and Prepayments.

“*Assessments*” shall mean the several assessments on various parcels of land which in the aggregate constitute the Assessment.

“*Authorized Denomination*” shall mean denominations of \$5,000 and integral multiples of \$1,000 in excess of \$5,000.

“*Authorized Officer*” shall mean the Village President, Village Clerk, Village Treasurer, Village Administrator or Village Director of Finance, and, in addition, any other officer or employee of the Village who is authorized to perform specific acts or duties by ordinance or resolution duly adopted by the Corporate Authorities.

“*Beneficial Owner*” shall mean the person in whose name a Bond is recorded as beneficial owner of such Bond by the Securities Depository or a Participant or an Indirect Participant on the records of such Securities Depository, Participant or Indirect Participant, as the case may be, or such person’s subrogee.

“*Board*” shall mean the Board of Local Improvements of the Village.

“*Bond Counsel*” shall mean any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds which is selected by the Village and is acceptable to the Trustee.

“*Bond Insurance Policy*” or “*Policy*” means the 2018 Bond Insurance Policy and any other municipal bond insurance policy insuring the payment of the principal of and interest on a Series of Bonds or certain maturities thereof as may be provided in the Supplemental Indenture authorizing such Series or as otherwise may be designated by the Village.

“*Bond Insurer*” means the 2018 Bond Insurer and any other issuer of a Bond Insurance Policy.

“*Bondowner*” or “*Owner of Bonds*” shall mean any person who shall be the registered Owner of any Bond or Bonds.

“*Bond Premium*” shall mean with respect to any Bond or Bonds the premium which may be payable in connection with a mandatory or an optional redemption.

“*Bonds*” shall mean the Series 2018 Bonds and any Series of Refunding Bonds authenticated and delivered under this Indenture.

“*Bond Year*” shall mean the annual period commencing on March 2<sup>nd</sup> of a year and ending on March 1<sup>st</sup> of the next year.

“*Book-Entry System*” shall mean a book-entry system established and operated for the recordation of Beneficial Owners of the Bonds pursuant to Section 204.

“*Code*” shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time.

“*Confirmation Order*” shall mean the order of the Court entered February 27, 2001, confirming judgment on the Assessment.

“*Corporate Authorities*” shall mean the President and Board of Trustees of the Village.

“*Costs of Making and Levying*” shall mean all costs whether initially incurred and payable in connection with the making and levying of the Improvement or the Assessment or incurred and payable at any time in the future for such purposes, including costs and expenses of the Village and the Trustee incurred pursuant to the Indenture and costs of issuance of Bonds.

“*Court*” shall mean the Circuit Court of the Sixteenth Judicial Circuit, Kendall County, Illinois.

“*Debt Service*” shall mean, with respect to any period, the Principal Installments of and interest on Bonds to become due during such period.



*“Debt Service Reserve Account Credit”* shall mean an amount calculated with respect to any Prepayment as follows: a ratio equal to the unpaid amounts in the Roll Component “Total Assessment” for such Lot divided by the total of all Assessments then remaining unpaid (including the amount represented by the Prepayment and delinquent Assessments, but only so much thereof as represents the delinquent amount from the Roll Component “Total Assessment”); such quotient shall be multiplied by the amount, to be provided by the Trustee, as the amount (net of any interest earnings accrued) on deposit to the credit of the Debt Service Reserve Account.

*“Debt Service Reserve Requirement”* shall mean as of any particular date, the amount of moneys equal to ten percent (10%) of the principal amount of the Bonds then Outstanding.

*“Defaulted Interest”* shall have the meaning given to such term in Section 308.

*“Defeasance Securities”* shall mean any non-redeemable bonds or other obligations which, as to both principal and interest, constitute direct obligations of, or the timely payment of which are unconditionally guaranteed by, the United States of America.

*“Depository”* shall mean any bank or trust company organized under the laws of any state of the United States or any national banking association selected by the Village as a depository of moneys and securities held under the provisions of this Indenture, and may include the Trustee.

*“Escrow Agreement”* means the 2018 Escrow Deposit Agreement dated as of January 1, 2018, by and between the Village and the 2006 Trustee.

*“Escrow Fund”* means the Escrow Fund held by the 2006 Trustee under the Escrow Agreement.

*“Event of Default”* shall have the meaning given to such term in Section 801.

*“Final Board Approval”* shall mean the Board’s final acceptance of the work constituting the Improvement, as provided by Section 9-2-112 of the Illinois Municipal Code, as amended.

*“Final Cost”* shall mean the final cost of the Improvement as determined by the Court in a proceeding under Section 9-2-114 *et seq.* of the Illinois Municipal Code.

*“Final Cost Certificate”* shall mean the certificate of the Board as prepared for the Court pursuant to Section 9-2-114 of the Illinois Municipal Code.

*“Generally Accepted Accounting Principles”* and all other accounting methods and terminology contained or referred to in this Indenture, shall mean accounting principles, methods and terminology followed and construed, as nearly as practicable, in conformity with the pronouncements of the Governmental Accounting Standards Board.

*“Improvement”* shall mean the Improvement as described in the Special Assessment Ordinance.

“*Indenture*” shall mean this Trust Indenture as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms hereof.

“*Independent Public Accountant*” shall mean any certified public accountant or firm of such accountants appointed and paid by the Village, and who, or each of whom: (i) is in fact independent and not under domination of the Village; (ii) does not have any substantial interest, direct or indirect, with the Village; (iii) is not connected with the Village as a trustee, officer or employee of the Village, but who may be regularly retained to make annual or other audits of the books of or reports to the Village; and (iv) is routinely engaged in governmental audits.

“*Indirect Participant*” shall mean a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository through a Participant.

“*Installment*” shall mean an installment due on the Assessment as of January 2<sup>nd</sup> of a particular year, as shown on the Roll.

“*Installment Bill*” shall mean an invoice due on the Assessment, as shown on the Roll.

“*Insured Bond*” means any Outstanding Bond with respect to which the payment of principal and interest is guaranteed under a Bond Insurance Policy.

“*Interest Payment Date*” shall mean September 1, 2018 and each March 1 and September 1 thereafter.

“*Investment Securities*” shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of the Village’s funds:

- (i) Certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

- (ii) Investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States (a) the Export-Import Bank of the United States, (b) the Federal Housing Administration, (c) the Government National Mortgage Association (“GNMA”), (d) the Rural Economic Community Development Administration (formerly known as the Farmers Home Administration), (e) the Federal Financing Bank, (f) the Department of Housing and Urban Development, (g) the General Services Administration, (h) the U.S. Maritime Administration or (i) the Small Business Administration.

- (iii) Investments in direct obligations in any of the following agencies which obligations are not fully guaranteed by the full faith and credit of the United States (a) senior obligations by the Federal Home Loan Bank System, (b) senior debt obligations and participation certificates (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts) issued by the Federal Home Loan Mortgage

Corporation (“FHLMC”) or senior debt obligations and mortgage-backed securities (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts) of the Federal National Mortgage Association (“FNMA”), (c) obligations of the Resolution Funding Corporation (“REFCORP”) or (d) senior debt obligations of the Student Loan Marketing Association (“SLMA”) (excluding securities that do not have a fixed par value/or whose terms do not promise a fixed dollar amount at maturity or call date).

(iv) Investments in (a) U.S. dollar denominated deposit accounts, federal funds, bankers acceptances, and certificates of deposit of any bank whose short term debt obligations are rated “A-1+” by S&P and “P-1” by Moody’s and maturing no more than 360 calendar days after the date of purchase (holding company ratings are not considered as rating of the bank) or (b) Certificates of deposit of any bank, which certificates are fully insured by the Federal Deposit Insurance Corporation (“FDIC”).

(v) Investments in money market funds rated “AAAm” or “AAAm-G” by S&P.

(vi) Commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s, Inc. and “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase.

(vii) Pre-refunded municipal obligations defined as follows: any bonds or other obligations rated “AAA” by S&P and “Aaa” by Moody’s (based on an irrevocable escrow account or fund) of any state of the United States of America or any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice.

(viii) Municipal obligations rated “Aaa/AAA” or general obligations of States with a rating of “A1/A+” or higher by both Moody’s and S&P.

The value of the above investments (paragraphs i-viii) shall be determined as follows:

“Value”, which shall be determined as of the end of each quarter, means that the value of any investments shall be calculated as follows:

a) for securities:

(1) computed on the basis of the bid price last quoted by the Federal Reserve Bank of New York on the valuation date and printed in the Wall Street Journal or the New York Times; or

(2) a valuation performed by a nationally recognized and accepted pricing service whose valuation method consists of the composite average of various bid price quotes on the valuation date; or

(3) the lower of two dealer bids on the valuation date. The dealer or their parent holding companies must be rated at least investment grade by S&P and Moody's and must be market makers in the securities being valued.

b) as to certificates of deposit and banker's acceptances: the face amount thereof, plus accrued interest.

(ix) Repurchase agreements with (a) any domestic bank, or domestic branch of a foreign bank, the long term debt which is rated at least "A" by S&P and "A2" by Moody's; or (b) any broker-dealer with "retail customers" or a related affiliate thereof which broker dealer has, or the parent company (which guarantees the provider) of which has, long term debt rated at least "A" by S&P and "A2" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (c) any other entity rated at least "A" by S&P and "A2" by Moody's and acceptable to each Bond Insurer of an Insured Bond, provided that:

a) the repurchase agreement is collateralized with the obligations described in paragraphs (i) or (ii) above; or with obligations described in paragraph (iii) (a) and (b) above.

b) the Trustee will value the collateral securities at least weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within (2) business days.

c) the market value of the collateral must be maintained at: 104% of the total principal of the repurchase agreement for obligations described in paragraphs (i) and (ii); 105% of the total principal of the repurchase agreement for obligations described in paragraph (iii) (a) and (b) above.

d) the Trustee or a third party acting solely as agent therefore or for the issuer (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books).

e) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, and substituted collateral and all proceeds thereof.

f) the repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, at the direction of the issuer or the trustee (who shall give such direction if so directed by any Bond Insurer of an Insured Bond), within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Village or the Trustee.

(x) Investment agreements with (a) a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long term debt of which, or, in the case of a guaranteed corporation the long term debt is rated at least “AA” by S&P and “Aa2” by Moody’s; or (b) a monoline municipal bond insurance company or a subsidiary thereof whose claims paying ability is rated at least “AA” by S&P and “Aa2” by Moody’s; provided, that in all cases, by the terms of the investment agreement:

a) interest payments are to be made to the Trustee at least one business day prior to debt service payment dates on the Bonds and in such amounts as are necessary to pay debt service on the Bonds;

b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days’ prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided that the Indenture specifically requires the Village or the Trustee to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

c) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

d) a fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under the Indenture;

e) the term of the investment agreement does not exceed seven years or such longer term as approved by each Bond Insurer of an Insured Bond. A Bond Insurer approved investment agreement for the Debt Service Reserve Account may extend until the maturity for the Bonds;

f) the Village or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Village and each Bond Insurer of an Insured Bond) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, each such Bond Insurer;

g) investment agreement shall provide that if during its term:

(1) the provider’s rating by either S&P or Moody’s falls below ‘AA-’ or ‘Aa3’ respectively, the provider must, at the direction of the Village or the Trustee (who shall give such direction if so directed by any Bond Insurer of an Insured Bond), within 10 days of receipt of such direction, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider’s books) to the Village, the Trustee or a third party acting solely as agent therefor (the “Holder of the Collateral”)

Permitted Collateral which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (ii) repay the principal of and accrued but unpaid interest on the investment (the choice of (i) or (ii) above shall be that of the Village or Trustee, as appropriate), and

(2) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" or "A3" by S&P or Moody's, as appropriate, the provider must, at the direction of the Village or the Trustee (who shall give such direction if so directed by any Bond Insurer of an Insured Bond), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment in either case with no penalty or premium to the Village or Trustee;

h) The investment agreement shall state and an opinion of counsel shall be rendered that the trustee has a perfected first priority security interest in the Permitted Collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the trustee is in possession); and

(a) the investment agreement must provide that if during its term

(1) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Village or the Trustee (who shall give such direction if so directed by any Bond Insurer of an Insured Bond), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Village or Trustee, as appropriate;

(2) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Village or Trustee, as appropriate;

(3) the provider fails to perform any of its obligations under the Investment Agreement (other than obligations related to payment or rating) and such breach continues for ten (10) business days or more after written notice thereof is given by the Trustee to the provider, it shall be an event of default; or

(4) a representation or warranty made by the provider proves to have been incorrect or misleading in any material respect when made, it shall be an event of default.

Permitted Collateral for Investment Agreements ("Permitted Collateral"):

A. U.S. direct Treasury obligations,

B. Senior debt and/or mortgage backed obligations of GNMA, FNMA or FHLMC and other government sponsored agencies backed by the full faith and credit of the U.S. government and approved by each Bond Insurer of an Insured Bond.

C. Collateral levels must be 104% of the total principal deposited under the investment agreement for U.S. direct Treasury obligations, GNMA obligations and full faith and credit U.S. government obligations and 105% of the total principal deposited under the investment agreement for FNMA and FHLMC.

D. The collateral must be held by a third party, segregated and marked to market at least weekly.

(xi) Forward delivery agreements approved in writing by each Bond Insurer of an Insured Bond (supported by appropriate opinions of counsel).

(xii) Other forms of investments approved in writing by each Bond Insurer.

(xiii) Interests in the Public Treasurers' Investment Pool of the State.

“*Issue Date*” shall mean (i) February 6, 2018 with respect to the Series 2018 Bonds, or (ii) any other date established in a Supplemental Indenture with respect to a Series of Refunding Bonds.

“*Lot*” shall mean a particular lot, block, tract or parcel of land, which is identified and assessed on the Roll.

“*Moody's*” shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, “*Moody's*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Village, with the approval of the Trustee.

“*Opinion of Counsel*” shall mean an opinion in writing signed by an attorney or firm of attorneys (who may be counsel to the Village) selected by the Village.

“*Outstanding*,” when used with reference to Bonds, shall mean, as of any date of calculation, Bonds theretofore or thereupon being authenticated and delivered under this Indenture except:

(i) Bonds cancelled by the Trustee at or prior to such date;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under this Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), *provided* that if such Bonds (or portions of Bonds) are to be redeemed,

notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III, Section 405 or Section 1106 unless proof satisfactory to the Trustee is presented that any such Bonds are held by a bona fide purchaser in due course; and

(iv) Bonds deemed to have been paid as provided in Section 1201(b).

“*Participant*” shall mean a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository.

“*Prepayment*” shall mean the Prepayment of any Assessment.

“*Principal Installment*” shall mean, as of any particular date of calculation, an amount of money equal to the sum of (a) the principal amount of Outstanding Bonds of a Series that mature on a single future date, reduced by the aggregate principal amount of such Outstanding Bonds that would at or before said future date cease to be Outstanding by reason of the payment when due and application in accordance with the Indenture of Sinking Fund Installments payable at or before such future date toward the retirement of such Outstanding Bonds, and (b) the amount of any Sinking Fund Installment payable on said future date toward the retirement of any such Outstanding Bonds; and said future date is deemed to be the date when such Principal Installment is payable and the date of such Principal Installment.

“*Prior Bonds*” means the \$9,901,000 aggregate outstanding principal amount of the 2006 Bonds.

“*Rating Agency*” shall mean Moody’s or S&P or any other rating agency so designated in a Supplemental Indenture.

“*Rating Category*” shall mean one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

“*Rebate Fund*” shall mean any fund established with respect to a Series of Bonds issued under this Indenture, including the Series 2018 Rebate Fund.

“*Redemption Price*” shall mean, with respect to any Bond, the principal amount thereof plus the applicable Bond Premium, if any, payable upon redemption thereof pursuant to such Bond or this Indenture, plus accrued interest to the date of redemption.

“*Refunding Bonds*” shall mean all Bonds, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to Section 203.

“*Regular Record Date*” shall have the meaning given to such term in Section 308.



“*Roll*” shall mean the assessment roll in the Confirmation Order as the same may be amended from time to time.

“*S&P*” shall mean S&P Global Ratings, a division of the McGraw-Hill Companies, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Village, with the approval of the Trustee.

“*Securities Depository*” shall mean The Depository Trust Company, and any substitute for or successor of such securities depository that shall maintain a Book-Entry System with respect to the Bonds.

“*Securities Depository Nominee*” shall mean the Securities Depository or the nominee of such Securities Depository, in whose name there shall be registered on the registration books of the Village the Bonds during the continuation of the Book-Entry System.

“*Series*” shall mean all of the Bonds authenticated and delivered on original issuance and identified pursuant to this Indenture or a Supplemental Indenture authorizing such Bonds as a separate Series of Bonds.

“*Series 2018 Bonds*” means the Special Assessment Improvement Refunding Bonds, Series 2018 (Lakewood Creek Project) of the Village, authorized in Section 201 of this Indenture.

“*Servicing Agent*” shall mean MuniCap, Inc., and any successor agent under the Servicing Agreement.

“*Servicing Agreement*” shall mean an agreement, by and between a Servicing Agent other than the Village and the Village providing for the servicing of certain billing and collection procedures for the Assessments, including the Servicing Agreement dated as of January 1, 2018, by and between the Village and MuniCap, Inc.

“*Sinking Fund Installment*” shall mean the amount of money required by a Supplemental Indenture with respect to Refunding Bonds, to be paid by the Village on a particular date toward the retirement of any particular Outstanding Bonds of a Series that mature on a single date, but does not include any amount payable by reason of the maturity of a Bond.

“*Special Assessment Law*” shall mean those pertinent portions of the Illinois Municipal Code, as amended, including expressly Division 2 of Article 9, providing for the making of local improvements by special assessment, as supplemented by the Special Assessment Supplemental Bond and Procedures Act, 50 Illinois Compiled Statutes 460.

“*Special Assessment Lien*” shall mean the lien on property within the Village securing the Assessments.

“*Special Assessment Ordinance*” shall mean Ordinance Number 920, passed by the Corporate Authorities on the 27<sup>th</sup> day of November, 2000, providing for the Improvement and Assessment.

“*Special Record Date*” shall have the meaning given to such term in Section 308(b) hereof.

“*State*” shall mean the State of Illinois.

“*Supplemental Indenture*” shall mean any indenture supplemental to or amendatory of this Indenture, adopted by the Village in accordance with Article X.

“*Supplemental Ordinance*” shall mean Ordinance Number 1796 of the Village, passed by the Corporate Authorities on the 8<sup>th</sup> day of January, 2018, supplemental to the Special Assessment Ordinance, by which, *inter alia*, this Indenture has been authorized.

“*Trustee*” shall mean Amalgamated Bank of Chicago, its successors or assigns, and any other corporation or association which may at any time be substituted in its place pursuant to this Indenture.

“*Trust Estate*” shall mean (i) the Assessments and all interest and penalties derived therefrom, (ii) the Special Assessment Lien, (iii) all of the rights and remedies of the Village under the Servicing Agreement, and (iv) all Funds established by this Indenture except (A) the Assessee’s Credit Fund and (B) any Rebate Fund.

“*2006 Bonds*” means the \$14,270,000 original principal amount of Special Assessment Improvement Refunding Bonds, Series 2006 (Lakewood Creek Project) of the Village issued pursuant to the 2006 Indenture.

“*2006 Indenture*” means the Trust Indenture dated as of December 1, 2006, between the Village and the 2006 Trustee.

“*2006 Trustee*” means Amalgamated Bank of Chicago, its successors and assigns, and any other corporation or association which may at any time be substituted in its place pursuant to the 2006 Indenture.

“*2018 Bond Insurance Policy*” means the municipal bond insurance policy issued by the 2018 Bond Insurer, insuring the payment of principal of and interest on the Series 2018 Bonds.

“*2018 Bond Insurer*” or “*BAM*” means Build America Mutual Assurance Company, a corporation organized under the laws of the State of New York or any successor thereto.

“*Village*” shall mean the Village of Montgomery, a municipal corporation of the State of Illinois.

*“Written Certificate of the Village,” “Written Request of the Village” and “Written Statement of the Village”* shall mean an instrument in writing signed on behalf of the Village by an Authorized Officer thereof. Any such instrument and any supporting opinions or certificates may, but need not, be combined in a single instrument with any other instrument, opinion or certificate, and the two or more so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or certificate of counsel, consultants, accountants or engineers, unless the Authorized Officer signing such Written Certificate or Request or Statement knows, or in the exercise of reasonable care should have known, that the opinion or certificate with respect to the matters upon which such Written Certificate or Request or Statement may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel, consultant, accountant or engineer, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different Authorized Officers, counsel, consultants, accountants or engineers may certify to different facts, respectively.

Any *“Fund”* or *“Account”* with a proper name in reference before it shall mean such Fund or Account as established by such name in Section 502(a).

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, municipal corporations, agencies and bodies.

All references in this Indenture to Articles, Sections and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words herein, hereof, hereunder and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision of this Indenture. The headings or titles of the several articles and sections of this Indenture, and any Table of Contents appended to copies of this Indenture, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture. Each reference to a section of the Code shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations, relating to such section which are applicable to Bonds and the use of Bond proceeds.

**Section 102. Authority for This Indenture.** The execution and delivery of this Indenture by the Village has been duly authorized pursuant to the provisions of the Act and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350.

**Section 103. Indenture to Constitute Contract.** In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, in accordance with the provisions of the Act and the Local Government Debt Reform Act, this Indenture shall be deemed to be and shall constitute a contract between the Village and the Owners from time to time of the Bonds; and the pledge made in this Indenture and the covenants and agreements therein set forth to be performed on behalf of the Village shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by this Indenture.

## ARTICLE II

### Authorization and Issuance of the Series 2018 Bonds and Refunding Bonds

**Section 201. Authorization of Series 2018 Bonds.** A Series of Bonds, designated as “Special Assessment Improvement Refunding Bonds, Series 2018 (Lakewood Creek Project),” is hereby authorized to be issued by the Village under this Indenture and pursuant to the Act, including the provisions of Section 45 of the Special Assessment Supplemental Bond and Procedures Act, and the Local Government Debt Reform Act. The maximum principal amount of Series 2018 Bonds that may be executed, authenticated and delivered under this Indenture is \$8,650,000.

**Section 202. General Provisions for Issuance of Bonds.** A Series of Bonds shall be executed by the Village for issuance under this Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Village or upon the Written Request of the Village but only upon receipt by the Trustee of the following documents or moneys or securities, all of such documents dated or certified, as the case may be, as of the Issue Date (unless the Trustee shall accept any of such documents bearing a prior date):

- (1) A Written Request of the Village as to the delivery of the Bonds;
- (2) An executed copy of this Indenture;
- (3) Certified copies of the Special Assessment Ordinance and the Supplemental Ordinance;
- (4) An executed copy of the Series 2018 Bond Order;
- (5) The amounts required by Section 502(c), (d) and (e) to be deposited with the Trustee; and
- (6) Such further documents, moneys and securities as are required by the provisions of Section 203 or Article X or any Supplemental Indenture adopted pursuant to Article X.

**Section 203. Refunding Bonds.** (a) Provided the conditions of Section 203(b) are met, one or more Series of Refunding Bonds may be issued at any time pursuant to a Supplemental Indenture to refund any Outstanding Bonds. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefore, to accomplish such refunding and to make the deposits in the Funds and accounts under this Indenture required by the provisions of the Supplemental Indenture authorizing such Refunding Bonds.

(b) Refunding Bonds may be issued only if, as of the time immediately following the issuance of such Series, the Debt Service for each Bond Year shall not be greater than the Debt Service for each such Bond Year as of the time immediately prior to the issuance of such Series.

(c) Refunding Bonds of each Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 202) of:

(1) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption, if applicable, of all the Bonds to be refunded on a redemption date or dates specified in such instructions;

(2) If the Bonds to be refunded do not mature, are not by their terms subject to redemption or, under the plan of refunding applicable thereto, are, not to be redeemed, in each case, within the next succeeding 90 days, instructions to the Trustee, satisfactory to it, to mail the notice provided for in Section 1201(c) to the Owners of the Bonds being refunded; and

(3) Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be redeemed and at the principal amount of the Bonds not to be redeemed, together with accrued interest on such Bonds to the redemption date or maturity date, as applicable, which moneys shall be held by the Trustee in a separate account irrevocably in trust for and assigned to the respective Owners of the Bonds to be refunded, or (ii) Defeasance Securities in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications and any moneys, as shall be necessary to comply with the provisions of Section 1201(c), which Defeasance Securities and moneys shall be held in trust and used only as provided in said provisions.

(d) The proceeds, including accrued interest, of the Refunding Bonds of each Series shall be applied simultaneously with the delivery of such Bonds for the purposes of making deposits in such Funds and accounts under this Indenture as shall be provided by the Supplemental Indenture authorizing such Series of Refunding Bonds and shall be applied to the refunding, purposes thereof in the manner provided in said Supplemental Indenture.

**Section 204. Book-Entry System.** (a) The Bonds shall be issued pursuant to a Book-Entry System administered by the Securities Depository with no physical distribution of Bond certificates to be made except as provided in this Section 204. Any provision of this Indenture or the Bonds requiring physical delivery of the Bonds shall, with respect to any Bonds held under the Book-Entry System, be deemed to be satisfied by a notation on the registration books maintained by the Trustee that such Bonds are subject to the Book-Entry System.

(b) So long as a Book-Entry System is being used, one Bond for each maturity of each Series in the aggregate principal amount of such maturity and registered in the name of the Securities Depository Nominee will be issued and deposited with the Securities Depository to be held in its custody. The Book-Entry System will be maintained by the Securities Depository and the Participants and Indirect Participants and will evidence beneficial ownership of the Bonds in Authorized Denominations, with transfers of ownership effected on the records of the Securities Depository, the Participants and the Indirect Participants pursuant to rules and procedures established by the Securities Depository, the Participants and the Indirect Participants. The principal or purchase price of and any premium on each Bond shall be payable to the Securities Depository Nominee or any other person appearing on the registration books maintained by the

Trustee as the registered Bondowner of such Bond or his registered assigns or legal representative at the principal office of the Trustee. So long as the Book-Entry System is in effect, the Securities Depository will be recognized as the Bondowner of the Bonds for all purposes. Transfers of principal, purchase price, interest and any premium payments or notices to Participants and Indirect Participants will be the responsibility of the Securities Depository, and transfers of principal, purchase price, interest and any premium payments or notices to Beneficial Owners will be the responsibility of the Participants and the Indirect Participants. No other party will be responsible or liable for such transfers of payments or notices or for maintaining, supervising or reviewing such records maintained by the Securities Depository, the Participants or the Indirect Participants. While the Securities Depository Nominee or the Securities Depository, as the case may be, is the Owner of the Bonds, notwithstanding any other provisions set forth herein, payments of principal or purchase price of, redemption premium, if any, and interest on the Bonds shall be made to the Securities Depository Nominee or the Securities Depository, as the case may be, by wire transfer in immediately available funds to the account of such Bondowner. Without notice to or the consent of the Beneficial Owners, the Trustee, with the consent of the Village, and the Securities Depository may agree in writing to make payments of principal, redemption price or purchase price and interest in a manner different from that set out herein. In such event, the Trustee shall make payments with respect to the Bonds in such manner as if set forth herein.

(c) Upon the discontinuance of the maintenance of the Bonds under a Book-Entry System, the Village will cause Bonds to be issued directly to the Beneficial Owners of Bonds, or their designees. In such event, the Trustee shall make provisions to notify Participants and the Beneficial Owners of the Bonds, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by the Trustee in its discretion, that Bonds will be directly issued to the Beneficial Owners of Bonds as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the Securities Depository).

(d) In the event that Bonds are to be issued to the Beneficial Owners of the Bonds, or their designees, the Village shall promptly have prepared Bonds in certificated form registered in the names of the Beneficial Owners of Bonds shown on the records of the Participants provided to the Trustee, as of the date set forth in the notice described above Bonds issued to the Beneficial Owners, or their designees, shall be in fully registered form substantially in the form set forth in Section 1207.

(e) If any Securities Depository is replaced as the depository for the Bonds with another qualified Securities Depository, the Village will issue to the replacement Securities Depository Bonds registered in the name of such replacement Securities Depository.

(f) The Village and the Trustee shall have no liability for the failure of any Securities Depository to perform its obligation to any Participant, any Indirect Participant or any Beneficial Owner of any Bonds, and the Village and the Trustee shall not be liable for the failure of any Participant, Indirect Participant or other nominee of any Beneficial Owner of any Bonds to perform any obligation that such Participant, Indirect Participant or other nominee may incur to any Beneficial Owner of the Bonds.

## ARTICLE III

### General Terms and Provisions of Bonds; Specific Provisions of the Series 2018 Bonds

**Section 301. Medium of Payment; Form and Date; Letters and Numbers; Maturity and Interest.** (a) The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, at the principal corporate trust office of the Trustee. All Principal Installments shall be due on a March 1 and all regular interest payments shall be due on an Interest Payment Date.

(b) The Series 2018 Bonds shall be issued in the form of fully registered Bonds without coupons in Authorized Denominations. The Series 2018 Bonds shall be in substantially the form set forth in Section 1207, with such appropriate variations, omissions, substitutions, insertions, notations, legends and endorsements as may be deemed necessary or appropriate by the officers of the Village executing the same and as shall be permitted or required by the Indenture.

(c) The Series 2018 Bonds shall be numbered in any reasonable and consecutive numbering as may be determined by the Trustee.

(d) The Series 2018 Bonds shall mature in the following principal amounts on March 1 of the following years, subject to mandatory and optional redemption as hereinafter provided, and the Series 2018 Bonds maturing in each such year shall bear interest from the Issue Date and payable on each Interest Payment Date at the interest rate per annum, as set forth opposite each such year in the following table.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$555,000	1.90%
2020	580,000	2.10
2021	610,000	2.30
2022	650,000	2.45
2023	675,000	2.60
2024	710,000	2.85
2025	745,000	3.00
2026	785,000	3.10
2027	825,000	3.20
2028	870,000	3.30
2029	795,000	3.40
2030	850,000	3.45

(e) The Series 2018 Bonds shall be dated as of the Issue Date and shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless any of such Bonds is registered as of an Interest Payment Date, in which event it shall bear interest from the date thereof, or unless such Bonds are registered prior to the first Interest Payment Date, in which event they shall bear interest from the Issue Date, or unless, as

shown by the records of the Trustee, interest on such Bonds shall be in default, in which event they shall bear interest from the date to which interest has been paid in full.

(f) From and after the issuance of the Series 2018 Bonds, the findings and determinations of the Village respecting such Bonds shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of such Bonds is at issue, and no bona fide purchaser of any such Bonds shall be required to see to the existence of any fact or to the performance of any condition or to the taking of any proceeding required prior to such issuance, or to the application of the purchase price paid for such Bonds. The recital contained in the Bonds that the same are issued pursuant to the Act and the Local Government Debt Reform Act shall be conclusive evidence of their validity and of the regularity of their issuance, and all the Bonds shall be incontestable from and after their issuance. The Series 2006 Bonds shall be deemed to be issued, within the meaning of this Indenture, upon delivery to the purchasers thereof and the purchase price thereof received.

**Section 302. Legends.** The Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Village prior to the authentication and delivery thereof.

**Section 303. Execution and Authentication.** (a) The Bonds shall be executed in the name of the Village by the manual or facsimile signature of its Village President, and its corporate seal (or a facsimile thereof), if any, shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Village Clerk or other Authorized Officer, or in such other manner as may be required or permitted by law; provided that for any Bond the attesting officer shall not be the same officer who shall have executed such Bond. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and sealed on behalf of the Village by such persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper office in the Village, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

(b) The Bonds shall bear thereon a certificate of authentication, in the form set forth in Section 1207, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Indenture and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Village shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of this Indenture,

**Section 304. Exchange of Bonds.** The Bonds, upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to



the Trustee, duly executed by the registered Owner or its duly authorized attorney, may, at the option of the registered Owner thereof, and upon payment by such registered Owner of any charges which the Trustee may make as provided in Section 306, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and interest rate of any other Authorized Denominations.

**Section 305. Negotiability, Transfer and Registry.** (a) The Bonds shall be transferable only upon the books of the Village, which shall be maintained for such purposes at the corporate trust office of the Trustee, by the registered Owner thereof in person or by its attorney duly authorized in writing, upon surrender thereof at the principal corporate trust office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Owner or its duly authorized attorney. Upon the transfer of any such Bond the Village shall cause the Trustee to issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series, maturity and interest rate as the surrendered Bond, of Authorized Denominations.

(b) The Village and the Trustee may deem and treat the person in whose name any Bond shall be registered upon the books of the Village as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered Owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Village nor the Trustee shall be affected by any notice to the contrary.

**Section 306. Regulations with Respect to Exchanges and Transfers.** In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Village shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Trustee and cancelled or retained by the Trustee. For every such exchange or transfer of Bonds, the Village or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Unless otherwise provided in a Supplemental Indenture, neither the Village nor the Trustee shall be required (a) to transfer or exchange Bonds of any Series for the period next preceding any interest payment date for such Bonds beginning with the Regular Record Date for such interest payment date and ending on such interest payment date, or for the period next preceding any date for the proposed payment of Defaulted Interest with respect to such Bonds beginning with the Special Record Date for the date of such proposed payment and ending, on the date of such proposed payment, (b) to transfer or exchange Bonds of any Series for a period beginning 15 days before the mailing of any notice of redemption and ending on the day of such mailing, or (c) to transfer, exchange or register any Bonds called for redemption.

**Section 307. Bonds Mutilated, Destroyed, Stolen or Lost.** If any Bond becomes mutilated or is lost, stolen or destroyed, the Village shall execute and the Trustee shall authenticate and deliver a new Bond of like date of issue, maturity date, principal amount and interest rate per annum as the Bond so mutilated, lost, stolen or destroyed, provided that (i) in the case of such mutilated Bond, such Bond is first surrendered to the Village, (ii) in the case of any such lost,

stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to the Trustee and the Village together with indemnity satisfactory to each, (iii) all other reasonable requirements of the Trustee and the Village are complied with, and (iv) expenses in connection with such transaction are paid by the Owner. Any mutilated Bond surrendered for exchange shall be cancelled. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Village, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Indenture in the Trust Estate. If any such Bond lost, stolen or destroyed shall have matured or be about to mature, instead of issuing a new Bond pursuant to this Section, the Village may cause the same to be paid, upon being indemnified as aforesaid, without surrender thereof. Neither the Village nor the Trustee shall be required to treat both the original Bond and any duplicate Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining, any percentage of Bonds Outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same.

**Section 308. Payment of Interest on Bonds; Interest Rights Preserved.** (a) Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name that Bond is registered at the close of business on the date (hereinafter the Regular Record Date) which is (i) the 15th day of the calendar month next preceding such interest payment date in the event the interest payment date is the first day of any month or (ii) 15 days preceding such interest payment date in the event the interest payment date is other than the first day of any month, as may be occasioned by a redemption of Bonds (or in all events such other dates as may be provided in a Supplemental Indenture authorizing such Bond) and shall be paid by check mailed to the registered Owner thereof at the address of such registered Owner as it appears on the registration books maintained by the Trustee; or by such other means, which may include electronic funds transfer, as may be agreed by and with the Securities Depository for Bonds held under a Book-Entry System as provided in Section 204.

(b) Any interest on any Bond which is payable, but is not punctually paid or duly provide for, on any interest payment date (hereinafter Defaulted Interest) shall forthwith cease to be payable to the registered Owner on the relevant Regular Record Date by virtue of having been such Owner; and such Defaulted Interest shall be paid by the Village to the persons in whose names the Bonds are registered at the close of business on a date (hereinafter the Special Record Date) for the payment of such Defaulted Interest, which shall be fixed in the following manner. Based upon such moneys as may be or become available, after consultation with the Village, the Trustee shall establish the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Village of such Special Record Date and, in the name and at the expense of the Village, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Bondowner at its address as it appears upon the registry books, not less than 10 days prior to such Special Record Date. The Trustee may, in its discretion, in the name

and at the expense of the Village, cause a similar notice to be published at least once in an Authorized Newspaper, but such publication shall not be condition precedent to the establishment of such Special Record Date.

(c) Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

**Section 309. Payments Under the 2018 Bond Insurance Policy.** In the event that principal and/or interest due on the Series 2018 Bonds shall be paid by BAM pursuant to the 2018 Bond Insurance Policy, the Series 2018 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Village, the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Village to the Bondowners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such Bondowners.

In the event that on the second business day prior to any payment date on the Series 2018 Bonds, the Trustee has not received sufficient moneys to pay all principal of and interest on the Series 2018 Bonds due on such payment date, the Trustee shall immediately notify BAM or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Trustee shall so notify BAM or its designee.

In addition, if the Trustee has notice that any Bondowner of the Series 2018 Bonds has been required to disgorge payments of principal of or interest on the Series 2018 Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondowner within the meaning of any applicable bankruptcy law, then the Trustee shall notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

The Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for Bondowners of the Series 2018 Bonds as follows:

- a) If there is a deficiency in amounts required to pay interest and/or principal on the Series 2018 Bonds, the Trustee shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such Bondowners of the Series 2018 Bonds in any legal proceeding related to the payment and assignment to BAM of the claims for interest on the Series 2018 Bonds, (ii) receive as designee of the respective Bondowners (and not as paying agent) in accordance with the tenor of the 2018 Bond Insurance Policy payment from BAM with respect to the claims for interest so assigned, (iii) segregate all such payments in a separate account (the "BAM Policy Payment Account") to only be used to make scheduled payments of principal of and interest on the Series 2018 Bonds, and (iv) disburse the same to such respective Bondowners; and

- b) If there is a deficiency in amounts required to pay principal of the Series 2018 Bonds, the Trustee shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such Bondowners of the Series 2018 Bonds in any legal proceeding related to the payment of such principal and an assignment to BAM of the Series 2018 Bonds surrendered to BAM, (ii) receive as designee of the respective Bondowners (and not as Paying Agent) in accordance with the tenor of the 2018 Bond Insurance Policy payment therefore from BAM, (iii) segregate all such payments in the BAM Policy Payment Account to only be used to make scheduled payments of principal of and interest on the Series 2018 Bonds, and (iv) disburse the same to such Bondowners.

The Trustee shall designate any portion of payment of principal on Series 2018 Bonds paid by BAM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2018 Bonds registered to the then current Bondowner, whether DTC or its nominee or otherwise, and shall issue a replacement Series 2018 Bond to BAM, registered in the name directed by BAM, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Series 2018 Bond shall have no effect on the amount of principal or interest payable by the Village on any Series 2018 Bonds or the subrogation or assignment rights of BAM.

Payments with respect to claims for interest on and principal of Series 2018 Bonds disbursed by the paying agent or Trustee from proceeds of the 2018 Bond Insurance Policy shall not be considered to discharge the obligation of the Village with respect to such Series 2018 Bonds, and BAM shall become the owner of such unpaid Series 2018 Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise. The Indenture shall not be discharged or terminated unless all amounts due or to become due to BAM have been paid in full or duly provided for. Irrespective of whether any such assignment is executed and delivered, the Village, and the Trustee agree for the benefit of BAM that:

- a) They recognize that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Series 2018 Bonds, BAM will be subrogated to the rights of such Bondowners to receive the amount of such principal and interest from the Village, with interest thereon, as provided and solely from the sources stated in the Indenture and the Series 2018 Bonds; and
- b) They will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Series 2018 Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Series 2018 Bonds to Bondowners, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

**Section 310. Subrogation Rights of 2018 Bond Insurer.** In the event that the principal of or interest on the Series 2018 Bonds shall be paid by the 2018 Bond Insurer pursuant to the 2018 Bond Insurance Policy, the Series 2018 Bonds shall remain Outstanding for all purposes, shall not be deemed to be defeased or otherwise satisfied and not considered paid by the Village, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Village to the Owners of the Series 2018 Bonds shall continue to exist and shall run to the benefit of the 2018 Bond Insurer, and the 2018 Bond Insurer shall be subrogated to the rights of such Owners.

**Section 311. Bond Insurer Performance.** The rights given to the 2018 Bond Insurer under the Indenture with respect to the giving of consents or approvals, the receipt of notices and the direction of proceedings or otherwise will only be in effect during such periods when the 2018 Bond Insurer is not then in default of its payment obligations under the 2018 Bond Insurance Policy.

**Section 312. Third Party Beneficiary.** BAM is recognized as and shall be deemed to be a third party beneficiary under the Indenture and may enforce the provisions of the Indenture and the Servicing Agreement as if it were a party thereto.

**Section 313. Consent Requirements.** The 2018 Bond Insurer's consent shall be required for the following purposes: (i) execution and delivery of any amendment or supplement to the Indenture (other than an amendment or supplement for a purpose set forth in Section 1001); (ii) resignation or removal of the Trustee; (iii) appointment of a successor Trustee; (iv) appointment of a successor to Municap, Inc. as Servicing Agent under the Servicing Agreement; and (v) initiation or approval of any action (other than an action with respect to tax covenants set forth in Section 710) not described in (i) and (ii) above which requires Bondowner consent.

**Section 314. Interpretation.** Notwithstanding any other provision of this Indenture, in determining whether the rights of the Bondowners will be adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the Trustee shall consider the effect on the Bondowners without regard to the 2018 Bond Insurance Policy.

The Trustee shall not resolve ambiguities in the Indenture in any manner that shall be deemed to be conclusively binding on Bondowners without the consent of the 2018 Bond Insurer. The 2018 Bond Insurer shall receive notice of any proposed meetings of Bondowners held under the Indenture and shall be given the opportunity to attend and participate in the same.

Any legal opinions rendered to any party to the Indenture as to compliance with or interpretation of, the provisions thereof, shall also be provided to the 2018 Bond Insurer.

The rights granted to BAM under the Indenture to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the 2018 Bond Insurance Policy. Any exercise by BAM of such rights is merely an exercise of the BAM's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondowners of the Series 2018 Bonds and such action does not evidence any position of BAM, affirmative or

negative, as to whether the consent of the Bondowners of the Series 2018 Bonds or any other person is required in addition to the consent of BAM.

BAM shall be entitled to pay principal or interest on the Series 2018 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Village (as such terms are defined in the 2018 Bond Insurance Policy) and any amounts due on the Series 2018 Bonds as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not BAM has received a claim upon the 2018 Bond Insurance Policy.

No contract shall be entered into or any action taken by which the rights of BAM or security for or source of payment of the Series 2018 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of BAM.

**Section 315. Village Insolvency.** Any reorganization or liquidation plan with respect to the Village must be acceptable to BAM. Each Bondowner of the Series 2018 Bonds agrees that BAM may at any time during the continuation of any proceeding by or against the Village under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Bondowner of Series 2018 Bonds delegates and assigns to BAM, to the fullest extent permitted by law, the rights of such Bondowner with respect to the Series 2018 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

**Section 316. Additional Payments.** The Village will pay or reimburse BAM any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM’s agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Indenture (“Administrative Costs”). The Village agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

The Village agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the 2018 Bond Insurance Policy (“BAM Policy Payment”); and (ii) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the Village, payable to BAM at the Late Payment Rate per annum (collectively, “BAM Reimbursement Amounts”) compounded semi-annually.

“Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate (“Prime Rate”) (any

change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2018 Bonds and (b) 9% per annum. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

Payments required to be made to the 2018 Bond Insurer pursuant to this Section shall be limited obligations of the Village payable solely from the General Reserve Fund. The obligations of the Village to the 2018 Bond Insurer shall survive discharge and termination of the Indenture.

## **ARTICLE IV**

### **Redemption of Bonds**

**Section 401. Optional Redemption.** The Series 2018 Bonds maturing on or after March 1, 2028 are subject to redemption prior to maturity at the option of the Village, from such maturities and in such principal amounts as the Village shall determine, on any date on or after March 1, 2027, and if less than all of the Series 2018 Bonds of the same maturity are to be redeemed then by lot, at the Redemption Price equal to the principal amount thereof to be redeemed, and without a Bond Premium.

**Section 402. Redemption at the Election or Direction of the Village.** In the case of any redemption of Bonds at the election or direction of the Village, the Village shall give notice by Written Request of the Village to the Trustee of its election or direction so to redeem, of the redemption date, of the Series, of the source of the funds to be used for the redemption, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed. Such notice shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee.

**Section 403. Mandatory Redemption.** (a) The Series 2018 Bonds and any Refunding Bonds are further subject to mandatory redemption on any Interest Payment Date, by operation of the Prepayment Account of the Debt Service Fund, in part and as provided in Section 408(a), at the Redemption Price equal to the principal amount thereof to be redeemed and without a Bond Premium.

(b) Except for the mandatory redemptions by operation of the Prepayment Account pursuant to paragraph (a) of this Section, there shall be no mandatory redemption of the Series 2018 Bonds upon an event or determination of taxability of the Series 2018 Bonds or otherwise.

**Section 404. Notice of Redemption.** When the Trustee shall receive notice from the Village pursuant to Section 402 hereof of its election or direction to redeem Bonds, and when redemption of Bonds is authorized or required pursuant to Section 403 hereof, the Trustee shall give notice, in the name of the Village, of the redemption of such Bonds, which notice shall specify

the Bonds to be redeemed, whether the redemption is conditioned upon the deposit of funds sufficient to effect the redemption, the redemption date, and the place where amounts due upon such redemption will be payable. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by first class mail, postage prepaid, by the Trustee, not less than 30 days nor more than 60 days prior to the redemption date, to the Owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books of the Bond Registrar; provided that if all Bonds are held in book-entry form such notice may be given in accordance with the representation letter of the Securities Depository. Failure to give notice of redemption by mail, or any defect in such notice, to the Owner of any Bond of any Series shall not affect the validity of the proceedings for the redemption of any other Bonds. Reference is further expressly made to any notice of redemption as may be agreed upon with the Securities Depository, which notice may be given in lieu of the mailed notice hereinabove specified. Notwithstanding the foregoing, a Supplemental Indenture authorizing a Series of Bonds may specify a different method for the giving of a notice of redemption, or a different time by which such notice shall be given.

**Section 405. Payment of Redeemed Bonds.** Notice having been given in the manner provided in Section 404 hereof or in the manner provided in the Supplemental Indenture authorizing a Series of Bonds, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price. If there shall be drawn for redemption less than all of a Bond, the Village shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Bonds so surrendered, Bonds of like Series, maturity and interest rate in any of the Authorized Denominations. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity, to be redeemed, together with interest to the redemption date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

**Section 406. Selection of Bonds to be Redeemed by Lot.** In the event of the redemption of less than all the Outstanding Bonds of like Series and maturity, the Trustee shall assign to each such Outstanding Bond a distinctive number for each \$1,000 of the principal amount of such Bond and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at \$1,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$1,000 for each number assigned to it and so selected. For the purpose of this Section,



Bonds which have heretofore been selected by lot for redemption shall not be deemed to be Outstanding Bonds.

**Section 407. Redemption Other Than at Village's Election.** Whenever the Trustee is required to redeem Bonds otherwise than at the election or direction of the Village, and subject to and in accordance with the terms of this Article, the Trustee shall select the redemption date of the Bonds to be redeemed, unless otherwise specified in the Indenture, and give notice of redemption in the manner prescribed in Section 404.

**Section 408. Adjustment of Principal Installments.** (a) In the event of the mandatory redemption of Bonds by operation of the Prepayment Account of the Debt Service Fund pursuant to Section 403(a), the principal amount so redeemed shall be applied and credited pro-rata against the unsatisfied balance of future Principal Installments of all of the then Outstanding Bonds.

(b) In the event of the optional redemption by the Village of less than all the Bonds of like Series and maturity with respect to which Sinking Fund Installments have been established, the principal amount so redeemed shall be credited against the unsatisfied balance of future Sinking Fund Installments or the final maturity amount established with respect to such Bonds, in such amount and against such Sinking Fund Installments or final maturity amount as shall be determined by the Village in a Written Certificate of the Village filed with the Trustee prior to the mailing of the notice of redemption of such Bonds or, in the absence of such determination, shall be credited pro-rata against the applicable Sinking Fund Installments and final maturity amount.

## **ARTICLE V**

### **Establishment of Funds and Application Thereof**

**Section 501. The Pledge Effected by This Indenture.** (a) The Bonds shall be limited obligations of the Village payable solely from and secured as to the payment of the principal or Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of this Indenture solely by the Trust Estate; and, pursuant to Section 13 of the Local Government Debt Reform Act, the Trust Estate is hereby pledged to, and a security interest in the Trust Estate is hereby granted to the Trustee for the benefit of the Owners of the Bonds, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture.

(b) The Bonds shall be payable, as to principal or Redemption Price thereof, and interest thereon, solely from the Assessment and other funds of the Village as provided in this Indenture; and neither the State nor any political subdivision thereof (other than the Village) shall be obligated to pay the principal or Redemption Price thereof or interest thereon, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof (including the Village) is pledged to the payment of the principal or Redemption Price of, or interest on, the Bonds. No Bondowner or receiver or trustee in connection with the payment of the Bonds shall

have any right to compel the State or any political subdivision thereof (including the Village) to exercise its appropriation or taxing powers.

**Section 502. Establishment of Funds.** (a) The following Funds and Accounts are hereby established by the Village with the Trustee to be held in trust pursuant to the Indenture:

- (1) Assessment Fund;
- (2) Making and Levying Fund;
- (3) Debt Service Fund, consisting of a Debt Service Account, a Debt Service Reserve Account, and a Prepayment Account;
- (4) Assessee's Credit Fund, consisting of the Annual Interest Credit Account;
- (5) General Reserve Fund;
- (6) Series 2018 Expense Fund; and
- (7) Series 2018 Rebate Fund.

and, further, when as and if needed, a Rebate Fund for each Series of Refunding Bonds.

(b) Any Fund or Account established pursuant to this Section 502 shall be maintained in an account at the Trustee or, with respect to the Making and Levying Fund and Series 2018 Rebate Fund and at the option of the Village, at one or more Depositories in the manner contemplated by Section 601. The Village may, by Supplemental Indenture, establish one or more additional funds, accounts or subaccounts.

(c) On the Issue Date, there shall be paid or deposited from the net proceeds of the Series 2018 Bonds the following amounts: (i) \$8,257,686.85, to the 2006 Trustee for deposit into the Escrow Fund; (ii) \$112,675, to the Trustee for deposit into the Series 2018 Expense Fund; and (iii) \$184,488.15, to the 2018 Bond Insurer.

(d) On the Issue Date and pursuant to the direction of the Village to the 2006 Trustee, \$1,885,826.36 of the money held under the 2006 Indenture shall be deposited in the Escrow Fund, and the remaining moneys held under the 2006 Indenture, shall be paid over to the Trustee and shall be deposited into the following Funds and Accounts in the following amounts:

Making and Levying Fund	\$133,557.06
Debt Service Reserve Account	865,000.00
Annual Interest Credit Account	75,365.26
General Reserve Fund	300,000.00
Debt Service Account	476.74

(e) Any amount paid over to the Trustee from the 2006 Trustee in excess of the amounts set forth in paragraph (d) shall be deposited into the Assessment Fund.

**Section 503. Assessment Receipts.** Commencing with the Issue Date, as soon as practicable after the receipt of any Assessment Receipts, whether an Installment or a Prepayment with respect to a Lot or any other payment on account of the Assessment, the Village shall pay the Assessment Receipts to the Trustee for deposit into the Assessment Fund.

**Section 504. Disposition of Moneys in the Assessment Fund.** (a) On February 15<sup>th</sup> of each year, the Trustee shall transfer all amounts on deposit in the Assessment Fund to the Funds and Accounts as follows:

(1) To the Making and Levying Fund, 2.74% of the amount of each Installment so collected and then on deposit in the Assessment Fund inclusive of the amount of interest collected on the costs of making and levying portion then remaining within the Assessment.

(2) To the Debt Service Account of the Debt Service Fund, the amount required to be deposited therein so that the aggregate amount held in the Debt Service Account will equal the sum of (i) the interest due on all Bonds Outstanding on the March 1 Interest Payment Date, and (ii) all Principal Installments due on the Bonds on the March 1 Interest Payment Date.

(b) On April 1<sup>st</sup> of each year, the Trustee shall transfer all amounts on deposit in the Assessment Fund to the Funds and Accounts as follows:

(1) To the Debt Service Account of the Debt Service Fund, the amount required to be deposited therein so that the aggregate amount held in the Debt Service Account will equal the interest due on all Outstanding Bonds on the September 1 Interest Payment Date.

(2) To the Debt Service Reserve Account of the Debt Service Fund, a sum sufficient such that the amount to the credit of such Account will be equal to the Debt Service Reserve Requirement.

(3) To the General Reserve Fund, all amounts remaining.

**Section 505. Making and Levying Fund; Deposits; Payment of Costs of Making and Levying.** (a) The Costs of Making and Levying shall be paid by the Trustee from time to time as they become due and payable from moneys in the Making and Levying Fund.

(b) The Trustee shall disburse moneys for Costs of Making and Levying upon a Written Certificate of the Village stating (i) the name and address of the person, firm or corporation to whom payment is due (which may be the Village for costs advanced), (ii) the amount to be paid, and (iii) the nature of the payment and that the cost is a proper Cost of Making and Levying.

**Section 506. Debt Service Fund -- Debt Service Account.** (a) The Trustee shall pay out of the Debt Service Account (1) on or before each Interest Payment Date, the amount required for the interest payable on such date; (2) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date; and (3) on or before any redemption date for the Bonds, the amount required for the payment of interest on the Bonds then to be redeemed.

(b) Amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) may and, if so directed by the Village, shall be applied by the Trustee, on or prior to the 60th day preceding the due date of such Sinking Fund Installment, to (1) the purchase of Bonds for which such Sinking Fund Installment was established, or (2) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms. All purchases of any Bonds pursuant to this subsection (b) shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds, and such purchases shall be made by the Trustee as directed by the Village. The applicable sinking fund Redemption Price of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such Sinking Fund Installment date, for the purpose of calculating, the amount of such account. As soon as practicable after the 45<sup>th</sup> day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, by giving, notice as provided in Section 404 hereof, on such due date Bonds for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment after making allowance for any Bonds purchased or redeemed which the Village has directed the Trustee to apply as a credit against such Sinking Fund Installment. The Trustee shall pay out of the Debt Service Account on or before such redemption date, the amount required for the redemption of the Bonds so called for redemption. All expenses in connection with the purchase or redemption of Bonds shall be paid from the Making and Levying Fund. Any purchase of Bonds pursuant to this subsection (b) may be made with or without tenders of Bonds and at either public or private sale, in such manner as the Village may determine.

(c) In the event of the refunding or defeasance of any Bonds, the Trustee shall, upon the direction of the Village, withdraw from the Debt Service Account in the Debt Service Fund all or any portion of the amounts accumulated therein and deposit such amounts with itself as Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded; *provided* that such withdrawal shall not be made unless (i) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to Section 1201(b), and (ii) the amount remaining in the Debt Service Account in the Debt Service Fund, after giving effect to the issuance of any obligations being issued to refund such Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Account. In the event of such refunding or defeasance, the Village may also direct the Trustee to withdraw from the Debt Service Account in the Debt Service Fund all or any portion of the amounts accumulated therein and deposit such amounts in any Fund or account under this Indenture; *provided* that such withdrawal shall not be made unless items (i) and (ii) referred to hereinabove have been satisfied; and *provided further*, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under this Indenture.

**Section 507. Debt Service Fund -- Debt Service Reserve Account.** (a) If on any date on which the principal or sinking fund Redemption Price of or interest on the Bonds shall be due, the amount on deposit in the Debt Service Account in the Debt Service Fund shall be less than the amount required to pay such principal, Redemption Price or interest, then the Trustee shall apply amounts from the Debt Service Reserve Account to the extent necessary to cure the deficiency.

(b) Whenever Bonds are to be redeemed from Prepayments by operation of the Prepayment Account of the Debt Service Fund, the Servicer shall calculate the maximum principal amount of Bonds that can be redeemed taking into account the reduction in the Debt Service Reserve Requirement (if any) that will result upon such redemption and assuming that any moneys in the Debt Service Reserve Account, exclusive of interest earnings, in excess of the Debt Service Reserve Requirement will be available, as of the redemption date, for the payment of the Redemption Price of the Bonds to be redeemed. In the event such calculation indicates that there will be an excess attributable solely to the Prepayment, such excess shall be transferred to the Prepayment Account in anticipation of the mandatory redemption of Bonds and applied to the redemption of Bonds in the same manner as the Prepayment.

(c) Except as provided in subsection (b) of this Section and Section 512(a), if on March 10 or September 10 of any year the amount on deposit in the Debt Service Reserve Account shall exceed the Debt Service Reserve Requirement, then such excess shall be transferred to the General Reserve Fund.

(d) Whenever the amount in a Debt Service Reserve Account, together with the amount in the Debt Service Account and the General Reserve Fund (less any amount required to be paid to a Rebate Fund), is sufficient to pay in full all Outstanding Bonds in accordance with their terms (including the maximum amount of principal or applicable sinking fund Redemption Price and interest which could become payable thereon), the funds on deposit in the Debt Service Reserve Account shall be transferred to the Debt Service Account. Prior to said transfer, all investments held in the Debt Service Reserve Account shall be liquidated to the extent necessary in order to provide for the timely payment of principal and interest (or Redemption Price) on Bonds. Any provision of this Indenture to the contrary notwithstanding, so long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Bonds in accordance with their terms (including the maximum amount of principal or applicable sinking fund Redemption Price and interest which could become payable thereon), no deposits shall be required to be made into the Debt Service Reserve Account.

**Section 508. Debt Service Fund -- Prepayment Account.** Amounts to the credit of the Prepayment Account shall be applied by the Trustee to the redemption of Bonds on the next available Interest Payment Date. To the fullest extent possible, all of the amounts in the Prepayment Account shall be applied to the payment of the Redemption Price of Bonds on each such Interest Payment Date, taking into account amounts available from the Debt Service Account to pay interest and amounts transferable from the Debt Service Reserve Account. The amount necessary from the Prepayment Account shall be transferred to the Debt Service Account on the applicable date of redemption and applied to pay the Redemption Price.

**Section 509. General Reserve Fund.** (a) If five days prior to any Interest Payment Date, the sum of the amount held in the Debt Service Account, shall be less than the amount required to pay the interest and Principal Installments on Bonds to become due on such Interest Payment Date, then the Trustee shall withdraw from the General Reserve Fund and deposit into the Debt Service Account the amount necessary to cure such deficiency.

(b) If at any time the amount held in the Debt Service Reserve Account shall be less than the Debt Service Reserve Requirement, then the Trustee shall withdraw from the

General Reserve Fund and deposit into the Debt Service Reserve Account, the amount necessary to cure such deficiency.

(c) At the direction of the Village expressed in a Written Certificate of the Village, the Trustee shall withdraw from the General Reserve Fund and pay (i) to the Making and Levying Fund to the extent required to increase the sum then held in the Making and Levying Fund to an amount sufficient to pay any Costs of Making and Levying then due and payable as set forth in Written Certificates of the Village filed with the Trustee pursuant to subsection (b) of Section 505; (ii) to the 2018 Rebate Fund (and any other Rebate Fund established with respect to a Series of Refunding Bonds) the estimated amount needed to provide for the payment of any amounts to become due to the United States of America pursuant to Section 148(f) of the Internal Revenue Code of 1986 with respect to the Bonds in the current or the next ensuing Bond Year and (iii) to the 2018 Bond Insurer any amounts due under Section 316; and

(d) After provision has been made for any payments to the Series 2018 Rebate Fund or other Rebate Fund and to the 2018 Bond Insurer pursuant to subsection (c) of this Section, amounts in the General Reserve Fund not then required to meet a deficiency as required in subsections (a) and (b) of this Section shall be retained and used at the Written Request of the Village filed with the Trustee to purchase Bonds as may be available as permitted by Section 510 or to optionally redeem Bonds at the next available date of redemption at the then applicable Redemption Price.

(e) Monthly, on the first day of each month, if all transfers or payments then required by subsections (a), (b) and (c) of this Section shall have been made and the amount then held in the General Reserve Fund exceeds \$300,000, then the amount in excess of \$300,000 shall be transferred at the option and direction of the Village to the Prepayment Account.

**Section 510. Purchase of Bonds.** The Village may purchase Bonds from any available funds at public or private sale, as and when and at such prices as the Village may in its discretion determine, but at a price not exceeding the principal amount thereof plus accrued interest thereon, or in the case of Bonds which by their terms are subject to redemption prior to maturity, at the then current or first applicable Redemption Price, as the case may be. All Bonds so purchased shall at such times as shall be selected by the Village be delivered to and cancelled by the Trustee and no Bonds shall be issued in place thereof.

**Section 511. Prepayments.** (a) Under the Special Assessment Law, the Assessments are subject to Prepayment at any time. The Servicing Agent shall calculate the proper amount of Prepayment for any Lot, and the Trustee shall deposit such Prepayment amount in accordance with this Indenture, and give receipt for same. The Prepayment calculation shall be as set forth in clause (b) of this Section.

(b) The amount of the then current unpaid Assessment (or portion thereof) with respect to such Lot shall be determined (being the sum of the unpaid amounts in the Roll Component "Total Assessment" for such Lot as shown on the Roll taking into account any interest and charges related to delinquencies in payment and also such interest, accruing at the rate of 7.75% per annum, as may be payable since the last payment made with respect to such Lot's Assessment). This amount shall be reduced by the Debt Service Reserve Account Credit.

(c) After determination of the proper amount for Prepayment, as specified above, the Servicing Agent shall provide such calculation and information to the Trustee, the Assessee and the Village. There shall be a five business day interim after receipt of such information from the Servicing Agent for inquiry or correction by the Village; and, thereupon, the Trustee shall be authorized to accept Prepayment with respect to such Lot and give receipt for same. The amount so received shall immediately be deposited by the Trustee in the Prepayment Account. At such time, the Village shall write the word "Paid" on the Roll opposite the Lot on which the Assessment (or portion thereof) is prepaid, together with the name and post office address of the person making the Prepayment and the date of same, or otherwise note that the Assessment (or portion thereof) has been prepaid. In addition, pursuant to Section 9-2-65 of the Special Assessment Law, when the amount of any Prepayment has been made in full, the Village, by its Authorized Officers, and with the cooperation of the Trustee, shall execute and record, in the Recorder's Office of Kendall County, a release of the Special Assessment Lien with respect to such Lot for which such prepayment has been made and shall deliver a copy of such release to the owner of such Lot.

(d) To the fullest extent as by law permitted, this contractual provision relating to releases shall extend to the Assesseees, as third-party beneficiaries, and shall survive defeasance of this Indenture, with respect to such beneficiaries; the consideration for such releases having been bargained for in good faith negotiations between the then current Assesseees, or their designees, and the Village.

**Section 512. Assesseees' Credit Fund.** (a) The Annual Interest Credit Account of the Assesseees' Credit Fund shall receive all interest income from the Debt Service Reserve Account at any time that the amount on deposit in the Debt Service Reserve Account is not less than the Debt Service Reserve Requirement and shall be applied as a pro rata credit against the next Installments for which Installment Bills are to be sent by the Servicing Agent. The Trustee shall advise the Village and Servicing Agent of the Credit by November 1<sup>st</sup> of each year. No credit shall be given to any person who will make no payment as part of such Installment due to Prepayment.

(b) All payments from the Annual Interest Credit Account of the Assesseees' Credit Fund shall be made by the Trustee upon the Written Certificate of the Village or the Servicing Agent, upon which the Trustee may rely without further investigation.

**Section 513. Series 2018 Expense Fund.** Moneys in the Series 2018 Expense Fund, at the direction of the Village expressed in a Written Certificate filed with the Trustee, shall be applied to pay costs of issuance of the Series 2018 Bonds. On March 30, 2018, the Series 2018 Expense Fund shall be closed and any moneys remaining therein shall be paid into the Debt Service Account of the Debt Service Fund.

**Section 514. Series 2018 Rebate Fund.** In the event that the Village shall invest moneys in any Fund or Account in any investments that generate income that must be rebated or paid to the United States of America pursuant to Section 148(f) of the Internal Revenue Code of 1986, such income shall be deposited in the Series 2018 Rebate Fund. Moneys in the Series 2018 Rebate Fund, at the direction of the Village expressed in a Written Certificate filed with the Trustee, shall be applied to pay such sums as are required to be paid to the United States of America

pursuant to Section 148(f) of the Internal Revenue Code of 1986, or shall be withdrawn from the Series 2018 Rebate Fund and paid into the General Reserve Fund.

## **ARTICLE VI**

### **Depositories and Investment of Funds**

**Section 601. Depositories.** (a) All moneys held by the Trustee under the provisions of this Indenture shall constitute trust funds and the Trustee may deposit such moneys with one or more Depositories in trust for the Trustee. All moneys deposited under the provisions of this Indenture shall be applied only in accordance with the provisions of this Indenture.

(b) Each Depository shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having capital stock, surplus and undivided earnings aggregating at least \$20,000,000 and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of this Indenture.

(c) There may be established within any Fund or Account established hereunder such further accounts or subaccounts as an Authorized Officer of the Village may determine.

(d) Moneys and securities credited to any Fund or Account held by the Village may be commingled with moneys and securities credited to other Funds or accounts held by the Village for purposes of establishing checking or other bank accounts, for purposes of investing funds or otherwise; provided, however, the Village shall at all times maintain or cause to be maintained accurate books and records reflecting the amounts credited to each Fund and account held by the Village. All withdrawals from any commingled moneys shall be charged against the proper Fund or account and no moneys shall be withdrawn from commingled moneys if there is not on credit to the Fund or account to be charged sufficient funds to cover such withdrawal.

**Section 602. Deposits.** (a) All moneys held by any Depository under this Indenture may be placed on demand, savings or time deposit, if and as directed by an Authorized Officer of the Village, provided that such deposits shall permit the moneys so held to be available for use at the time when needed. All such moneys deposited with a Depository may be made in the commercial banking department of such Depository which may honor checks and drafts on such deposit.

(b) All moneys held under this Indenture by the Trustee or any Depository shall not at any time exceed 10% of the combined capital, surplus and undivided earnings of the Trustee or such Depository, as the case may be, unless such moneys are either (1) fully insured by the Federal Deposit Insurance Corporation, or (2) secured, to the extent not insured by the Federal Deposit Insurance Corporation, by lodging with the Trustee, as custodian, as collateral security, such securities as are described in the definition of "Investment Securities" in Section 101 hereof having a market value (exclusive of accrued interest) not less than the amount of such moneys (or portion thereof not insured by the Federal Deposit Insurance Corporation), and secured in such other manner as may then be required by applicable Federal or State laws and regulations and



applicable state laws and regulations of the state in which the Trustee or such Depository (as the case may be) is located, regarding security for the deposit of trust funds.

(c) All moneys deposited with the Trustee and each Depository shall be credited to the particular Fund or Account to which such moneys belong; *provided, however*, nothing herein contained shall prohibit the Village from directing the Trustee by a Written Request of the Village to make inter-Fund or account transfers of investments at the market value of the investments so transferred, as such market value shall be determined by the Village at the time of transfer and set forth in the Written Request. The Trustee shall be entitled to rely on the determination set forth in the Written Request.

**Section 603. Investment of Certain Funds.** Unless further limited as to maturity by the provisions of this Indenture or a Supplemental Indenture, moneys held in the Funds and Accounts established under this Indenture may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds and Accounts. Moneys in the Debt Service Reserve Account shall be invested only in Investment Securities with maturities not longer than 10 years, the average life of which is no longer than five years. The Trustee shall make all such investments of moneys held by it in accordance with Written Requests of the Village filed with it. In making any investment in any Investment Securities with moneys in any Fund or Account established under this Indenture, the Village may instruct the Trustee to combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Investment Securities.

**Section 604. Valuation and Sale of Investments.** (a) Obligations purchased as an investment of moneys in any Fund or Account created under the provisions of this Indenture shall be deemed at all times to be a part of such Fund or Account and any profit realized from the liquidation of such investment shall be initially credited to such Fund or Account and any loss resulting from the liquidation of such investments shall be charged to such Fund or Account.

(b) In computing the amount in any Fund or Account created under the provisions of this Indenture for any purpose provided in this Indenture, obligations purchased as an investment of moneys therein shall be valued at the cost of such obligations or the market value thereof, whichever is lower, except that any obligation maturing in less than five years after the date of valuation shall be valued at the amortized cost thereof. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be made as of February 1, May 1, August 1 and November 1 of each year and at such other times as the Village or the Trustee shall determine.

(c) Except as otherwise provided in this Indenture, the Trustee shall sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment only, in accordance with instructions received from an Authorized Officer of the Village so to do. Whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund or Account held by the Trustee, the Trustee shall sell at the best price obtainable or present for redemption such obligation or obligations designated by an Authorized Officer necessary to provide sufficient moneys for such payment or transfer; *provided, however*, that if the Village fails to provide such designation promptly after request thereof by the Trustee, the Trustee

may in its discretion select the obligation or obligations to be sold or presented for redemption. The Trustee shall not be liable or responsible for any loss resulting from the making of any such investment or the sale of any obligation in the manner provided above.

## **ARTICLE VII**

### **Special Covenants**

**Section 701. Payment of Bonds.** The Village shall duly and punctually pay or cause to be paid, but solely from the Trust Estate, and not otherwise, the principal or Redemption Price of every Bond and the interest thereon, at the date, and places and in the manner mentioned in the Bonds, according to the true intent and meaning thereof.

**Section 702. Extension of Payment of Bonds.** The Village shall not directly or indirectly extend or assent to the extension of the mandatory redemption or maturity of any of the Bonds or interest and, in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to any payment out of the Assessment or Funds established by this Indenture, including the investments, if any, thereof, pledged under this Indenture, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Village to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

**Section 703. Offices for Servicing Bonds.** The Village hereby appoints the Trustee as the bond registrar to maintain an agency for the registration, transfer or exchange of Bonds, and for the service upon the Village of such notices, demands and other documents, and the Trustee shall continuously maintain or make arrangements to provide such services.

**Section 704. Further Assurances.** At any and all times the Village shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver, all and every such further Supplemental Indentures, ordinances, resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Assessments and other moneys, securities and funds hereby pledged or assigned, or intended so to be, or which the Village may become bound to pledge or assign.

From and after the Issue Date, the Village will, to the extent required by law, cause the Indenture and all supplements thereto, and all related Uniform Commercial Code financing statements or other instruments, to be kept, recorded and filed in such manner and in such places as may be required by law in order to create, perfect, preserve and protect fully the security of the Bondowners in the Assessments and any other collateral and the rights of any Trustee for the Bondowners. The Village covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments and transfers as may

be required for the better securing, assuring, continuing, transferring, conveying, pledging, assigning and confirming unto Bondowners or any Trustee for the Bondowners, the Assessments and any other collateral pledged to the payment of the Principal Installments and interest on the Bonds. Except to the extent it is exempt therefrom, the Village will pay or cause to be paid all filing fees incident to such filing and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of such instruments of further assurance.

**Section 705. Power to Issue Bonds and Pledge Assessment and Other Funds.**

The Village is duly authorized under the Act and the Local Government Debt Reform Act and all applicable laws to create and issue the Bonds and to adopt this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture. Except to the extent otherwise provided in this Indenture, the Trust Estate is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the respective pledges and assignments created by this Indenture and all corporate or other action on the part of the Village to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be the valid and legally enforceable obligations of the Village in accordance with their terms and the terms of this Indenture, except as the enforcement thereof may be limited by bankruptcy or other similar laws affecting creditors' rights generally. The Village shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Bondowners under this Indenture against all claims and demands of all persons whomsoever.

**Section 706. Power to Make Improvement and Assessment.** The Village had and has good right and lawful power to construct the Improvement and to make the Assessment and so long as any of the Bonds are Outstanding will use its best efforts to oppose any change in law or regulation that would materially adversely affect its good right and lawful power to collect the Assessment.

**Section 707. Creation of Liens.** The Village shall not issue any bonds, notes, debentures, or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the Trust Estate, other moneys, securities or funds held or set aside by the Village or by the Trustee under this Indenture and shall not create or cause to be created any lien or charge on the Trust Estate, or such moneys, securities or funds; provided, however, that nothing contained in this Indenture shall prevent the Village from issuing, if and to the extent permitted by law evidences of indebtedness payable out of, or secured by a pledge or assignment of, the Assessment to be received on and after such date as the pledge of the Assessment provided in this Indenture shall be discharged and satisfied as provided in Section 1201 hereof.

**Section 708. Special Assessment Liens.** The Village shall bill and collect the Assessments in accordance with law. The Village shall diligently enforce the Special Assessment Liens, including without limitation, the enforcement of any delinquent Assessments by the commencement and maintenance of an action to foreclose the lien of any delinquent Assessments in the manner provided by law.

**Section 709. Accounts and Reports.** (a) The Village shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Assessment and each Fund and Account established under this Indenture, and which, shall, upon reasonable advance notice and during regular business hours, be subject to the inspection of the Trustee, any Bond Insurer or the Owners of an aggregate of not less than 10% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

(b) The Trustee shall advise the Village promptly after the end of each month of all transactions during such month relating to each Fund and Account held by it under this Indenture.

(c) The Village shall annually, within 210 days after the close of each Fiscal Year, file with the Trustee, and otherwise as provided by law, a copy of an annual report for such Fiscal Year, accompanied by an Accountant's Certificate, prepared in accordance with Generally Accepted Accounting Principles, relating to the Assessment. Such Accountant's Certificate shall state whether or not, to the knowledge of the signer, the Village is in default with respect to any of the covenants, agreements or conditions on its part contained in this Indenture, and if so, the nature of such default.

(d) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of this Indenture shall be available for the inspection of each Bond Insurer and the Beneficial Owners of the Bonds at the office of the Trustee and shall be mailed to each Bond Insurer and to each Beneficial Owner who shall file a written request therefore with the Village. The Village may charge for such reports, statements and other documents, a reasonable fee to cover reproduction, handling and postage.

(e) The Village shall file with the Trustee (1) forthwith upon becoming aware of any Event of Default or other event which, with the lapse of time specified in Section 801 hereof, would become an Event of Default, a Written Certificate of the Village specifying such Event of Default or default and (2) within 210 days after the end of each Fiscal Year, a Written Certificate of the Village stating that, to the best of knowledge and belief of the Authorized Officer executing such Written Certificate, the Village has kept, observed, performed and fulfilled each and every one of its covenants and obligations contained in this Indenture and there does not exist at the date of such certificate any default by the Village under this Indenture or any Event of Default or other event which, with the lapse of time specified in Section 801, would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

(f) On or before March 1 of each year, the Village shall submit to the Trustee a report setting forth the assessed value of all property subject to the Special Assessment and a list of all delinquent Special Assessments;

(g) On or before December 1 of each year the Village shall submit to the Trustee a report detailing the status of the sale of the delinquent Special Assessments.

**Section 710. Tax Covenants.** The Village will not take any action or omit to take any action which is lawful and within its power to take, and which, if taken or omitted, would cause interest on any Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Bond is subject on the date of original issuance thereof.

The Village will not permit any of the proceeds of the Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any Bond to constitute a “private activity bond” within the meaning of Section 141 of the Internal Revenue Code of 1986.

The Village will not permit any of the proceeds of the Bonds or other moneys to be invested in any manner that would cause any Bond to constitute an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986 or a “hedge bond” within the meaning of Section 149(g) of the Internal Revenue Code of 1986.

The Village will comply with the provisions of Section 148(f) of the Internal Revenue Code of 1986 relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

The Improvement shall be owned by the Village and the Assessment shall be administered so that the Assessment and the Bonds will constitute a “tax assessment loan” entitled to the “tax assessment loan exception” to the “private loan financing test” set forth in United States Treasury Regulations Section 1.141-5.

**Section 711. Assignment of Servicing Agreement.** All of the rights and remedies of the Village under the Servicing Agreement, including the right to enforce the Servicing Agreement, are hereby assigned to the Trustee for the benefit of the Owners of the Bonds and the 2018 Bond Insurer. The duties, covenants and obligations of the Village under the Servicing Agreement are not assigned to the Trustee.

**Section 712. General.** (a) The Village shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Village under the provisions of the Act and this Indenture.

(b) Upon the date of authentication and delivery of any of the Bonds, all conditions, acts and things required by law and this Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of the Village, shall comply in all respects with the applicable laws of the State.

## **ARTICLE VIII**

### **Events of Default and Remedies**

**Section 801. Events of Default.** The Events of Default are as follows:

(1) default shall be made in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call or proceedings for redemption, or otherwise;

(2) default shall be made in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment with respect to a Bond, when and as such interest installment or Sinking Fund Installment shall become due and payable;

(3) default shall be made by the Village in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring that it shall have been remedied and stating that such notice is a "Notice of Default" hereunder is given to the Village by the Trustee or any Bond Insurer of an Insured Bond or to the Village and to the Trustee by the Owners of not less than 25% in principal amount of the Bonds Outstanding; or

(4) there shall be filed by the Village a petition seeking an adjustment of indebtedness under any applicable law or statute of the United States of America or of the State.

(5) If in any year after making the April 1<sup>st</sup> deposit to the Debt Service Reserve Account of the Debt Service Fund pursuant to Section 504(b)(2) and the transfer from the General Reserve Fund to the Debt Service Reserve Account required by Section 509(b), the sum held in the Debt Service Reserve Account is not at least equal to the Debt Service Reserve Requirement on any date over the next period of three months commencing on April 1 of such year and ending on June 30 of such year.

**Section 802. Accounting and Examination of Records after Default.** The Village covenants that if an Event of Default shall have happened and shall not have been remedied, the books of records and accounts of the Village and all other records relating to the Assessment shall at all reasonable times be subject to the inspection and use of the Trustee and of its agents and attorneys.

**Section 803. Application of Revenues and Other Moneys after Default.** (a) The Village covenants that if an Event of Default shall happen and shall not have been remedied, the Village, upon the demand of the Trustee, shall (1) to the extent practicable, cause all Assessment Receipts to be paid directly to the Trustee and (2) pay over or cause to be paid over to the Trustee as promptly as practicable after receipt thereof, all Assessment Receipts not paid directly to the Trustee pursuant to (2) above.

(b) During the continuance of an Event of Default, the Trustee shall apply available moneys to the payment of the interest and principal or Redemption Price then due on the Bonds, as follows:

First: Interest — To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: Principal or Redemption Price — To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds, due on any date, then to the payment thereof, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; or

**Section 804. Proceedings Brought by Trustee.** (a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, with the prior written consent of each Bond Insurer and upon written request of the Owners of not less than 25% in principal amount of the Bonds Outstanding with the prior written consent of each Bond Insurer shall proceed, to protect and enforce its rights and the rights of the Owners of the Bonds under this Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted or any remedy granted under the Act, or for an accounting against the Village as if the Village were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture.

(b) All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production thereof on the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

(c) The Owners of not less than a majority in principal amount of the Bonds at the time Outstanding, may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, *provided* that the Trustee shall have the right to decline to follow any such direction if (i) the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, (ii) the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability, unless such Owners shall agree to indemnify the Trustee against such liability and shall post bond in respect of such indemnity, or (iii) the Trustee in good faith shall determine that the action or proceeding so directed would be unjustly prejudicial to the Bondowners not parties to such direction.

(d) Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(e) Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Owners of a majority in principal amount of the Bonds then Outstanding, and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Indenture by any acts which may be unlawful or in violation of this Indenture, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondowners.

(f) The prior written consent of each Bond Insurer is required as a condition precedent to, and in all instances of, an acceleration of the payment of the Bonds.

**Section 805. Restriction on Bondowner's Action.** (a) No Owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Owners of at least 25% in principal amount of the Bonds then Outstanding, shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or by the Act or by the other laws of the State or to institute such action, suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Indenture, or to enforce any right under this Indenture, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the equal benefit of all Owners of the Outstanding Bonds, subject only to the provisions of Section 702.

(b) Nothing in this Indenture or in the Bonds contained shall affect or impair the obligation of the Village, to pay to the fullest extent possible, from the Trust Estate, at the respective dates of maturity and places therein expressed the principal of and interest or Redemption Price on the Bonds to the respective Owners thereof, or affect or impair the right of action, which is absolute and unconditional, of any Owner to enforce such payment of its Bond.

**Section 806. Remedies Not Exclusive.** No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law, including under the Act, or in equity or by statute on or after the date of adoption of this Indenture.



**Section 807. Effect of Waiver and Other Circumstances.** (a) No delay or omission of the Trustee, any Bond Insurer or any Bondowner to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article to the Trustee, any Bond Insurer or to the Bondowners may be exercised from time to time and as often as may be deemed expedient by the Trustee, any Bond Insurer or by the Bondowners.

(b) Prior to the final maturity date of the Bonds, the Owners of not less than two-thirds in aggregate principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Owners of all of the Bonds waive any past default under this Indenture and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

**Section 808. Notice of Default.** The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each Bond Insurer and to each Owner of Bonds then Outstanding at its address, if any, appearing on the registry books of the Village.

**Section 809. Rights of Bond Insurer.** Subject to the provisions of any applicable Supplemental Indenture, any Bond Insurer shall be treated as the Owner of Bonds upon which such Bond Insurer is obligated pursuant to a Bond Insurance Policy for the purposes of calculating whether or not the Owners of the requisite percentage of Bonds then Outstanding have consented to any request, consent, directive, waiver or other action permitted to be taken by the Owners of the Bonds pursuant to this Article; *provided, however*, that such Bond Insurer shall cease to be so regarded as Owner of such Bonds during any event in which such Bond Insurer is then in default of its payment obligations under the applicable Bond Insurance Policy or the rights of the Bond Insurer shall have terminated pursuant to Section 1213.

Notwithstanding anything contained in this Indenture to the contrary, but subject to the provisions of any applicable Supplemental Indenture, to the extent any Bond Insurer has exercised its rights as subrogee for the particular Bonds of which it has insured payment, such Bonds shall be deemed to be Outstanding and such Bond Insurer shall succeed to the rights and interests of the Owners as specified in respect of the applicable Bond Insurance Policy until such amount has been reimbursed.

## ARTICLE IX

### Trustee

**Section 901. Trustee; Appointment and Acceptance of Duties.** The Trustee hereby accepts the trusts created by this Indenture upon the terms and conditions set forth in this Article IX. The Trustee shall act as the Depositary for the Village for the purpose of receiving all moneys which the Village is required to pay to the Trustee hereunder, and to hold, allocate, use and apply the same as provided in this Indenture.

**Section 902. Trustee as Paying Agent.** The Trustee is appointed as a paying agent for the Bonds.

**Section 903. Responsibilities of Trustee or a Designated Depository.** (a) The recitals herein and in the Bonds contained shall be taken as the statements of the Village, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representation as to the validity or sufficiency of this Indenture or of any Bonds issued thereunder or as to the security afforded by this Indenture, and the Trustee shall incur no liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate of authentication on the Bonds. The Trustee shall not be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of subsection (b) of this Section 903, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

(b) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. Any provision of this Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 903.

**Section 904. Evidence on Which Trustee May Act.** (a) The Trustee, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Indenture, shall examine such instrument to determine whether it conforms to the requirements of this Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be of counsel to the Village, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Indenture in good faith and in accordance therewith.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Village, and such Written Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture upon the faith thereof; but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as may seem reasonable to it.

(c) Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Village to the Trustee shall be sufficiently executed in the name of the Village by an Authorized Officer.

**Section 905. Compensation.** Upon its appointment, the Trustee shall file with the Village a negotiated schedule of anticipated fees and charges for services to be performed pursuant to this Indenture. The Village shall pay to the Trustee from time to time pursuant to such schedule reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and other persons not regularly in its employ, incurred in and about the performance of its powers and duties under this Indenture, and the Trustee shall have a lien therefor on any and all funds at any time held by it under this Indenture.

**Section 906. Certain Permitted Acts.** The Trustee may become the owner of any Bonds, with the same rights it would have if it were not Trustee. To the extent permitted by law, the Trustee may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondowners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

**Section 907. Resignation of Trustee.** The Trustee may at any time resign and be discharged from the duties and obligations created by this Indenture by giving not less than 60 days' written notice to the Village, and mailing notice thereof, specifying the date when such resignation shall take effect, by first class mail, to each Bond Insurer and to the registered Owners of all Bonds then Outstanding; and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Village or the Bondowners as provided in Section 909, in which event such resignation shall take effect immediately on the appointment of such successor; *provided, however*, that such resignation of the Trustee shall in no event take effect until such successor shall have been appointed and accepted the duties of Trustee.

**Section 908. Removal of Trustee.** The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Owners of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized. So long as no Event of Default or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time for any reasonable cause by resolution of the Corporate Authorities filed with the Trustee. The Trustee may be removed by any Bond Insurer of an Insured Bond at any time upon any breach by the Trustee of the trusts set forth in this Indenture, by an instrument in writing signed and duly acknowledged by an authorized officer of such Bond Insurer setting forth the details of the breach of trust by the Trustee. After an Event of Default, the Trustee may be removed with or without cause by any Bond Insurer at any time by an instrument in writing signed and duly acknowledged by an authorized officer of such Bond Insurer. Each such instrument of a Bond Insurer shall be delivered to the Village and the Trustee.

**Section 909. Appointment of Successor Trustee.** (a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Owners of a majority in principal amount of the Bonds then Outstanding, by an instrument or concurrent instruments in writing signed and

acknowledged by such Bondowners or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Village, each Bond Insurer and the predecessor Trustee; *provided, nevertheless*, that unless and until a successor Trustee shall have been appointed by the Bondowners as aforesaid, the Village by a duly executed Written Certificate of the Village shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondowners as authorized in this Section 909. Any successor Trustee appointed by the Village shall, immediately and without further act, be superseded by a Trustee appointed by the Bondowners.

(b) Notice of the resignation or removal of the Trustee and the appointment of a successor shall be mailed by first class mail to each Bond Insurer and the registered Owners of all Bonds then Outstanding within 30 days after such appointment.

(c) If in a proper case, no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 909 within 60 days after the Trustee shall have given to the Village written notice as provided in Section 907 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee, any Bond Insurer of an Insured Bond or the Owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(d) Any Trustee appointed under the provisions of this Section 909 in succession to the Trustee shall be a bank or trust company or national banking association, having capital stock, surplus and undivided earnings aggregating at least \$20,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(e) While any Series 2018 Bond remains Outstanding, no removal or resignation of the Trustee shall take effect until a successor, acceptable to BAM, shall be qualified and appointed.

**Section 910. Transfer of Rights and Property to Successor Trustee.** Any successor Trustee appointed under this Indenture shall enter into a Supplemental Indenture with the Village, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Village, or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Village be reasonably required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, power and duties, any and all such deeds, conveyances and

instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Village.

**Section 911. Merger or Consolidation.** Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all duties imposed upon it by this Indenture, shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

**Section 912. Adoption of Authentication.** In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in any case of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Indenture provided that the certificate of the Trustee shall have.

**Section 913. Appointment of Co-Trustee.** (a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, and in particular in case of the enforcement thereof on default or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 913 are adapted to these ends.

(b) In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

(c) Should any instrument in writing from the Village be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such estates, properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Village. In case any separate trustee or co-trustee, or a successor to either of them shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest

in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

## **ARTICLE X**

### **Supplemental Indentures**

#### **Section 1001. Supplemental Indentures Effective Without Bondowners**

**Consent.** The Village and the Trustee may from time to time and at any time enter into a Supplemental Indenture modifying or amending this Indenture or any Supplemental Indenture and the rights and obligations of the Village and the Owners of the Bonds without the consent of any Bondowners for any of the following purposes:

(a) To close this Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Indenture on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

(b) To add to the covenants and agreements of the Village in this Indenture, other covenants and agreements to be observed by the Village which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(c) To add to the limitations and restrictions in this Indenture, other limitations and restrictions to be observed by the Village which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(d) To authorize Refunding Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in Section 202 and Section 203, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

(e) To provide for the issuance, execution, delivery, authentication, payment registration, transfer and exchange of Bonds pursuant to a book-entry system or in uncertified form, and, in connection therewith, to specify and determine any matters and things relative thereto;

(f) To confirm, as further assurance, any security interest, pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, this Indenture, of the Assessments or of any other moneys, securities or funds;

(g) To make any change necessary (1) to establish or maintain the exemption from federal income taxation of interest on any Series of Bonds as a result of any modifications or amendments to Section 103 or Section 148 of the Code (or any successor provisions of law) or interpretations thereof by the Internal Revenue Service, or (2) to comply with the provisions of Section 148(f) of the Code (or any successor provision of law), including provisions for the

payment of an or a portion of the investment earnings of any of the Funds established hereunder to the United States of America;

(h) To modify any of the provisions of this Indenture in any other respect whatsoever, provided that (1) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding, and (2) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

(i) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Indenture; and

(j) To insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect.

**Section 1002. Supplemental Indentures Effective with Consent of Bondowners.** At any time or from time to time, the Village and the Trustee may enter into a Supplemental Indenture modifying or amending this Indenture or any Supplemental Indenture, subject to consent by Bondowners in accordance, with and subject to the provisions of Article XI.

**Section 1003. General Provisions.** (a) This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X and Article XI. The consent of each Bond Insurer of an Insured Bond shall be required for the execution and delivery of any amendment to or supplement of this Indenture that requires Bondowner consent. Nothing in this Article X or Article XI contained shall affect or limit the right or obligation of the Village to adopt, make, do, execute, acknowledge or deliver any Supplemental Indenture, ordinance, resolution, deed, act or other instrument pursuant to the provisions of Section 704.

(b) Any Supplemental Indenture referred to and permitted or authorized by Sections 1001 or 1002 hereof may be executed without the consent of any of the Bondowners, but shall become effective only on the conditions, to the extent and at the time provided in said Sections. The copy of every Supplemental Indenture when filed with the Trustee shall be accompanied by an Opinion of Bond Counsel stating that such Supplemental Indenture has been duly and lawfully adopted in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon the Village in accordance with its terms.

(c) The Trustee, in executing a Supplemental Indenture, shall be fully protected in relying on an Opinion of Bond Counsel that such Supplemental Indenture is authorized or permitted by the provisions of this Indenture and the Act and will not adversely affect the exemption from federal income taxation of interest on any Series of Bonds Outstanding under this Indenture.

(d) Notice of the execution and delivery of each Supplemental Indenture described in Section 1001 shall be given to each Bond Insurer and shall include a copy of such

Supplemental Indenture in the form so executed and delivered. Each Bond Insurer shall be provided with a full transcript of proceedings relating to the execution of any Supplemental Indenture that amends the Indenture.

## **ARTICLE XI**

### **Amendments**

**Section 1101. Mailing.** Any provision in this Article for the mailing of a notice or other paper to Bondowners shall be fully complied with it if is mailed postage prepaid only (a) to each Owner of affected Bonds then Outstanding at its address, if any, appearing upon the registry books of the Village kept by the Trustee, (b) each Bond Insurer and (c) to the Trustee.

**Section 1102. Powers of Amendment.** Except as provided in Sections 1001 and 1002 hereof, any modification or amendment of this Indenture and of the rights and obligations of the Village and of the Owners of the Bonds thereunder, in any particular, shall be made by a Supplemental Indenture, with the written consent given as provided in Section 1103 hereof (a) of the Owners of not less than a majority in principal amount of the Bonds affected by such modification or amendment Outstanding at the time such consent is given, and (b) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Owners of not less than a majority in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given. No such modification or amendment shall permit (i) a change in the covenants of the Village contained in this Indenture or any Supplemental Indenture pertaining to the exclusion from gross income for federal income tax purposes of the interest on any Bond, or (ii) a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or (iii) a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto. For the purposes of this Section 1102, a Series shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Owners of Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity would be affected by any modification or amendment of this Indenture and any such determination shall be binding and conclusive on the Village and all Owners of Bonds. For purposes of this Section 1102, the Owners of any Bonds may include the initial Owners thereof, regardless of whether such Bonds are being held for resale.

**Section 1103. Consent of Bondowners.** (a) The Village may at any time enter into a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 1102 hereof to take effect when and as provided in this Section 1103. Subject to the provisions of Section 1213, and relating only to amendments or modifications that take effect upon the approval of the Owners of a majority in principal amount of the Outstanding Bonds affected by such modification or amendment, the rights of the Owner of an Insured Bond to take any action pursuant to this Section 1103 are abrogated and the Bond Insurer may exercise the rights of the



Owner of any Insured Bond that is entitled to the benefits of the Bond Insurance Policy issued by the Bond Insurer for the purpose of any approval, consent, waiver or other instrument of similar purpose pursuant to any provision of this Section.

(b) A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to affected Bondowners for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Village, by first class mail, to affected Bondowners (but failure of any affected Bondowner to receive such copy and request shall not affect the validity of the Supplemental Indenture when consented to as in this Section 1103 provided). Such Supplemental Indenture shall not be effective unless and until (a) there shall have been filed with the Trustee (i) the written consents of Owners of the percentages of affected Outstanding Bonds specified in Section 1102 hereof and (ii) an Opinion of Bond Counsel stating that such Supplemental Indenture has been duly and lawfully adopted and filed by the Village in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon the Village and enforceable in accordance with its terms, and (b) a notice shall have been mailed as hereinafter in this Section 1103 provided. It shall not be necessary that the consents of Owners of Bonds approve the particular form of wording of the proposed modification or amendment or of the proposed Supplemental Indenture effecting such modification or amendment, but it shall be sufficient if such consents approve the substance of the proposed amendment or modification. Each such consent shall be effective only if accompanied by proof of the ownership, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 1202 hereof. A certificate or certificates executed by the Trustee and filed with the Village stating that it has examined such proof and that such proof is sufficient in accordance with Section 1202 hereof shall be conclusive that the consents have been given by the Owners of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Owner of the affected Bonds giving such consent and, anything in Section 1202 hereof to the contrary notwithstanding, upon any subsequent Owner of such affected Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof) unless such consent is revoked in writing by the Owner of such Bonds giving such consent or a subsequent Owner thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 1103 provided for is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Village to the effect that no revocation thereof is on file with the Trustee. At any time after the Owners of the required percentages of affected Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Village a written statement that the Owners of such required percentages of affected Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture executed by the Village and the Trustee on a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required percentages of affected Bonds and will be effective as provided in this Section 1103, may be given to affected Bondowners by the Village by mailing such notice by first class mail to affected Bondowners (but failure of any affected Bondowner to receive such notice shall not prevent such Supplemental Indenture from becoming effective and binding as in this Section 1103 provided) after the Owners of the required percentages of affected Bonds shall have filed their consents to the Supplemental Indenture and the written statement of the Trustee hereinabove provided for is filed. The Village shall file with

the Trustee proof of the mailing of such notice. A record, consisting of the certificates or statements required or permitted by this Section 1103 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Village, the Trustee and the Owners of all Bonds at the expiration of 40 days after the filing with the Trustee of the proof of the mailing of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding, for such purpose commenced within such 40 day period; provided, however, that the Trustee and the Village during such 40 day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

**Section 1104. Modifications or Amendments by Unanimous Consent.** The terms and provisions of this Indenture and the rights and obligations of the Village and of the Owners of the Bonds thereunder may be modified or amended in any respect upon the execution by the Village and the Trustee of a Supplemental Indenture and the consent of the Owners of all of the affected Bonds then Outstanding, such consent to be given as provided in Section 1103 except that no notice to affected Bondowners by mailing shall be required; *provided, however*, that no such modification or amendment shall change or modify any of the rights or obligations of the Trustee without the filing of the written assent thereto of the Trustee in addition to the consent of the affected Bondowners.

**Section 1105. Exclusion of Bonds.** Bonds owned or held by or for the account of the Village shall not be deemed Outstanding for the purpose of consent or other action or any calculation of affected Outstanding Bonds provided for in this Article XI, and the Village shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article XI. At the time of any consent or other action taken under this Article XI, the Village shall furnish the Trustee a Written Certificate of the Village, upon which the Trustee may rely, describing all Bonds so to be excluded.

**Section 1106. Notation on Bonds.** Bonds authenticated and delivered after the effective date of any action taken as in Article X or this Article XI provided may, and, if the Trustee so determines, shall bear a notation by endorsement or otherwise in form approved by the Village and the Trustee as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of its Bond for the purpose at the principal corporate trust office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Village or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Village to conform to such action shall be prepared, authenticated and delivered and upon demand of the Owner of any Bond then Outstanding shall be exchanged, without cost to such Bondowner, for Bonds of the same Series, principal amount, maturity and interest rate then Outstanding, upon surrender of such Bonds. Any action taken as in Article X or this Article XI provided shall be effective and binding upon all Bondowners notwithstanding that the notation is not endorsed on all Bonds.

## ARTICLE XII

### Miscellaneous

**Section 1201. Defeasance.** (a) If the Village shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, then the pledge of the Trust Estate, and all covenants, agreements and other obligations of the Village to the Bondowners, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Village to be prepared and filed with the Village and, upon the request of the Village, shall execute and deliver to the Village all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Village all moneys or securities held pursuant to this Indenture which are not required for the payment of principal or Redemption Price, if applicable, of and interest on Bonds. If the Village shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of any Outstanding Bonds the principal or Redemption Price and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Village to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the Village of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 1201. In addition, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section (i) upon compliance with the provisions of subsection (c) of this Section 1201 or (ii) if the Village shall have satisfied all of the conditions precedent to such Bonds being so deemed to have been paid set forth in the Supplemental Indenture authorizing the Series of which such Bonds are a part.

(c) Subject to the provisions of subsections (d) and (e) of this Section 1201, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning, and with the effect expressed in subsection (a) of this Section 1201 if:

(i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Village shall have given to the Trustee irrevocable instructions accepted in writing by the Trustee to give as provided in Article IV notice of redemption of such Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Village as hereinafter provided prior to the giving of such notice of redemption) on said date,

(ii) there shall have been deposited with the Trustee either moneys (including moneys withdrawn and deposited pursuant to subsection (c) of Section 506 hereof) in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited

with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and

(iii) in the event said Bonds do not mature, are not by their terms subject to redemption or, under the plan of refunding applicable thereto, are not to be redeemed, in each case, within the next succeeding 90 days, the Village shall have given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable, by first-class mail, postage prepaid, to the Owners of such Bonds at their last addresses appearing on the books of the Village kept at the office of the Trustee a notice that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 1201 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Village as hereinafter provided prior to the giving of the notice of redemption referred to in clause (i) hereof).

(d) Anything in this Indenture to the contrary notwithstanding, any moneys held in trust for the payment and discharge of any of the Bonds which remain unclaimed for one year after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, shall, at the written request of the Village, be repaid to the Village, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged, with respect thereto and the Bondowners shall look only to the Village for the payment of such Bonds; *provided, however*, that before being required to make any such payment to the Village, the Trustee shall, at the expense of the Village, give to the Owners of such Bonds as to which any moneys remain unclaimed, by first class mail, postage prepaid, at the last address of such Owners appearing on the books of the Village kept at the office of the Bond Registrar a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice, the balance of such moneys then unclaimed will be returned to the Village.

(e) At least three business days prior to any defeasance with respect to the Series 2018 Bonds, the Village shall deliver to BAM draft copies of an escrow agreement, an opinion of Bond Counsel addressed to BAM and the Trustee regarding the validity and enforceability of the escrow agreement and the defeasance of the Series 2018 Bonds, a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to BAM and shall be in form and substance satisfactory to BAM. In addition, the escrow agreement shall provide that:

(i) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of Bond Counsel that such substitution will not adversely affect the exclusion (if interest on the Series 2018 Bonds is excludable) from gross income of the Owners of the Series 2018 Bonds of the interest on the Series 2018 Bonds for federal income tax purposes and the prior written consent of BAM, which consent will not be unreasonably withheld.

(ii) The Village will not exercise any prior optional redemption of Series 2018 Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in any official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(iii) The Village shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of BAM.

**Section 1202. Evidence of Signatures and Bondowners and Ownership of Bonds.** (a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Bondowners may be in one or more instruments of similar tenor and shall be signed or executed by such Bondowners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of this Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The fact and date of the execution by any Bondowner or its attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to such notary public or other officer the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of the authority of such officer or member.

(b) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books kept by the Trustee.

(c) Any request or consent by the owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Village or the Trustee in accordance therewith.

**Section 1203. Moneys Held for Particular Bonds.** The amounts held by the Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto.

**Section 1204. Cancellation and Destruction of Bonds.** All Bonds paid or redeemed, either at or before maturity, and all Bonds purchased by the Trustee, shall thereupon promptly be cancelled. Bonds so cancelled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers

describing the Bonds so destroyed, and one executed certificate shall be filed with the Village and the other executed certificate shall be retained by the Trustee.

**Section 1205. Preservation and Inspection of Documents.** All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Village and any Bondowner and their agents and their representatives, any of whom may make copies thereof.

**Section 1206. Parties Interested Herein.** Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Village, the Trustee, each Bond Insurer and the Owners of the Bonds any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Village shall be for the sole and exclusive benefit of the Village, the Trustee, each Bond Insurer and the Owners.

The 2018 Bond Insurer shall be included as a party in interest (third party beneficiary) with respect to the Indenture and the 2018 Bond Insurer shall be entitled to notify the Trustee of the occurrence of an Event of Default, and may request the Trustee to intervene in judicial proceedings that affect the Series 2018 Bonds or the security for the Series 2018 Bonds.

**Section 1207. Form of Series 2018 Bonds.** Subject to the provisions of the Indenture each Series 2018 Bond, the form of assignment and the Certificate of Authentication by the Trustee shall be, respectively, in substantially the following form, with such insertions, omissions, endorsements and variations as may be required or permitted by the Indenture:

(Form of Bond)

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
KANE AND KENDALL COUNTIES  
VILLAGE OF MONTGOMERY  
SPECIAL ASSESSMENT IMPROVEMENT REFUNDING BOND, SERIES 2018  
(LAKEWOOD CREEK PROJECT)

INTEREST RATE	MATURITY DATE	ISSUE DATE	CUSIP
%	March 1, 20__	February 6, 2018	613837 ____
REGISTERED OWNER:	Cede & Co.		
PRINCIPAL AMOUNT:	_____ Thousand Dollars (\$_____,000)		

The VILLAGE OF MONTGOMERY (the "Village"), a municipal corporation of the State of Illinois situate in the Counties of Kane and Kendall, acknowledges itself indebted and for value received hereby promises to pay, solely from the sources herein set forth, to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity

date specified above, upon presentation and surrender of this bond at the principal office of Amalgamated Bank of Chicago (the "Trustee") in the City of Chicago, Illinois and to pay interest on such principal amount from the date hereof until the principal amount hereof shall have been fully paid at the rate per annum specified above, computed on the basis of a 360 day year consisting of twelve 30 day months and payable on September 1, 2018 and semiannually thereafter on the first days of March and September of each year, interest to maturity being payable by check or draft mailed to the registered owner of record hereof, as of the 15th day of the calendar month next preceding such interest payment date, at the address of such registered owner appearing on the registration books maintained by the Village for such purpose at the principal corporate trust office of the Trustee or by wire transfer pursuant to an agreement by and between the Village and such registered owner. The principal of, premium, if any, and interest on this bond are payable in legal tender of the United States of America.

This bond is one of a duly authorized series of bonds of the Village designated "Special Assessment Improvement Refunding Bonds, Series 2018 (Lakewood Creek Project)" and issued in the aggregate principal amount of \$8,650,000 (the "Bonds") under and pursuant to the provisions of Division 2 of Article 9 of the Illinois Municipal Code, 65 Illinois Compiled Statutes 5/9, the Special Assessment Supplemental Bond and Procedures Act, 50 Illinois Compiled Statutes 460 and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and by virtue of an ordinance adopted by the President and Board of Trustees of the Village on January 8, 2018 and entitled: "An Ordinance Authorizing the Issuance of Special Assessment Improvement Refunding Bonds, Series 2018 (Lakewood Creek Project) of the Village of Montgomery, Illinois" (the "Bond Ordinance"). The Bonds are issued and secured under an Indenture of Trust dated as of January 1, 2018 from the Village to the Trustee (the "Indenture").

The Bonds maturing on or after March 1, 2028 are subject to redemption prior to maturity at the option of the Village on or after March 1, 2027, from such maturities and in such principal amounts as the Village shall determine and within a maturity by lot, at a redemption price equal to the principal amount to be redeemed.

The Bonds are subject to mandatory redemption by operation of the Prepayment Account maintained under the Indenture, on any interest payment date, in part, at a redemption price equal to the principal amount to be redeemed.

Notice of the redemption of Bonds will be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of Bonds to be redeemed at their last addresses appearing on such registration books. The Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such Bonds or portions thereof shall cease to accrue and become payable.

The Bonds are limited obligations of the Village payable solely from all right, title and interest of the Village in the Trust Estate pledged and assigned under the Indenture and

consisting of (i) the Assessment entered by Confirmation Order of the Circuit Court of the Sixteenth Judicial Circuit, Kendall County, Illinois, entered on February 27, 2001, (ii) the assessment lien imposed upon real property in the Village that is subject to the Assessment, and (iii) all funds established by the Indenture, except the Assessee's Credit Fund and any Rebate Fund. Neither the full faith and credit nor the general taxing power of the Village is pledged to the payment of the principal of or the interest on the Bonds.

The Bonds are all equally and ratably secured and entitled to the protection given by the Indenture. The Village may hereafter issue Refunding Bonds (as defined in the Indenture) from time to time under certain terms and conditions contained in the Indenture, and if issued, such Refunding Bonds will rank on a parity with the Bonds with respect to the Trust Estate pledged as security for the Bonds. Reference is hereby made to the Indenture and to all indentures supplemental thereto for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Village, the Trustee and the registered owners of the Bonds, the issuance of Bonds, and the terms upon which said Bonds are issued and secured.

To the extent and in the respects permitted by the Indenture, the provisions of the Indenture or any indenture supplemental thereto, may be modified or amended by action on behalf of the Village taken in the manner and subject to the conditions and exceptions prescribed in the Indenture. The pledges and other obligations of the Village under the Indenture may be discharged at or prior to the maturity of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Indenture.

This bond is transferable as provided in the Indenture, only upon the books of the Village kept for that purpose at the corporate trust office of the Trustee, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such duly authorized attorney, and thereupon the Village shall issue in the name of the transferee, a new Bond or Bonds of the same aggregate principal amount, maturity and interest rate as the surrendered Bond, as provided in the Indenture and upon the payment of the charges, if any, therein prescribed. The Village and the Trustee may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever.

The Bonds are issuable in the form of registered bonds in the denominations of \$5,000, or any integral multiple of \$1,000 in excess of \$5,000. The Bonds, upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of any other authorized denominations and of the same maturity.

The registered owner of this bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto except as provided in the Indenture.



This bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon has been duly executed by the Trustee.

It is hereby certified, recited and declared that this bond is issued in part pursuant to the Local Government Debt Reform Act and the Special Assessment Supplemental Bond and Procedures Act and that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this bond, do exist, have happened and have been performed in the time, form and manner required by law and that the issue of bonds of which this bond is one, together with all other indebtedness of the Village, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Village of Montgomery, has caused this bond to be executed by the manual or facsimile signatures of its Village President and its Village Clerk and its corporate seal, or a facsimile thereof, to be impressed or reproduced hereon.

Dated: \_\_\_\_\_, 2018

VILLAGE OF MONTGOMERY

By \_\_\_\_\_  
Village President

(SEAL)

Attest:

\_\_\_\_\_  
Village Clerk

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This bond is one of the Special Assessment Improvement Refunding Bonds, Series 2018 (Lakewood Creek Project), described in the within mentioned Indenture.

AMALGAMATED BANK OF CHICAGO,  
as Trustee

By \_\_\_\_\_  
Authorized Signatory

(Form of Assignment)

ASSIGNMENT

For value received the undersigned hereby sells, assigns, and transfers unto \_\_\_\_\_  
the within Bond, and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_  
attorney to transfer the within Bond on the books kept for registration thereof, with full power of  
substitution in the premises.

Dated: \_\_\_\_\_

Witness: \_\_\_\_\_

**Section 1208. No Recourse on the Bonds.** No official of the Village and no director, officer, agent or employee of the Village shall be individually or personally liable for the payment of the principal or Redemption Price or interest on the Bonds.

**Section 1209. Notices.** (a) Except as otherwise provided herein, all notices, requests, demands and other communications required or permitted under this Indenture shall be deemed to have been duly given if delivered or mailed, first class, postage prepaid, as follows:

(i) If to the Village:

Village of Montgomery  
200 North River Street  
Montgomery, Illinois 60538  
Attention: Village Administrator

(ii) If to the Trustee:

Amalgamated Bank of Chicago  
30 N. LaSalle Street, 38<sup>th</sup> Floor  
Chicago, Illinois 60602  
Attention: Corporate Trust Department

or to such other person or addresses as the respective party hereafter designates in writing to the Village and the Trustee.

(b) Any Bondowner or, in the case of Bonds issued in book-entry form, beneficial owner, of \$1,000,000 or more in principal amount of the Bonds may direct the Trustee in writing to deliver a copy of any notice to be given by the Trustee under this Indenture or the Supplemental Indenture providing for the issuance of such Bonds to such Bondowner or beneficial owner at such address as may be designated in such written direction.

(c) The Village will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Undertaking with respect to the Series 2018 Bonds and (ii) to the Bondowners of Series 2018 Bonds or the Trustee under the Indenture or the Servicing Agreement.

The notice address of BAM is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. \_\_\_\_\_, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

**Section 1210. Severability of Invalid Provisions.** If any one or more of the covenants or agreements provided in this Indenture on the part of the Village or the Trustee to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

**Section 1211. Holidays.** If the date for making any payment or the last date for performance of any act or the exercising of any right as provided in this Indenture, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal corporate trust office of the Trustee are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Indenture, and no interest shall accrue for the period after such nominal date.

**Section 1212. Actions, Approvals and Determinations by the Village.** Except as otherwise specifically provided in this Indenture, any action, approval or other determination to be made, given or taken by the Village shall be validly made, given or taken if made, given or

taken by the Corporate Authorities, or any committee of said Corporate Authorities or any officer of the Village to which said Corporate Authorities has lawfully delegated the power to make, give or take such action, approval or other determination. The fact that any such delegation shall have been made by the Corporate Authorities shall be conclusively proved by a certificate of the Village Clerk to that effect.

**Section 1213. Rights of Bond Insurers.** (A) Subject to paragraph (B) of this Section 1213, all rights of any Bond Insurer under this Indenture, or any Supplemental Indenture shall cease and terminate if: (i) such Bond Insurer has failed to make any payment under its Bond Insurance Policy; (ii) such Bond Insurance Policy shall cease to be valid and binding on such Bond Insurer or shall be declared to be null and void, or the validity or enforceability of any provision thereof is being contested by such Bond Insurer, or such Bond Insurer is denying further liability or obligation under such Bond Insurance Policy; (iii) a petition has been filed and is pending against such Bond Insurer under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or rehabilitation law of any jurisdiction, and has not been dismissed within sixty days after such filing; (iv) such Bond Insurer has filed a petition, which is still pending, in voluntary bankruptcy or is seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or rehabilitation law of any jurisdiction, or has consented to the filing of any petition against it under any such law; or (v) a receiver has been appointed for such Bond Insurer under the insurance laws of any jurisdiction.

(B) If a BAM Default shall occur and be continuing, then, (1) if at any time prior to or following a BAM Default, BAM has made payment under the 2018 Bond Insurance Policy, to the extent of such payment BAM shall be treated like any other Owner of the Series 2018 Bonds for all purposes, including giving of consents, and (2) if BAM has not made any payment under the 2018 Bond Insurance Policy, BAM shall have no further consent rights until the particular BAM Default is no longer continuing or BAM makes a payment under the 2018 Bond Insurance Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, “BAM Default” means: (A) BAM has failed to make any payment under the 2018 Bond Insurance Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the 2018 Bond Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

**Section 1214. Counterparts.** This Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Village of Montgomery, Illinois has caused this Indenture to be executed by its Village President and its official seal to be hereunto affixed and attested by its Village Clerk, and to evidence its acceptance of the trusts hereby created, Amalgamated Bank of Chicago has caused this Indenture to be executed by its Senior Vice President and its official seal to be hereunto affixed and attested by its Vice President, all as of this 6<sup>th</sup> day of February, 2018.

**VILLAGE OF MONTGOMERY, ILLINOIS**

By \_\_\_\_\_  
Village President

[SEAL]

Attest:

\_\_\_\_\_  
Village Clerk

**AMALGAMATED BANK OF CHICAGO,**  
as Trustee

By \_\_\_\_\_  
Its: Senior Vice President

[SEAL]

Attest:

\_\_\_\_\_  
Its: Vice President

**APPENDIX B  
BOND INSURANCE POLICY**



**MUNICIPAL BOND  
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$\_\_\_\_\_ in aggregate principal  
amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_

Member Surplus Contribution: \$ \_\_\_\_\_

Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Officer

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

1 World Financial Center, 27<sup>th</sup> floor  
200 Liberty Street  
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN



**APPENDIX C**  
**SPECIAL ASSESSMENT ROLL**

Special Tax Roll  
Village of Montgomery  
Lakewood Creek Project  
2017 Calendar Year

PIN	Unit Number	Lot Number	Property Class	Interest Protion of Maximum Special Assessments	Principal Protion of Maximum Special Assessments	Total Maximum Special Assessment	Assessee's Credit Fund	Special Assessments to be Collected in 2018
0201101001	1	32	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201101002	1	33	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201101003	1	34	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201101004	1	35	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201101005	1	36	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201101006	1	37	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201101007	1	38	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201101008	1	39	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201101009	1	40	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201101010	1	41	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201101011	1	42	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201101012	1	43	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201101013	1	44	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201102001	1	67	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201102002	1	66	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201102003	1	65	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201102004	1	64	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103001	5	491	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103002	5	492	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103003	5	493	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103004	5	494	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103005	5	495	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103006	5	496	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103007	5	497	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103008	5	498	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103009	5	499	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103010	5	500	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103011	5	501	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201103012	5	502	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103013	5	503	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103014	5	504	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103015	5	505	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103016	5	506	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103017	5	507	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201103018	5	508	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103019	5	509	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103020	5	510	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103021	5	511	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103022	5	512	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103023	5	513	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103024	5	514	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103025	5	515	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103026	5	516	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201103027	5	517	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103028	5	518	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103029	5	519	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103030	5	520	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103031	5	521	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103032	5	522	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103033	5	523	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103034	5	524	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103035	5	525	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103036	5	526	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67

Special Tax Roll  
Village of Montgomery  
Lakewood Creek Project  
2017 Calendar Year

PIN	Unit Number	Lot Number	Property Class	Interest Portion of Maximum Special Assessments	Principal Portion of Maximum Special Assessments	Total Maximum Special Assessment	Assessee's Credit Fund	Special Assessments to be Collected in 2018
0201103037	5	527	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103038	5	528	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103039	5	529	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103040	5	530	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201103041	5	531	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103042	5	532	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103043	5	533	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201103044	5	534	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104001	5	546	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104002	5	547	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104003	5	548	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104004	5	549	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104005	5	550	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104006	5	551	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104007	5	552	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104008	5	553	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104009	5	554	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104010	5	555	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104011	5	556	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104012	5	557	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104013	5	558	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104014	5	559	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104015	5	560	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104016	5	561	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104017	5	562	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104018	5	563	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104019	5	564	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201104020	5	565	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104021	5	566	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104022	5	567	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201104023	5	568	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104024	5	569	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104025	5	580	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104026	5	571	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104027	5	572	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104028	5	573	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104029	5	574	Single Family	\$938.98	\$411.89	\$1,350.88	\$142.26	\$1,208.62
0201104030	5	535	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201104031	5	536	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104032	5	537	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201104033	5	538	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104034	5	539	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104035	5	540	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104036	5	541	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104037	5	542	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104038	5	543	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104039	5	544	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201104040	5	545	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201125001	2	319	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201125002	2	320	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201125003	2	321	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201125004	2	322	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201125005	2	323	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201125006	2	324	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67

Special Tax Roll  
Village of Montgomery  
Lakewood Creek Project  
2017 Calendar Year

PIN	Unit Number	Lot Number	Property Class	Interest Portion of Maximum Special Assessments	Principal Portion of Maximum Special Assessments	Total Maximum Special Assessment	Assessee's Credit Fund	Special Assessments to be Collected in 2018
0201125007	2	325	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201125008	2	326	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201125009	2	327	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201125010	2	328	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201125011	2	329	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201126001	5	490	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201126002	5	489	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201126003	5	488	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201126004	5	487	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201126005	5	486	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201126007	5	485	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201126008	5	484	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201126009	5	483	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201126010	5	482	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201126011	5	481	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201126012	5	480	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201126013	5	479	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201126014	5	478	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201126015	5	477	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201126016	5	476	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201126017	5	475	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201126018	5	474	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201151001	1	123	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201151002	2	313	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201151003	2	314	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201151004	2	315	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201151005	2	316	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201151006	2	317	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201151007	2	318	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152001	1	155	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152002	1	154	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152003	1	153	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201152005	2	270	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152007	2	217	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201152008	2	272	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152009	2	273	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152010	2	274	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201152011	2	275	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152012	2	276	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152013	2	277	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152014	2	278	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152015	2	279	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152016	2	280	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152017	2	281	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152018	2	282	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152019	2	283	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201152020	2	284	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201152021	2	285	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201153001	2	286	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153002	2	287	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153003	2	288	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153004	2	289	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153005	2	290	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153006	2	291	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67

Special Tax Roll  
Village of Montgomery  
Lakewood Creek Project  
2017 Calendar Year

PIN	Unit Number	Lot Number	Property Class	Interest Protion of Maximum Special Assessments	Principal Protion of Maximum Special Assessments	Total Maximum Special Assessment	Assessee's Credit Fund	Special Assessments to be Collected in 2018
0201153007	2	292	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153008	2	293	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153009	2	294	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153010	2	295	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153011	2	296	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153012	2	297	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153013	2	298	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153014	2	299	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153015	2	300	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153016	2	301	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153017	2	302	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153018	2	303	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153019	2	304	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153020	2	305	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153021	2	306	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153022	2	307	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153023	2	308	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153024	2	309	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0201153025	2	310	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153026	2	311	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0201153027	2	312	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223002	3	379	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202223003	3	380	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223004	3	381	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223005	3	382	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223006	3	383	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202223007	3	384	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223008	3	385	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202223009	3	386	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202223010	3	387	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223011	3	388	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223012	3	389	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223013	3	390	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223014	3	391	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223015	3	392	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223016	3	393	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223017	3	394	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223018	3	395	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223019	3	396	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202223020	3	397	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223021	3	398	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223022	3	399	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223023	3	400	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223024	3	401	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202223025	3	402	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223026	3	403	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223027	3	404	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202223028	3	405	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223029	3	406	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202223031	3	407	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224001	3	348	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224002	3	349	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224003	3	350	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224004	3	351	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67

Special Tax Roll  
Village of Montgomery  
Lakewood Creek Project  
2017 Calendar Year

PIN	Unit Number	Lot Number	Property Class	Interest Portion of Maximum Special Assessments	Principal Portion of Maximum Special Assessments	Total Maximum Special Assessment	Assessee's Credit Fund	Special Assessments to be Collected in 2018
0202224005	3	352	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224006	3	353	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224007	3	354	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224008	3	355	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224009	3	356	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224010	3	357	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224011	3	358	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224012	3	359	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224013	3	360	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224014	3	361	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224015	3	362	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224016	3	363	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224017	3	364	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202224018	3	365	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224019	3	366	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224020	3	367	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224021	3	368	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224022	3	369	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224023	3	370	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224024	3	371	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224025	3	372	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224026	3	373	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224027	3	374	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224028	3	375	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202224029	3	376	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202224030	3	377	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202224031	3	378	Single Family	\$148.83	\$65.29	\$214.12	\$142.26	\$71.86
0202225001	3	330	Single Family	\$742.91	\$325.88	\$1,068.79	\$142.26	\$926.53
0202225002	3	331	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202225003	3	332	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202225004	3	333	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202225005	3	334	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202225006	3	335	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202225007	3	336	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202225008	3	337	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202225009	3	338	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202225010	3	339	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202225011	3	340	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202225012	3	341	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202225013	3	342	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202225014	3	343	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202225015	3	344	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202225016	3	345	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202225017	3	346	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202225018	3	347	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202227001	1	1	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227002	1	2	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227003	1	3	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227004	1	4	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227005	1	5	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227006	1	6	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227007	1	7	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227008	1	8	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227009	1	9	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67

Special Tax Roll  
Village of Montgomery  
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PIN	Unit Number	Lot Number	Property Class	Interest Protion of Maximum Special Assessments	Principal Protion of Maximum Special Assessments	Total Maximum Special Assessment	Assessee's Credit Fund	Special Assessments to be Collected in 2018
0202227010	1	10	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227011	1	11	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227012	1	12	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227013	1	13	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227014	1	14	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227015	1	15	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227016	1	16	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227017	1	17	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227018	1	18	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227019	1	19	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227020	1	20	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227021	1	21	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227022	1	22	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227023	1	23	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227024	1	24	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227025	1	25	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227026	1	26	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227027	1	27	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227028	1	28	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202227029	1	29	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227030	1	30	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202227031	1	31	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228001	1	107	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228002	1	106	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228003	1	105	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228004	1	104	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228005	1	103	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228006	1	102	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228007	1	101	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202228008	1	100	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228009	1	99	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228010	1	98	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228011	1	97	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228012	1	95	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228013	1	95	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228014	1	94	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228015	1	93	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202228016	1	92	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228017	1	91	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202228018	1	90	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202228019	1	89	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228020	1	88	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228021	1	87	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228022	1	86	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228023	1	85	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228024	1	84	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228025	1	83	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228026	1	82	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228027	1	81	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202228028	1	80	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229001	1	79	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229002	1	78	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229003	1	77	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202229004	1	76	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67

Special Tax Roll  
Village of Montgomery  
Lakewood Creek Project  
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PIN	Unit Number	Lot Number	Property Class	Interest Portion of Maximum Special Assessments	Principal Portion of Maximum Special Assessments	Total Maximum Special Assessment	Assessee's Credit Fund	Special Assessments to be Collected in 2018
0202229005	1	75	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229006	1	74	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202229007	1	73	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229008	1	72	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229009	1	71	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202229010	1	70	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202229011	1	69	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229012	1	68	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229013	1	63	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229014	1	62	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229015	1	61	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229016	1	60	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229017	1	59	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229018	1	58	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229019	1	57	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229020	1	56	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202229021	1	55	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230002	1	54	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230003	1	53	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230004	1	52	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230005	1	51	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230006	1	50	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230007	1	49	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230008	1	48	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230009	1	47	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230010	1	46	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230011	1	108	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230012	1	109	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230013	1	110	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230014	1	111	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202230015	1	112	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230016	1	113	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230017	1	114	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230018	1	115	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202230019	1	116	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202231001	1	45	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232002	1	174	Single Family	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202232003	1	173	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232004	1	172	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232005	1	171	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232006	1	170	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232007	1	169	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232008	1	168	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232009	1	167	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232010	1	166	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232011	1	165	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232012	1	164	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232013	1	163	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232014	1	162	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232015	1	161	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232016	1	160	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232017	1	159	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232018	1	158	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202232019	1	157	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67

Special Tax Roll  
Village of Montgomery  
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PIN	Unit Number	Lot Number	Property Class	Interest Protion of Maximum Special Assessments	Principal Protion of Maximum Special Assessments	Total Maximum Special Assessment	Assessee's Credit Fund	Special Assessments to be Collected in 2018
0202232020	1	156	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233001	1	138	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233002	1	137	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233003	1	136	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233004	1	135	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233005	1	134	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233006	1	133	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233007	1	132	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233008	1	131	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233009	1	130	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233010	1	129	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233011	1	128	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233012	1	127	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233013	1	126	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233014	1	125	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233015	1	124	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233016	1	152	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233017	1	151	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233018	1	150	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233019	1	149	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233020	1	148	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233021	1	147	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233022	1	146	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233023	1	145	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233024	1	144	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233025	1	143	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233026	1	142	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233027	1	141	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233028	1	140	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202233029	1	139	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202234001	1	117	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202234002	1	118	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202234003	1	119	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202234004	1	120	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202234005	1	121	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202234006	1	122	Single Family	\$1,374.84	\$603.09	\$1,977.93	\$142.26	\$1,835.67
0202201028	1	242B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201029	1	242A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201030	1	241A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201031	1	241B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201032	1	244A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201033	1	244B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201034	1	243A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201035	1	243B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201036	1	246A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201037	1	246B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201038	1	245A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201039	1	245B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201040	1	247A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201041	1	247B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201042	1	248B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201043	1	248A	Duplex	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202201044	1	249A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201045	1	249B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99



Special Tax Roll  
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PIN	Unit Number	Lot Number	Property Class	Interest Portion of Maximum Special Assessments	Principal Portion of Maximum Special Assessments	Total Maximum Special Assessment	Assessee's Credit Fund	Special Assessments to be Collected in 2018
0202201046	1	250B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201047	1	250A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201048	1	251B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201049	1	251A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201050	1	252A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201051	1	252B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201052	1	253B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201053	1	253A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201054	1	254A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201055	1	254B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201056	1	256A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201057	1	256B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201058	1	257B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201059	1	257A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201060	1	255B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201061	1	255A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201062	1A	258B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201063	1A	258A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201064	1A	261B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201065	1A	261A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201066	1A	260A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202201067	1A	260B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202038	1	228B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202039	1	228A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202040	1	227B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202041	1	227A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202042	1	226B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202043	1	226A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202044	1	212A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202045	1	212B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202046	1	213B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202047	1	213A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202048	1	209A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202049	1	209B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202050	1	208A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202051	1	208B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202052	1	206A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202053	1	206B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202054	1	207B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202055	1	207A	Duplex	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202202056	1	210B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202057	1	210A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202058	1	211B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202059	1	211A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202060	1	205B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202061	1	205A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202062	1	204B	Duplex	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202202063	1	204A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202064	1	203A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202065	1	203B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202066	1	202B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202067	1	202A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202068	1	201A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202069	1	201B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99

Special Tax Roll  
Village of Montgomery  
Lakewood Creek Project  
2017 Calendar Year

PIN	Unit Number	Lot Number	Property Class	Interest Portion of Maximum Special Assessments	Principal Portion of Maximum Special Assessments	Total Maximum Special Assessment	Assessee's Credit Fund	Special Assessments to be Collected in 2018
0202202070	1	200B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202071	1	200A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202072	1	199B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202073	1	199A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202074	1	198A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202075	1	198B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202076	1	197A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202077	1	197B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202078	1	196B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202079	1	196A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202080	1	195A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202081	1	195B	Duplex	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202202082	1	220B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202083	1	220A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202084	1	221B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202085	1	221A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202086	1	222A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202087	1	222B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202088	1	224A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202089	1	224B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202090	1	219A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202091	1	219B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202092	1	223A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202093	1	223B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202094	1	218B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202095	1	218A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202096	1	216A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202097	1	216B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202098	1	217B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202099	1	217A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202100	1	215B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202101	1	215A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202102	1	214A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202103	1	214B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202104	1	193A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202105	1	193B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202106	1	194B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202107	1	194A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202108	1	225A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202109	1	225B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202110	1	192A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202202111	1	192B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203019		183A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203020	1	183B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203021	1	184A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203022	1	184B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203023	1	185B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203024	1	185A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203025	1	186B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203026	1	186A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203027	1	180A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203028	1	180B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203029	1	181B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203030	1	181A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99

Special Tax Roll  
Village of Montgomery  
Lakewood Creek Project  
2017 Calendar Year

PIN	Unit Number	Lot Number	Property Class	Interest Portion of Maximum Special Assessments	Principal Portion of Maximum Special Assessments	Total Maximum Special Assessment	Assessee's Credit Fund	Special Assessments to be Collected in 2018
0202203031	1	182B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203032	1	182A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203033	1	179A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203034	1	179B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203035	1	178B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203036	1	178A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203037	1	177A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203038	1	177B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203039	1	176B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203040	1	176A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203041	1	175B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203042	1	175A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203043	1	187B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203044	1	187A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203045	1	189B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203046	1	189A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203047	1	191A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203048	1	191B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203049	1	190A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203050	1	190B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203051	1	188A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202203052	1	188B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204039	1	263B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204040	1	263A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204041	1	262B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204042	1	262A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204043	4	422A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204044	4	422B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204045	4	421	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204046		421A	Duplex	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202204047	1	264A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204048	1	264B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204049	4	418	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204050	4	418A	Duplex	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202204051	4	419A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204052	4	419B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204053	4	420A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204054	4	420B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204055	1	265A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204056	1	265B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204057	1	267A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204058	1	267B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204059	1	266A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204060	1	266B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204061	1	268B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204062	1	268A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204063	4	409A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204064	4	409B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204065	4	431B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204066	4	431A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204067	4	436B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204068	4	436A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204069	4	438B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204070	4	438A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99

Special Tax Roll  
Village of Montgomery  
Lakewood Creek Project  
2017 Calendar Year

PIN	Unit Number	Lot Number	Property Class	Interest Portion of Maximum Special Assessments	Principal Portion of Maximum Special Assessments	Total Maximum Special Assessment	Assessee's Credit Fund	Special Assessments to be Collected in 2018
0202204071	4	437A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204072	4	437B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204073	4	410A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204074	4	410B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204075	4	408A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204076	4	408B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204077	4	414B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204078	4	414A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204079	4	413B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204080	4	413A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204081	4	411A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204082	4	411B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204083	4	412B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204084	4	412A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204085	4	430B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204086	4	430A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204087	4	432A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204088	4	432B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204089	4	433B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204090	4	433A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204091	4	435B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204092	4	435A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204093	4	434B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204094	4	434A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204095	4	429A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204096	4	429B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204097	4	426B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204098	4	426A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204099	4	428A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204100	4	428B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204101	4	427B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204102	4	427A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204103	4	425A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204104	4	425B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204105	4	424A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204106	4	424B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204107	4	423A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204108	4	423B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204109	4	417A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204110	4	417B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204111	4	416A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204112	4	416B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204113	4	415A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202204114	4	415B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205015	4	464B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205016	4	464A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205017	4	463B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205018	4	463	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205019	4	466B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205020	4	466A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205021	4	467A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205022	4	467B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205023	4	465B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205024	4	465A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99

Special Tax Roll  
Village of Montgomery  
Lakewood Creek Project  
2017 Calendar Year

PIN	Unit Number	Lot Number	Property Class	Interest Portion of Maximum Special Assessments	Principal Portion of Maximum Special Assessments	Total Maximum Special Assessment	Assessee's Credit Fund	Special Assessments to be Collected in 2018
0202205025	4	469B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205026	4	469A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205027	4	468B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205028	4	468A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205029	4	470B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205030	4	470A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205031	4	471B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205032	4	471A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205033	4	472B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205034	4	472A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205035	4	473B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205036	4	473A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205037	1	269B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202205038	1	269A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206016	4	441B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206017	4	441A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206018	4	446A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206019	4	446B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206020	4	442A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206021	4	442B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206022	4	439A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206023	4	439B	Duplex	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202206024	4	440A	Duplex	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202206025	4	440B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206026	4	444A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206027	4	444B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206028	4	443A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206029	4	443B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206030	4	449A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206031	4	449B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206032	4	450B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206033	4	450A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206034	4	451B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206035	4	451A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206036	4	452A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206037	4	452B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206038	4	453B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206039	4	453A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206040	4	448A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206041	4	448B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206042	4	447B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206043	4	447A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206044	4	445A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202206045	4	445B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207012	4	459A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207013	4	459B	Duplex	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202207014	4	458B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207015	4	458A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207016	4	457B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207017	4	457A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207018	4	456A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207019	4	456B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207020	4	455	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207021	4	455A	Duplex	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid

Special Tax Roll  
Village of Montgomery  
Lakewood Creek Project  
2017 Calendar Year

PIN	Unit Number	Lot Number	Property Class	Interest Portion of Maximum Special Assessments	Principal Portion of Maximum Special Assessments	Total Maximum Special Assessment	Assessee's Credit Fund	Special Assessments to be Collected in 2018
0202207022	4	454A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207023	4	454B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207024	4	460A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207025	4	460B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207026	4	461A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207027	4	461B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207028	4	462A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207029	4	462B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207030	4	259A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202207031	4	259B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226013	1	232A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226014	1	232B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226015	1	233A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226016	1	233B	Duplex	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202226017	1	235A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226018	1	235B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226019	1	234A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226020	1	234B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226022	1	236B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226023	1	236A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226024	1	238	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226025	1	238B	Duplex	Prepaid	Prepaid	Prepaid	Prepaid	Prepaid
0202226026	1	237A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226027	1	237B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226028	1	239A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226029	1	239B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226030	1	240B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226031	1	240A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226032	1	231A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226033	1	231B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226034	1	229A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226035	1	229B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226036	1	230B	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
0202226037	1	230A	Duplex	\$1,078.49	\$473.09	\$1,551.58	\$111.59	\$1,439.99
<b>Total</b>				<b>\$836,900.73</b>	<b>\$367,115.73</b>	<b>\$1,204,016.45</b>	<b>\$86,832.99</b>	<b>\$1,117,183.46</b>

**APPENDIX D**  
**THE SERVICING AGREEMENT**

\$8,650,000  
Village of Montgomery, Illinois  
Special Assessment Improvement Refunding Bonds, Series 2018  
(Lakewood Creek Project)

**SERVICING AGREEMENT**

This SERVICING AGREEMENT (this “Agreement”) dated as of January 1, 2018, by and between VILLAGE OF MONTGOMERY, ILLINOIS, a municipality and unit of local government of the State of Illinois (the “Village”), MUNICAP, INC., a Maryland corporation and AMALGAMATED BANK OF CHICAGO, as Trustee (the “Trustee”) under the Indenture of Trust dated as of January 1, 2018 between the Village and the Trustee.

W I T N E S S E T H:

WHEREAS, the Village is a municipality organized and operating as a unit of local government under the Illinois Constitution and the laws of the State including the Illinois Municipal Code, as amended; and

WHEREAS, pursuant to the provisions of said Illinois Municipal Code and the Act, as hereinafter defined, the Village is authorized to, among other things, make local improvements by special assessment; and

WHEREAS, on November 27, 2000, the President and Board of Trustees of the Village (the “Corporate Authorities”) adopted Ordinance Number 920 of the Village, entitled: “AN ORDINANCE ESTABLISHING LOCAL IMPROVEMENTS AND SPECIAL ASSESSMENTS FOR LAKEWOOD CREEK SUBDIVISION IN THE VILLAGE OF MONTGOMERY, ILLINOIS” (the “Special Assessment Ordinance”) providing for the acquisition and construction of a local improvement (the “Improvement”) as described and defined in the Special Assessment Ordinance, the cost thereof to be paid by a special assessment (the “Assessment”), as described in a petition filed by the Village in the Sixteenth Judicial Circuit Court, Kendall County, Illinois (the “Court”) for the levy of the Assessment to pay the cost of the Improvement (the “Proceeding”); and

WHEREAS, all notices required to date by the Act in connection with the Improvement and the Proceeding have been given; and

WHEREAS, on February 27, 2001 after first resolving all legal and benefit objections, the Court entered its order of confirmation of the Assessment (the “Confirmation Order”) in the Proceeding; 30 days have passed since the entry of the Confirmation Order; and no appeal of the Confirmation Order has been taken; and

WHEREAS, to most advantageously provide for the payment of a portion of the costs of the Improvement, the Corporate Authorities, the Village issued its \$12,500,000 Special Assessment Improvement Bonds, Series 2001 (Lakewood Creek Project) (the “2001 Bonds”) for such purpose; and

WHEREAS, on January 4, 2007, the Village issued its \$14,270,000 Special Assessment Improvement Refunding Bonds, Series 2006 (Lakewood Creek Project) (the “2006 Bonds”) the proceeds of which were used to refund the 2001 Bonds; and

WHEREAS, pursuant to Ordinance Number 1796 of the Village adopted by the Corporate Authorities of January 8, 2018, the Village will issue its \$8,650,000 Special Assessment Improvement Refunding Bonds, Series 2018 (Lakewood Creek Project) (the “Bonds”) on February 6, 2018 for the purpose of refunding the outstanding 2006 Bonds; and

WHEREAS, the Bonds will be payable from the Assessment; and

WHEREAS, the Bonds will be secured by a Debt Service Reserve Account and the Special Assessment Lien; and

WHEREAS, the Village deems it desirable to enter into this Agreement for the purpose of amending from time to time the Roll; and

WHEREAS, the execution and delivery of this Agreement has been in all respects duly and validly authorized by ordinance duly adopted and approved by the Corporate Authorities; and

WHEREAS, the Village, MuniCap, Inc., as Servicing Agent, and the Trustee are willing to accept the duties provided for in this Agreement;

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN CONTAINED, the Village, MuniCap, Inc. and the Trustee agree as follows:

## ARTICLE 1

### DEFINITIONS AND STATUTORY AUTHORITY

Section 101. Definitions. Unless the context otherwise requires the following terms not previously defined shall, for all purposes of this Agreement and of any certificate, opinion or other document herein mentioned, have the following meanings:

“Act” means the Illinois Municipal Code, as amended, including, in particular, the Special Assessment Law.

“Assessments” means the several assessments on various Lots which in the aggregate constitute the Assessment.

“Authorized Officer” means the President, Village Clerk, Village Treasurer, Village Administrator or Village Director of Finance, and, in addition, any other officer or employee of the Village who is authorized to perform specific acts or duties by ordinance or resolution duly adopted by the Corporate Authorities.



“Indenture” means the Indenture of Trust, dated January 1, 2018, between the Village and the Trustee, to secure the Bonds.

“Lot” means a particular lot, block, tract, or parcel of land which is assessed on the Roll.

“Prepayment” means the prepayment of any Assessment.

“Roll” means assessment roll in the Proceeding, as amended from time to time.

“Special Assessment Law” means those pertinent portions of the Illinois Municipal Code, as amended, including expressly Division 2 of Article 9, providing for the making of local improvements by special assessment, as supplemented by the Special Assessment Supplemental Bond and Procedures Act, 50 ILCS 460.

“Special Assessment Lien” means the lien on property within the Village securing the Assessments.

“Trustee” means the trustee under the Indenture, initially being Amalgamated Bank of Chicago.

Section 102. Authority for This Agreement. The execution and delivery of this Agreement by the Village has been duly authorized pursuant to the provisions of the Act.

## ARTICLE 2

### PURPOSES OF THE AGREEMENT AND DUTIES OF MUNICAP

Section 201. Purpose of This Agreement; Summary of Duties. MuniCap, Inc., acting as the agent of and on behalf of the Village, shall keep the books and records of account with respect to the Roll, and shall provide information with respect thereto to the Trustee and the Village upon request. In furtherance of such undertaking, the Village and MuniCap, Inc., as Servicing Agent, agree to do the following:

A. bill and collect from the owner of each Lot the Assessment applicable to such Lot in accordance with the Special Assessment Law and Section 202 of this Agreement;

B. remit to the Trustee all amounts collected from the owner of each Lot within three (3) days of receipt;

C. diligently enforce the Special Assessment Liens, including, without limitation, the enforcement of any delinquent Assessments by the commencement and maintenance of an action to foreclose the lien of any delinquent Assessments in the manner provided by law;

D. submit notice of each delinquent Assessment to the Trustee within ten (10) days of the time such Assessment becomes delinquent;

E. calculate the proper amount of Prepayment for each Lot in accordance with Section 511(b) of the Indenture and submit information with respect to such calculation to the Trustee pursuant to Section 511(c) of the Indenture; and

F. undertake such actions and execute and record such documents as are necessary to enable the Village to release the Special Assessment Lien with respect to each Lot when the amount of any Prepayment has been made in full.

Section 202. Billing Procedures. MuniCap, Inc. on behalf of the Village, shall mail Special Assessment bills to owners of Lots no later than December 1 of each year, with a copy to each mortgagee of record. Each bill shall delineate the portion thereof attributable to principal and interest, respectively, on the Bonds. MuniCap, Inc. on behalf of the Village, shall mail a second bill to all owners of Lots who have not paid their bills by January 20 of the following year.

Section 203. Amendments of the Roll. MuniCap, Inc. on behalf of the Village, shall prepare such proceedings to the Court, as are necessary to amend the Roll from time to time as necessary to reflect prepayments or abatements of Assessments.

### ARTICLE 3

#### CERTAIN COVENANTS

The Village, MuniCap, Inc. and the Trustee covenant and agrees with each other as follows:

Section 301. Further Assurances. At any and all times the Village shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver, all and every such further ordinances, resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better administration of duties hereunder.

Section 302. Provide Information, Etc. MuniCap, Inc. shall promptly supply all documents and information to the Village as are necessary or advisable to the carrying out of the Village's duties, including, expressly, all amendments or supplements to the Roll. MuniCap, Inc. shall calculate and provide to the Village and the Trustee the then current Debt Service Reserve Account Credit with respect to each Prepayment under the Indenture.

## ARTICLE 4

### MISCELLANEOUS

Section 401. Preservation and Inspection of Documents. All documents received by the Village or MuniCap, Inc. under the provisions of this Agreement shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Trustee and shall, upon request, be duplicated and provided to the Trustee by the Village or MuniCap, Inc..

Section 402. Parties Interested Herein. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Village, MuniCap, Inc. and the Trustee any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Agreement contained by and on behalf of the Village or MuniCap, Inc. shall be for the sole and exclusive benefit of the Trustee.

Section 403. Severability of Invalid Provisions. If anyone or more of the covenants or agreements provided in this Agreement on the part of the Village, MuniCap, Inc. or the Trustee to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Agreement.

Section 404. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the municipality in which is located the principal corporate trust office of the Trustee are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period after such nominal date.

Section 405. Actions, Approvals and Determinations by the Village. Except as otherwise specifically provided in this Agreement, any action, approval or other determination to be made, given or taken by the Village shall be validly made, given or taken if made, given or taken by the Corporate Authorities, or any committee of said Corporate Authorities or any officer of the Village to which the Corporate Authorities have lawfully delegated the power to make, give or take such action, approval or other determination. The fact that any such delegation shall have been made by the Corporate Authorities shall be conclusively proved by a certificate of the Village Clerk of the Village to that effect.

Section 406. Consent to Assignment. Pursuant to Section 711 of the Indenture, all of the rights and remedies of the Village against MuniCap, Inc. under this Agreement, including the right to enforce this Agreement, have been assigned to the Trustee for the benefit of the owners of the Bonds and the 2018 Bond Insurer, as defined in the Indenture. MuniCap, Inc. hereby consents to such assignment. The duties, covenants and obligations of the Village under this Agreement are not assigned to the Trustee.

Section 407. Notices. Except as otherwise provided herein, all notices, requests, demands and other communications required or permitted under this Agreement shall be deemed to have been duly given if delivered or mailed, first class, postage prepaid, as follows:

A. If to the Village:

Village of Montgomery, Illinois  
200 N. River Street  
Montgomery, Illinois 60538-1699

B. If to the Trustee:

Amalgamated Bank of Chicago  
30 N. LaSalle Street, 38<sup>th</sup> Floor  
Chicago, Illinois 60602

C. If to MuniCap, Inc.:

MuniCap, Inc.  
8340 Governor Ridgely Lane  
Elliott City, Maryland 21043

or to such other person or addresses as the respective party hereafter designates in writing to the Village and the Servicing Agent.

Section 408. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Village of Montgomery, Illinois, MuniCap, Inc. and Amalgamated Bank of Chicago have caused this Agreement to be executed as of this 6<sup>th</sup> day of February, 2018.

**VILLAGE OF MONTGOMERY, ILLINOIS**

By: \_\_\_\_\_  
Village President

[SEAL]

Attest:

\_\_\_\_\_  
Village Clerk

**MUNICAP, INC.,**

By: \_\_\_\_\_  
President

**AMALGAMATED BANK OF CHICAGO,**  
as Trustee

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**APPENDIX E**  
**PROPOSED FORM OF OPINION OF BOND COUNSEL**

525 W. Monroe Street  
Chicago, IL 60661-3693  
312.902.5200 tel  
www.kattenlaw.com

February 6, 2018

The President and Board of Trustees of the  
Village of Montgomery, Illinois

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$8,650,000 principal amount of Special Assessment Improvement Refunding Bonds, Series 2018 (Lakewood Creek Project) (the “Bonds”) of the Village of Montgomery, a municipal corporation of the State of Illinois. The Bonds are authorized and issued under and pursuant to the provisions of Division 2 of Article 9 of the Illinois Municipal Code, 65 Illinois Compiled Statutes 5/9, the Special Assessment Supplemental Bond and Procedures Act, 50 Illinois Compiled Statutes 460 and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and by virtue of an ordinance adopted by the President and Board of Trustees of the Village on January 8, 2018 and entitled: “An Ordinance Authorizing the Issuance of Special Assessment Improvement Refunding Bonds, Series 2018 (Lakewood Creek Project) of the Village of Montgomery, Illinois” (the “Bond Ordinance”). The Bonds are issued and secured under a Trust Indenture dated as of January 1, 2018 by and between the Village and Amalgamated Bank of Chicago, as trustee (the “Indenture”).

The Bonds are issuable in the form of fully registered bonds in the denominations of \$5,000 or any integral multiple of \$1,000 in excess of \$5,000. Bonds delivered on original issuance are dated February 6, 2018. The Bonds mature on March 1 in each of the following years in the respective principal amount set opposite each such year in the following table, and the Bonds maturing in each such year bear interest from their date payable on September 1, 2018 and semiannually thereafter on March 1 and September 1, at the respective rate of interest per annum set forth opposite such year:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$555,000	1.90%
2020	580,000	2.10
2021	610,000	2.30
2022	650,000	2.45
2023	675,000	2.60
2024	710,000	2.85
2025	745,000	3.00
2026	785,000	3.10
2027	825,000	3.20
2028	870,000	3.30
2029	795,000	3.40
2030	850,000	3.45

AUSTIN   CENTURY CITY   CHARLOTTE   CHICAGO   HOUSTON   IRVING   LOS ANGELES  
NEW YORK   ORANGE COUNTY   SAN FRANCISCO BAY AREA   SHANGHAI   WASHINGTON, DC  
LONDON: KATTEN MUCHIN ROSENMAN UK LLP

A limited liability partnership including professional corporations

Error! Unknown op code for conditional.

The Bonds maturing on or after March 1, 2028 are subject to redemption prior to maturity at the option of the Village, in such principal amounts and from such maturities as the Village shall determine and by lot within a single maturity, on March 1, 2027 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

The Bonds are subject to mandatory redemption by operation of the Prepayment Account maintained under the Indenture, on any interest payment date, in part, at a redemption price equal to the principal amount to be redeemed.

Under the terms of the Indenture, the Village may authorize and issue additional bonds ("Refunding Bonds") for the purposes and upon the terms and conditions prescribed in the Indenture. Refunding Bonds, when issued, shall, equally with the Bonds and with all Refunding Bonds theretofore issued, be entitled to the benefit and security of the Indenture.

We are of the opinion that:

1. The Bond Ordinance has been duly adopted by the President and Board of Trustees of the Village, is in full force and effect and is presently binding upon the Village in accordance with its terms as part of its contract with the owners of the Bonds.

2. The Village is authorized to issue the Bonds and to enter into the Indenture. The Indenture has been duly executed and delivered by the Village, is in full force and effect and is presently binding upon the Village in accordance with its terms as part of the Village's contract with the owners of the Bonds.

3. The Bonds are valid and binding limited obligations of the Village payable solely from and secured by all right, title and interest of the Village in the Trust Estate pledged and assigned under the Indenture and consisting of (i) the Assessment entered by Confirmation Order of the Circuit Court of the Sixteenth Judicial Circuit, Kendall County, Illinois, entered on February 27, 2001, (ii) the Special Assessment Lien imposed upon real property in the Village that is subject to the Assessment, and (iii) all funds established by the Indenture, except the Assessee's Credit Fund and any Rebate Fund.

With the permission of Mickey, Wilson, Weiler & Renzi, P.C., we have relied on their opinion of March 30, 2001 concerning the validity of the Assessment and the Special Assessment Lien, and for all purposes of this opinion we have assumed the validity of the Assessment and the Special Assessment Lien securing the Bonds.

Neither the full faith and credit nor the general taxing power of the Village is pledged to the payment of the principal of or the interest on the Bonds. The Bonds are not an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation. The enforceability of rights or remedies with respect to the Bonds, the Bond Ordinance and the Indenture may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

4. Under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the requirements of the Internal Revenue Code of 1986 (the "Code"), interest on the Bonds

will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. The Bonds are not “private activity bonds” within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The Village has covenanted in the Indenture to comply with these requirements.

Interest on the Bonds is not exempt from Illinois income taxes.

Very truly yours,

LG:bae





**VILLAGE OF MONTGOMERY, ILLINOIS**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**

**MAY 1, 2016—APRIL 30, 2017**



**VILLAGE OF MONTGOMERY,  
ILLINOIS**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
APRIL 30, 2017**

Prepared by:  
Justin Van Vooren, Director of Finance

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## INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Montgomery including the list of principal officials, the organization 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 2021)

#### Village Trustees

Steve Jungermann  
(Term Expires April 2021)

Stan Bond  
(Term Expires April 2019)

Denny Lee  
(Term Expires April 2021)

Pete Heinz  
(Term Expires April 2019)

Theresa Spertling  
(Term Expires April 2021)

Doug Marecek  
(Term Expires April 2019)

**Village Clerk**  
Penelope Fitzpatrick  
(Term Expires April 2021)

#### Management Staff

Jeff Zoepfel

Village Administrator

Daniel Meyers

Chief of Police

Todd Hoppenstedt

Director of Public Works

Justin VanVooren

Director of Finance

Richard Young

Director of Community Development



August 16, 2017

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (GAAS) by an independent firm of certified public accountants. Pursuant to that requirement, the Comprehensive Annual Financial Report (CAFR) of the Village of Montgomery, Illinois (Village) for the fiscal year ended April 30, 2017, 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 provide 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, 2017, 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, 2017, 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 that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

### Profile of the Village of Montgomery

The Village of Montgomery is a growing community nestled along the banks of the Fox River in northern Illinois, located in both southern Kane and northern Kendall counties. Situated approximately 40 miles southwest of Chicago, the Village is bordered by Aurora to the north and east, Oswego and Boulder Hill to the south, Sugar Grove to the northwest, and Yorkville to the southwest. Montgomery also sits at a strategic nexus of multiple regional transportation routes. One of its primary assets is its access to major transportation corridors, including U.S. Route 30, U.S. Route 34, IL Route 47, and Interstate 88, which runs east-west approximately 3.5 miles north of the Village.

#### Village Board

Matt Brolley  
Village President

Penny FitzPatrick  
Village Clerk

#### Trustees

Stan Bond  
Peter Heinz

Steve Jungermann  
Denny Lee

Doug Marecek  
Theresa Sperling

#### Staff

Jeff Zoepfel  
Village  
Administrator

Daniel Meyers  
Chief of Police

Todd Hoppenstedt  
Dir. of Public Works

Justin VanVooren  
Director of Finance

Richard Young  
Dir. of Community  
Development



Citizens of Montgomery

Village President and  
Trustees

Village  
Administrator

Police  
Department

Administration

Investigations

Patrol

Records

Finance  
Department

Administration

Accounting

Human  
Resources

Water Billing

Public Works  
Department

Administration

Fleet

Streets

Water

Community  
Development  
Department

Administration

Building

Code  
Enforcement

Planning and  
Zoning

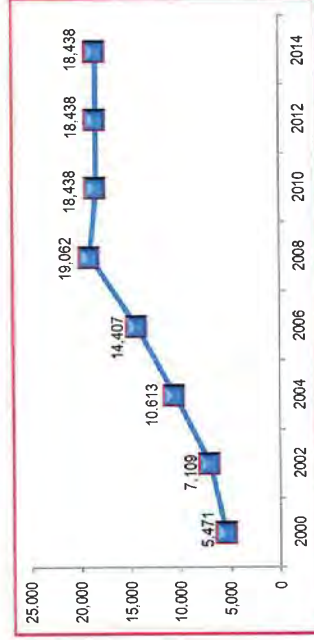


Montgomery was founded in 1835 by entrepreneur Daniel Gray, who purchased several land grants from the Federal government and pursued industrial development along the Fox River. The settlement was called "Graystown" for several years, but eventually he persuaded the other settlers to call the little 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 1868.

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

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

**Montgomery's Population Growth**



## 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, among other things, passing ordinances and resolutions, adopting the budget, and appointing a full-time professional Village Administrator. The Village Administrator is responsible for the day-to-day operations and staffing of the Village.



The Village Board, pictured from left to right, includes: front row – Village Trustee Theresa Sperling, Village Trustee Denny Lee, Village President Matt Brolley, former Village Clerk Tiffany Francis, Village Trustee Pete Heitz; back row – Village Trustee Steve Jungermann, Village Trustee Doug Marecek, and Village Trustee Stan Bond. Village Clerk Penny Fitzpatrick was appointed to complete Ms. Francis term and was elected in April 2017 to serve through April 2021.

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

The 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 clearly spelled out 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 nearly nine (9) months prior to adoption of the budget. In September, 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 November.

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. Any new personnel or vehicle requests are submitted to the Finance Department in mid-December, while the budget forms, program requests, and capital requests are submitted to the Finance Department in January.

The Director of Finance prepares revenue estimates in January 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 budget requests as a whole. 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 that 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.

The Village Board and Staff conduct a series of meetings beginning in February and ending in March. 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 by 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.

## Local Economy

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

The Great Recession hit just as the Village was spending millions of dollars on capital improvements to pay for the dramatic increase in the Village's population. The Village had also seen an increase in the demand for services due to Montgomery's tremendous population growth and had to hire more employees. Health insurance and police pension contributions had increased more than 50% during this time period as well. The Village had to take action to reverse the trend before it depleted its financial reserves. Between fiscal year 2011 and fiscal year 2015, the Village reduced staffing; moved \$150,000 of snow removal expenditures to the Motor Fuel Tax Fund from the General Fund; reduced or removed salary increases; and eliminated the local Dispatch Center (savings of approximately \$200,000 to use regional dispatch center KenCom).

Residential development stayed level in 2014 and 2015 at 31 and 28 new single family permits, respectively. Although we saw a drop in new single family homes in 2016, the Village saw interest in new multi-family homes increase. In addition, S.R. Jacobson Companies has proposed a 468 unit upscale apartment complex on the east side of the Village. Lastly, there are 3 developments with buildable single family lots, of which 1 is currently selling homes.

The Village saw commercial and industrial development rebound beginning in 2015, through 2016, and even further into 2017. The Village works with the Montgomery Economic Development Corporation to attract new businesses to the community. We have seen several new businesses build from the ground up over the last year including a 2 unit in-line building (Mattress Firm and AT&T) and Fuller's Car Wash, as well as other new businesses occupying vacant buildings like U-Haul, 9ers Grill, Peg Dog Pub, and Binny's Beverage Depot. As the economy continues the steady recovery, many small business owners are exploring expansion and growth strategies. One great example is the expansion of the White Eagle Auto Body.

Commercial development has helped the Village's sales tax, our single largest revenue source. The Village receives a one percent state sales tax on retail sales of tangible personal property within the Village. Sales tax is collected by the State and 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 fairly consistent even through the Great Recession. The Village began collecting non-home rule sales tax on July 1, 2015 on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. Although we budgeted \$150,000 per month, non-home rule sales tax has averaged approximately \$210,000. This new revenue source is being utilized to maintain or build infrastructure throughout the community.

The largest industrial project by far was the announcement by American Crystal and United Sugars Corporation (USC) of the ground breaking on a new bulk sugar storage and transfer facility. The 20-acre facility consists of a 26,000 square-foot bulk storage dome, a 17,000 square foot transfer facility and 5,500 feet of rail track space. The dome itself will stand 134 feet high and 183 feet wide. There is also room for a second dome. The dome holds over 60,000 metric tons or 1.3 million hundredweights of sugar and enables the transfer of nearly twice that amount to many of the largest sugar users in the U.S. The facility is not attached to a producing sugar factory, making it the largest freestanding sugar storage facility of its kind in the country. United Sugars' Montgomery facility will be the largest single sugar storage asset in the U.S. and began operations in late 2016.

In addition, Nexeo Solutions and Old Dominion Freight Line have also built industrial buildings in the Village within the last year. Nexeo Solutions, the largest global chemical and plastics distributor, completed a \$12 million, 158,000 square-foot warehouse and plastics distribution facility in early 2017. Old Dominion Freight Line, an industry-leading domestic and global shipper, began construction in November 2016 of a \$13 million, 52,000 square-foot freight depot that will be completed in June 2017.

The new development and additional revenues have allowed Montgomery to examine employee levels and determine where staff should be added. The fiscal year 2018 budget includes an additional 2,00 full-time equivalent employees. Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village has a contract with Public Works Local 150 which expires April 30, 2018 and includes a pay for performance plan ranging from 0.00% to 3.00% increases. The Village successfully negotiated and approved a new contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2020 and cost of living increases ranging from 2.00% to 2.25% and pay for performance increases ranging from 4.00% to 6.00%.

The development above has helped the Village to maintain a solid financial position. However, the local economy and the Village's financial position may be effected by state, national, and international decisions and events.

Caterpillar is one of the largest employers in the area and bordered on 2 sides by the Village. Caterpillar announced on March 31 that 800 manufacturing jobs would be moved to Decatur, Illinois and Little Rock, Arkansas. Although it is not within the corporate limits of the Village, there are residents who work at the facility that will be affected. Accordingly, we have been proactive and had several meetings with Caterpillar to discuss job training for employees with the local community college, annexation, and working together to redevelop the property.

The State of Illinois budget impasse is causing funding problems for its own state-wide services, and is a major concern to the Village. According to the Illinois Municipal League (IML), the State is currently spending at a rate of nearly \$38 billion per year, while only bringing in about \$33 billion per year. This unsustainable situation is affecting the State's cash flow position and will likely result in delays of payments to local governments. New bills are constantly being introduced in the legislature including, but not limited to, reduction of state shared revenues, property tax freezes, debt issuance only by passage of referendum, and pension reform. Any one of these bills individually would have a significant impact if approved and signed into law. Perhaps the largest concern is the reduction of distributions to local governments of state shared revenues to balance the State's budget. Any reduction in the distribution of these state shared revenues would have a serious consequence to current Village operations and subsequent years' operations. Without these shared revenues, the Village would have to implement or raise local taxes and fees, increase the property tax levy, and/or reduce expenditures. Finally, a reduction in state shared revenue combined with a property tax freeze would severely restrict the ability to raise additional revenue to support operations.

The United States (US) economy continues to see slow and steady growth at around 2% per year, similar to what we have seen over the last 8 years since the Great Recession. The unemployment rate dropped to 4.4% in April 2017, its lowest level since May 2007. Many economists say the US is now at or near full employment, meaning the unemployment rate won't go down significantly more. US underemployment, which includes Americans in part-time jobs and those at different lengths of unemployment, hit its lowest mark of 8.6% in a decade as well. Due to the strengthening economy, the Federal Reserve raised the target range for the federal funds rate in December 2015, December 2016, and March 2017 to the current level of 0.75 – 1.00%. This may result in additional investment income to the Village, although at the same time it may make borrowing more expensive (if necessary).

Internationally, there continue to be concerns over terrorism, political unrest, and a global economic slowdown.

### 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 that are 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 is a 3 year operating plan to facilitate financial planning. Finance staff work 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 Village is required to maintain a 5 year Capital Improvement Program (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, stormwater system. This program is used to identify and prioritize future capital needs and possible funding sources, impacting the budget by including the first three 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 Capital Improvement Program noted above.

The Finance Department worked with our IT consultant to establish a Computer Equipment Replacement schedule during fiscal year 2017. 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.

The Village recognizes the importance to develop and manage programs, services, and their related resources as efficiently and effectively as possible. Accordingly, the Board approved the Strategic Plan to establish the direction of the Village. Senior Management have identified specific goals and initiatives to accomplish the key outcome indicators (KOI), the 5 main strategic priorities, and ultimately the Strategic Plan as a whole.

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 10 year plan impacts the budget by allowing for funding of replacements annually at an established base level. The Public Works Department work together with other departments to determine the useful life and condition of certain vehicles and equipment. This ensures that 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 that 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 recent loss of industry and additional residential and commercial development may 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.

We started a marketing campaign in fiscal year 2017 for the community called "Montgomery in Motion". This campaign is intended to represent the many areas the Village is in motion, including:

- Water in the Fox River.
- Walking, running, or biking opportunities throughout the Village and it's neighborhoods.
- Development providing additional services and jobs; and
- Concepts to continue to move the Village forward.

The Village requested designs from the Oswego High School Graphic Communications class depicting their interpretation of Montgomery in Motion. The Village budgeted for and has identified a marketing professional to help develop this idea and others during fiscal year 2018. We feel the development of a consistent message will serve the Village and our residents well into the future.

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.

### Cash Management Policies and Practices

The Village examined its cash and investment practices and the Village Board approved a new investment policy during fiscal year 2014. Major changes in the length and type of investments, in accordance with the investment policy and State law, were made during fiscal year 2015 to increase the amount of investment income. The Village invests cash temporarily idle during the year in demand deposits, certificates of deposit, and other investments allowed by state statute including, but not limited to, U.S. agency and municipal securities. The Village extended its laddered portfolio of securities during fiscal year 2016 out to three years, and further in fiscal year 2017 out to five years, to capture additional yield from longer maturities. Although short-term interest rates remain at historically low levels, the Village has been able to capture additional investment income during fiscal year 2017 due to the changes made above.

### Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Montgomery for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2016. This was the fourteenth consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for a fifteenth 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 2017 budget document. This was the fifth consecutive year the Village has received this award. In order to qualify for the Distinguished Budget Presentation Award, the Village's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, and operations guide and a communications device.

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

Respectfully submitted,

*Justin E. VanVooren*

Justin E. VanVooren, CMA, CPA  
Director of Finance



Government Finance Officers Association

## Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Village of Montgomery  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2016**

*Jeffrey R. Egan*  
Executive Director/CEO

## **INDEPENDENT AUDITORS' REPORT**

## **FINANCIAL SECTION**

This section includes:

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



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## INDEPENDENT AUDITORS' REPORT

August 16, 2017

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Montgomery, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Montgomery, Illinois, as of April 30, 2017, 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.

Village of Montgomery, Illinois  
August 16, 2017  
Page 2

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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.

#### *Other 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 introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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, the combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Lauterbach & Amen LLP*  
LAUTERBACH & AMEN, LLP

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Village of Montgomery Management's Discussion and Analysis

April 30, 2017

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, 2017. Management's Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

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

#### Financial Highlights

- The Village net position as of April 30, 2017 was \$74,080. Of this amount, \$4,417 (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 \$218 over the prior year. The increase reflects approximately \$369 increase and \$151 decrease attributable to the governmental and business-type operations, respectively, of the Village. The increase in governmental operations is mainly due to fiscal year 2017 being the first full year of non-home rule sales tax offset by the addition of three new police officers plus benefits, depreciation of capital assets, and other expenses. The decrease in business-type operations is a combination of an increase in water and sewer rates offset by additional chemicals, overtime to address watermain breaks more timely, depreciation of capital assets, payment of debt service.
- As of April 30, 2017, the Village's governmental funds reported combined ending fund balances of \$10,570, an increase of \$1,197 over the prior year. Approximately 33.0% of this total amount, \$3,489, 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 \$23,686, a decrease of \$151 over the prior year. Approximately 13.9% of this total amount, \$3,303, is available for spending at the Village's discretion (unrestricted net position) for proprietary purposes.

#### Overview of the Financial Statements

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

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

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

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

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

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

The government-wide financial statements can be found on pages 3 through 6 of this report.

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

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

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

The Village maintains twenty-five 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, Debt Service Fund, Capital Improvement Fund, and Infrastructure Improvement Fund, all of which are considered to be major funds. Data from the remaining twenty-one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 7 through 12 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 13 through 16 of this report.

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

The basic fiduciary fund financial statements can be found on pages 17 through 18 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 62 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget to actual comparisons for the Village's progress in funding its obligation to provide pension and other postemployment benefits to its employees and the General Fund. Required supplementary information can be found on pages 63 through 70 of this report.

Individual fund statements and schedules are presented immediately following the required supplementary information discussed above which can be found on pages 71 through 127 of this report.

#### Financial Analysis of the Village as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$74,080 as of April 30, 2017.

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Table 1  
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total
	2017	2016	2017	2016	
<b>Assets</b>					
Current and other assets	\$ 14,799	\$ 14,076	\$ 4,196	\$ 3,803	\$ 18,995
Capital assets	54,951	56,383	31,613	32,774	86,564
Total assets	69,750	70,459	35,809	36,577	105,559
<b>Deferred outflows</b>					
Unamortized loss	142	170	-	-	142
Deferred items - pension	2,909	2,875	148	53	3,057
Total deferred outflows	3,051	3,045	148	53	3,199
<b>Liabilities</b>					
Long-term liabilities	16,749	18,355	11,696	12,362	28,445
Other liabilities	1,434	1,862	495	431	1,929
Total liabilities	18,183	20,217	12,191	12,793	30,374
<b>Deferred inflows</b>					
Deferred taxes	2,713	2,727	-	-	2,713
Deferred items - pension	1,511	535	80	-	1,591
Total deferred inflows	4,224	3,262	80	-	4,304
<b>Net position</b>					
Net investment in capital assets	45,992	46,662	20,383	20,879	66,375
Restricted	3,288	3,114	-	-	3,288
Unrestricted	1,114	249	3,303	2,958	4,417
Total net position	\$ 50,394	\$ 50,025	\$ 23,686	\$ 23,837	\$ 74,080

The largest portion of the Village's net position (89.6%) 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 (4.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (6.0%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of April 30, 2017, the Village was able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

MD&A 4

The increase reflects approximately \$369 increase and \$151 decrease attributable to the governmental and business-type operations, respectively, of the Village. The increase in governmental operations is mainly due to fiscal year 2017 being the first full year of non-home rule sales tax offset by the addition of three new police officers plus benefits, depreciation of capital assets, and other expenses. The decrease in business-type operations is a combination of an increase in water and sewer rates offset by additional chemicals, overtime to address watermain breaks more timely, depreciation of capital assets, payment of debt service.

The Village's unrestricted net position increased by \$1,210 during the current fiscal year. The majority of restricted net position is legally restricted to either economic development or certain capital projects. The Village's net investment in capital assets decreased by \$1,166 during the current fiscal year. The Village added \$2,195 of new capital assets, had depreciation of \$4,788 during the year, and reduced long-term debt related to capital assets by \$1,590.

Table 2  
Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Total
	2017	2016	2017	2016	
<b>Revenues:</b>					
Program revenues:					
Charges for services	\$ 1,757	\$ 1,970	\$ 6,206	\$ 5,864	\$ 7,963
Operating grants and contributions	681	1,320	-	-	681
Capital grants and contributions	404	-	587	-	991
General revenues:					
Property taxes	2,834	2,682	-	-	2,834
Other taxes	1,400	1,316	-	-	1,400
Intergovernmental	8,833	8,425	-	-	8,833
Other	422	334	252	90	674
Total revenues	16,331	16,047	7,045	5,954	23,376
<b>Expenses:</b>					
General government	4,245	4,001	-	-	4,245
Public safety	5,679	5,806	-	-	5,679
Highways and streets	5,719	5,086	-	-	5,719
Sanitation	-	-	1,332	1,293	1,332
Interest	319	344	301	338	620
Water and sewer	-	-	5,563	5,169	5,169
Total expenses	15,962	15,237	7,196	6,800	23,158
Change in net position	369	810	(151)	(846)	218
Net position, May 1	50,025	49,215	23,837	24,683	73,898
Net position, April 30	\$ 50,394	\$ 50,025	\$ 23,686	\$ 23,837	\$ 74,080

\$ 73,862

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**Governmental activities.** Governmental activities increased the Village's net position by \$369. Key elements of this increase are as follows:

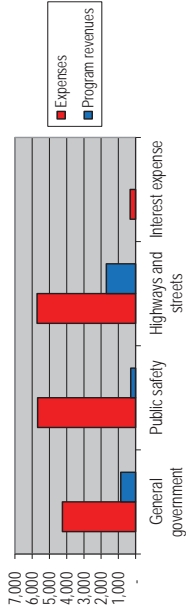
Governmental revenues increased by \$284 (1.8%). Components of this increase are as follows:

- Operating grants and contributions decreased by \$639 (48.4%) mainly due to a contribution to complete public improvements in an unfinished neighborhood in fiscal year 2016.
- Capital grants and contributions increased by \$404 (100.0%) due to the contribution of Commerce Drive from a developer.
- Intergovernmental revenue increased by \$408 (4.8%) mainly due to a full year of non-home rule sales tax approved by voters during fiscal year 2015 (\$662).

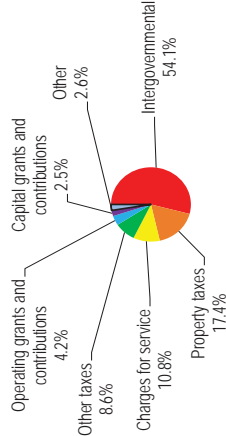
Governmental expenses increased by \$725 (4.8%). Components of this increase are as follows:

- Depreciation increased by \$280 (10.7%) due to the addition of eleven vehicles and one piece of equipment.
- Street sweeping increased by \$39 (390.7%) due to expected regulations from the Illinois Environmental Protection Agency.
- Six minor pieces of equipment were purchased for a total of \$39.
- Addition of three new police officers plus benefits.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



**Business-type activities.** Business-type activities decreased the Village's net position by \$151. Key elements of this decrease are as follows:

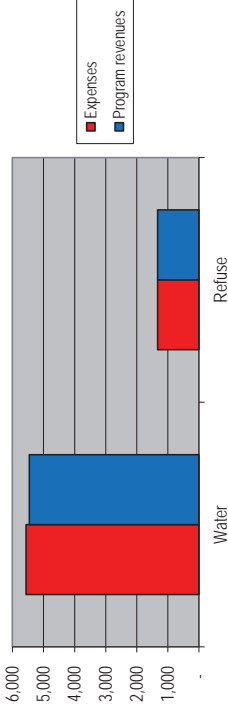
Business-type revenues increased by \$1,091 (18.3%). Components of this increase are as follows:

- Charges for services increased by \$342 (5.8%) due to an increase in water and sewer rates during fiscal year 2017.
- A developer contribution of watermain of \$587 (100.0%) along Commerce Drive during fiscal year 2017.
- Tap fees were increased by \$144 (306.4%) due to an increase in commercial and industrial permits.

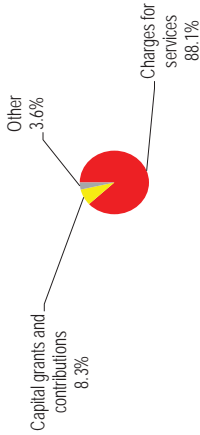
Business-type expenses increased by \$396 (5.8%). Components of this increase are as follows:

- Sanitation increased by \$39 (3.0%) due to a scheduled increase from our third-party waste hauler.
- Overtime increased by \$25 (61.9%) due to addressing watermain breaks when they happen, as opposed to waiting until the following day.
- Chemicals used in the treatment of water increased by \$77 (35.6%) mainly due to the addition of polyphosphates.
- Depreciation of business-type capital assets increased by \$26 (1.4%) due to watermain built or donated.
- Debt service expenses in the Water Fund increased by \$46 (4.2%).

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities





### Financial Analysis of the Village's Funds

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

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

As of April 30, 2017, the Village's governmental funds reported combined ending fund balances of \$10,570, an increase of \$1,197 over the prior year. Approximately 33.0% of this total amount, \$3,489, 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 (\$549), 2) restricted for particular purposes (\$3,338), or 3) assigned for particular purposes (\$3,194).

The General Fund is the chief operating fund of the Village. As of April 30, 2017, unassigned fund balance of the General Fund was \$3,489. 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 35.5% (4.3 months) of the total General Fund expenditures, while total fund balance represents 41.1% (4.9 months) of total General Fund expenditures.

The fund balance of the General Fund increased by \$26 to a total of \$4,038 of fund balance at the end of the current fiscal year. The key factors in this increase are: 1) increase building permits and developer reimbursement due to increased commercial and industrial development activity and 2) increase in full-time patrol salaries due to the hiring of three additional police officers.

The fund balance of the Capital Improvement Fund increased by \$213 to a total of \$726 of fund balance at the end of the current fiscal year. The increase in fund balance is due to water tower rental and utility tax revenues being higher than budget, as well as Concord bridge maintenance and building demolition projects being delayed until fiscal year 2018.

The fund balance of the Infrastructure Improvement Fund increased by \$994 to a total of \$1,967 of fund balance at the end of the current fiscal year. The increase in fund balance is due to non-home rule sales tax being higher than budget owing to a full year of new stores, while several projects started in fiscal year 2017 were not fully completed until fiscal year 2018.

The fund balance of the Debt Service Fund decreased by \$6 to a total of \$50 of fund balance at the end of the current fiscal year. The receipt of transfers from the Capital Projects Fund was slightly less than the payment of debt principal and interest, such that the reserve could be lowered to \$50.

**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 \$153 to a total of \$23,674 of net position at the end of the current fiscal year. Approximately 13.9% 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 \$2 to a total of \$12 of net position at the end of the current fiscal year.

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The Employee Insurance Fund had an decrease in net position of \$41 to a total of \$211 of net position at the end of the current fiscal year. The Village keeps a balance in this fund to offset any unexpected increases in health and dental insurance for employees.

### General Fund Budgetary Highlights

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

The General Fund revenues were more than the budget by \$25 or 0.3%. The most significant differences between budgeted and actual revenues included: 1) building permits were \$58 higher than budget due to the construction of several large building projects, 2) income tax was \$138 lower than budget due to lower contributions at the state level, and 3) engineering reimbursement from developers was \$96 higher than budget due to an increase in residential, commercial, and industrial development.

The General Fund expenditures were more than the budget by \$88 or 0.9%. The most significant differences between budgeted and actual expenditures included: 1) engineering was \$79 higher than budget due to the development noted above, 2) actuarially determined police pension contribution was \$63 higher than budget due to the disability of a police officer, as well as a change in actuarial assumptions about police officers in Illinois, 3) legal was \$37 lower than budget due to less legal involvement needed in the developments noted above, and 4) Building and Grounds salaries were \$30 lower than budget due to certain positions not being filled during parts of the year.

### 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, 2017, amounts to \$86,564 (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:

- A total of eleven vehicles and 1 piece of equipment were replaced during the year totaling \$943 and \$45, respectively. The vehicles and equipment replaced included two Police squad cars, two Police squad sport utility vehicles, a Public Works 1-ton truck, three Public Works pickup trucks, a building maintenance van, a wheel loader, a utility tractor, and a double axle truck with several attachments to make it useful throughout the year.
- A police software update began during fiscal year 2016 and was completed in fiscal year 2017 at a total cost of \$145.
- The Boulder Hill water main project was completed in fiscal year 2017, where the Village spent \$89. The overall project replaced approximately 18,000 feet of water main in the unincorporated Boulder Hill Subdivision to remediate water main quality, small diameter water main, and water main bopping issues.
- A developer donated the Commerce Drive extension and watermain to the Village at a cost of \$404 and \$587, respectively.
- Depreciation of governmental and business-type activities capital assets totaling \$2,905 and \$1,883, respectively, was taken during the year.

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The following schedule summarizes the Village's capital assets.

Table 3  
Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 17,933	\$ 17,933	\$ 17	\$ 17	\$ 17,950	\$ 17,950
Construction in progress	-	63	309	263	309	326
Land improvements	138	138	-	-	138	138
Buildings	22,311	22,311	-	-	22,311	22,311
Equipment	644	454	84	84	728	538
Vehicles	3,232	2,656	-	-	3,232	2,656
Infrastructure	33,856	33,452	49,961	49,285	83,817	82,737
Less:						
Accumulated depreciation	(23,163)	(20,624)	(18,758)	(16,875)	(41,921)	(37,499)
Total capital assets	\$ 54,951	\$ 56,383	\$ 31,613	\$ 32,774	\$ 86,564	\$ 89,157

Additional information regarding the capital assets can be found in note 3 on pages 37 through 38 of this report.

**Long-term Debt.** At the end of the current fiscal year, the Village had total debt outstanding of \$20,332 (excluding other postemployment benefit, net pension liabilities, and compensated absences). This amount is partially comprised of six general obligation alternate revenue bonds which pledge sales, use, and telecommunications taxes, as well as net revenues of the water system. These bonds further pledge the full faith and credit of the Village should the alternate revenue source be insufficient. The Village abates the property taxes on the Series 2007, Series 2008A, Series 2010, Series 2011, Series 2013, and Series 2014 bonds. The remaining amount of debt outstanding is comprised of three Illinois Environmental Protection Agency (IEPA) loans backed by the net revenues of the water system. The Village's debt decreased by \$1,633 (7.4%) during fiscal year 2017.

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

- The Village made its regularly scheduled payments of principal (\$1,590) and interest on the existing outstanding debt.

The following schedule summarizes the Village's indebtedness.

Table 4  
Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 9,102	\$ 9,891	\$ 5,070	\$ 5,540	\$ 14,172	\$ 15,431
IEPA loans	-	-	6,160	6,534	6,160	6,534
Total long-term debt	\$ 9,102	\$ 9,891	\$ 11,230	\$ 12,074	\$ 20,332	\$ 21,965

Additional information regarding the Village's long-term debt can be found in note 3 on pages 39 through 45 of this report.

## Economic Factors and Next Year's Budgets and Rates

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

The Great Recession hit just as the Village was spending millions of dollars on capital improvements to pay for the dramatic increase in the Village's population. The Village had also seen an increase in the demand for services due to Montgomery's tremendous population growth and had to hire more employees. Health insurance and police pension contributions had increased more than 50% during this time period as well. The Village had to take action to reverse the trend before it depleted its financial reserves. Between fiscal year 2011 and fiscal year 2015, the Village reduced staffing; moved \$150,000 of snow removal expenditures to the Motor Fuel Tax Fund from the General Fund; reduced or removed salary increases; and eliminated the local Dispatch Center (savings of approximately \$200,000 to use regional dispatch center KenCom).

Residential development stayed level in 2014 and 2015 at 31 and 28 new single family permits, respectively. Although we saw a drop in new single family homes in 2016, the Village saw interest in new multi-family homes increase. In addition, S.R. Jacobson Companies has proposed a 468 unit upscale apartment complex on the east side of the Village. Lastly, there are 3 developments with buildable single family lots, of which 1 is currently selling homes.

The Village saw commercial and industrial development rebound beginning in 2015, through 2016, and even further into 2017. The Village works with the Montgomery Economic Development Corporation to attract new businesses to the community. We have seen several new businesses build from the ground up over the last year including a 2 unit in-line building (Mattress Firm and AT&T) and Fuller's Car Wash, as well as other new businesses occupying vacant buildings like U-Haul, 9ers Grill, Pig Dog Pub, and Binny's Beverage Depot. As the economy continues the steady recovery, many small business owners are exploring expansion and growth strategies. One great example is the expansion of the White Eagle Auto Body.

Commercial development has helped the Village's sales tax, our single largest revenue source. The Village receives a one percent state sales tax on retail sales of tangible personal property within the Village. Sales tax is collected by the State and 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 fairly consistent even through the Great Recession. The Village began collecting non-home rule sales tax on July 1, 2015 on items other than groceries, prescription drugs, over-the-counter medicine, and professional services. Although we budgeted \$150,000 per month, non-home rule sales tax has averaged approximately \$210,000. This new revenue source is being utilized to maintain or build infrastructure throughout the community.

The largest industrial project by far was the announcement by American Crystal and United Sugars Corporation (USC) of the ground breaking on a new bulk sugar storage and transfer facility. The

20-acre facility consists of a 26,000 square-foot bulk storage dome, a 17,000 square foot transfer facility and 5,500 feet of rail track space. The dome itself will stand 134 feet high and 183 feet wide. There is also room for a second dome. The dome holds over 60,000 metric tons or 1.3 million hundredweights of sugar and enables the transfer of nearly twice that amount to many of the largest sugar users in the U.S. The facility is not attached to a producing sugar factory, making it the largest freestanding sugar storage facility of its kind in the country. United Sugars' Montgomery facility will be the largest single sugar storage asset in the U.S. and began operations in late 2016.

In addition, Nexeo Solutions and Old Dominion Freight Line have also built industrial buildings in the Village within the last year. Nexeo Solutions, the largest global chemical and plastics distributor, completed a \$12 million, 158,000 square-foot warehouse and plastics distribution facility in early 2017. Old Dominion Freight Line, an industry-leading domestic and global shipper, began construction in November 2016 of a \$13 million, 52,000 square-foot freight depot that will be completed in June 2017.

The new development and additional revenues have allowed Montgomery to examine employee levels and determine where staff should be added. The fiscal year 2018 budget includes an additional 2,000 full-time equivalent employees. Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village has a contract with Public Works Local 150 which expires April 30, 2018 and includes a pay for performance plan ranging from 0.00% to 3.00% increases. The Village successfully negotiated and approved a new contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2020 and cost of living increases ranging from 2.00% to 2.25% and pay for performance increases ranging from 4.00% to 6.00%.

The development above has helped the Village to maintain a solid financial position. However, the local economy and the Village's financial position may be effected by state, national, and international decisions and events.

Caterpillar is one of the largest employers in the area and bordered on 2 sides by the Village. Caterpillar announced on March 31 that 800 manufacturing jobs would be moved to Decatur, Illinois and Little Rock, Arkansas. Although it is not within the corporate limits of the Village, there are residents who work at the facility that will be affected. Accordingly, we have been proactive and had several meetings with Caterpillar to discuss job training for employees with the local community college, annexation, and working together to redevelop the property.

The State of Illinois budget impasse is causing funding problems for its own state-wide services, and is a major concern to the Village. According to the Illinois Municipal League (IML), the State is currently spending at a rate of nearly \$38 billion per year, while only bringing in about \$33 billion per year. This unsustainable situation is affecting the State's cash flow position and will likely result in delays of payments to local governments. New bills are constantly being introduced in the legislature including, but not limited to, reduction of state shared revenues, property tax freezes, debt issuance only by passage of referendum, and pension reform. Any one of these bills individually would have a significant impact if approved and signed into law. Perhaps the largest concern is the reduction of distributions to local governments of state shared revenues to balance the State's budget. Any reduction in the distribution of these state shared revenues would have a

serious consequence to current Village operations and subsequent year's operations. Without these shared revenues, the Village would have to implement or raise local taxes and fees, increase the property tax levy, and/or reduce expenditures. Finally, a reduction in state shared revenue combined with a property tax freeze would severely restrict the ability to raise additional revenue to support operations.

The United States (US) economy continues to see slow and steady growth at around 2% per year, similar to what we have seen over the last 8 years since the Great Recession. The unemployment rate dropped to 4.4% in April 2017, its lowest level since May 2007. Many economists say the US is now at or near full employment, meaning the unemployment rate won't go down significantly more. US underemployment, which includes Americans in part-time jobs and those at different lengths of unemployment, hit its lowest mark of 8.6% in a decade as well. Due to the strengthening economy, the Federal Reserve raised the target range for the federal funds rate in December 2015, December 2016, and March 2017 to the current level of 0.75 – 1.00%. This may result in additional investment income to the Village, although at the same time it may make borrowing more expensive (if necessary).

Internationally, there continue to be concerns over terrorism, political unrest, and a global economic slowdown.

The Village owns a water utility and charges residents a fee to use that water, which is the second largest revenue source for the Village. The Village also charges residents a fee to maintain the sanitary sewer lines that feed to the Fox Metro Water Reclamation District. The revenue 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 2018 budget includes an increase in the water usage rates of 3% as of May 1, 2017. The Village expects annual increases of 3% in fiscal year 2019 and 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 2018, personal services expenditures are expected to total \$7,608,274 or 24.72% of total budgeted expenditures. This is an increase of 7.07% over the fiscal year 2017 budgeted expenditures of \$7,105,817. Non-represented employees are only given an increase in November based solely on a pay for performance plan. The Village has a contract with Public Works Local 150 which expires April 30, 2018 and includes a pay for performance plan ranging from 0.00% to 3.00% increases. The Village successfully negotiated and approved a new contract with the Metropolitan Alliance of Police Patrol union which expires April 30, 2020 and cost of living increases ranging from 2.00% to 2.25% and pay for performance increases ranging from 4.00% to 6.00%. The fiscal year 2018 budget includes an additional 4,50 full-time equivalent employees. FTE equal the total hours of all employees divided by 2,080 working hours in a year. The change in Administration and Finance is due to the Human Resources Manager now reporting directly to the Village Administrator. The new positions include 2 patrol officers (Public Safety), a new foreman position, one additional seasonal, and one additional water operator (Public Works).

**Contacting the Village's Financial Management**

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

**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, 2017

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 8,559,925	2,943,186	11,503,111
Receivables - Net	3,115,442	1,253,028	4,368,470
Due from Other Governments	2,053,306	-	2,053,306
Prepays	65,160	-	65,160
Total Current Assets	13,793,833	4,196,214	17,990,047
Noncurrent Assets			
Capital Assets			
Nondepreciable	17,933,096	325,623	18,258,719
Depreciable	60,181,031	50,045,490	110,226,521
Depreciation	(23,162,856)	(18,758,159)	(41,921,015)
Total Capital Assets	54,951,271	31,612,954	86,564,225
Other Assets			
Notes Receivable	1,004,689	-	1,004,689
Total Noncurrent Assets	55,955,960	31,612,954	87,568,914
Total Assets	69,749,793	35,809,168	105,558,961
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized Loss on Refunding	142,149	-	142,149
Deferred Items - IMRF	424,187	147,896	572,083
Deferred Items - Police Pension	2,484,295	-	2,484,295
Total Deferred Outflows of Resources	3,050,631	147,896	3,198,527
Total Assets and Deferred Outflows of Resources	72,800,424	35,957,064	108,757,488

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

	Governmental Activities	Business-Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 1,144,655	329,359	1,474,014
Accrued Payroll	160,004	26,991	186,995
Accrued Interest Payable	129,746	103,050	232,796
Other Payables	-	36,000	36,000
Current Portion of Long-Term Debt	861,013	866,561	1,727,574
Total Current Liabilities	2,295,418	1,361,961	3,657,379
Noncurrent Liabilities			
Compensated Absences Payable	459,119	45,213	504,332
Net Pension Liability - IMRF	1,192,124	415,642	1,607,766
Net Pension Liability - Police Pension	5,820,458	-	5,820,458
Net Other Post-Employment Benefit Payable	124,207	-	124,207
General Obligation Bonds Payable - Net	8,291,691	4,589,944	12,881,635
IEPA Loans Payable	-	5,778,319	5,778,319
Total Noncurrent Liabilities	15,887,599	10,829,118	26,716,717
Total Liabilities	18,183,017	12,191,079	30,374,096
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	229,933	80,167	310,100
Deferred Items - Police Pension	1,281,252	-	1,281,252
Property Taxes	2,712,519	-	2,712,519
Total Deferred Inflows of Resources	4,223,704	80,167	4,303,871
Total Liabilities and Deferred Inflows of Resources	22,406,721	12,271,246	34,677,967
<b>NET POSITION</b>			
Net Investment in Capital Assets	45,991,729	20,383,154	66,374,883
Restricted - Economic Development	1,725,516	-	1,725,516
Restricted - Public Safety	159,814	-	159,814
Restricted - Highways and Streets	554,987	-	554,987
Restricted - Subdivision Maintenance	823,805	-	823,805
Restricted - Subdivision Improvements	23,850	-	23,850
Unrestricted	1,114,002	3,302,664	4,416,666
Total Net Position	50,393,703	23,685,818	74,079,521

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, 2017

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions
Governmental Activities				
General Government	\$ 4,244,641	864,196	-	-
Public Safety	5,678,585	271,302	10,469	-
Highways and Streets	5,719,404	621,374	671,078	403,637
Interest on Long-Term Debt	318,881	-	-	-
Total Governmental Activities	15,961,511	1,756,872	681,547	403,637
Business-Type Activities				
Water	5,563,361	4,871,852	-	587,125
Refuse	1,332,282	1,333,956	-	-
Total Business-Type Activities	6,895,643	6,205,808	-	587,125
Total Primary Government	22,857,154	7,962,680	681,547	990,762

General Revenues
Taxes
Property Taxes
Utility Taxes
Video Gaming Taxes
Intergovernmental - Unrestricted
Sales Taxes
Non-Home Rule Sales Taxes
Income Taxes
Replacement Taxes
Local Use Taxes
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
	(3,380,445)	(3,380,445)
	(5,396,814)	(5,396,814)
	(4,023,315)	(4,023,315)
	(318,881)	(301,039)
	(13,119,455)	(301,039)
		(13,420,494)
	-	(104,384)
	-	1,674
	-	(102,710)
		(102,710)
	(13,119,455)	(403,749)
		(13,523,204)
	2,833,737	-
	1,330,011	-
	69,783	-
		69,783
		-
	3,839,387	-
	2,725,682	-
	1,742,849	-
	68,467	-
	456,796	-
	44,830	24,775
	377,165	227,671
	13,488,707	252,446
		13,741,153
	369,252	(151,303)
	50,024,451	23,837,121
		73,861,572
	50,393,703	23,685,818
		74,079,521

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

VILLAGE OF MONTGOMERY, ILLINOIS

Balance Sheet - Governmental Funds  
April 30, 2017

	General
<b>ASSETS</b>	
Cash and Investments	\$ 2,654,908
Receivables - Net of Allowances	
Property Taxes	2,164,973
Other Taxes	29,297
Accounts	214,972
Accrued Interest	8,175
Notes	-
Due from Other Governments	1,327,392
Advances to Other Funds	484,073
Prepays	65,160
Total Assets	<u>6,948,950</u>
<b>LIABILITIES</b>	
Accounts Payable	585,913
Accrued Payroll	160,004
Advances from Other Funds	-
Total Liabilities	<u>745,917</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	2,164,974
Total Liabilities and Deferred Inflows of Resources	<u>2,910,891</u>
<b>FUND BALANCES</b>	
Nonspendable	549,233
Restricted	-
Assigned	-
Unassigned	3,488,826
Total Fund Balances	<u>4,038,059</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>6,948,950</u>

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

	Debit Service	Capital Projects			Nonmajor	Totals
		Capital Improvement	Infrastructure Improvement			
	50,200	1,075,625	1,378,557		3,189,174	8,348,464
	-	-	-		547,545	2,712,518
	-	147,026	-		-	176,323
	-	-	-		-	214,972
	-	1,651	596		1,161	11,583
	-	-	-		1,004,689	1,004,689
	-	1,817	683,728		40,369	2,053,306
	-	-	-		-	484,073
	-	-	-		-	65,160
	50,200	1,226,119	2,062,881		4,782,938	15,071,088
	-	15,995	96,338		446,409	1,144,655
	-	-	-		-	160,004
	-	484,073	-		-	484,073
	-	500,068	96,338		446,409	1,788,732
	-	-	-		547,545	2,712,519
	-	500,068	96,338		993,954	4,501,251
	-	-	-		-	549,233
	50,200	-	-		3,287,972	3,338,172
	-	726,051	1,966,543		501,012	3,193,606
	-	-	-		-	3,488,826
	50,200	726,051	1,966,543		3,788,984	10,569,837
	50,200	1,226,119	2,062,881		4,782,938	15,071,088

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, 2017

<b>Total Governmental Fund Balances</b>	\$ 10,569,837
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.	54,951,271
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	194,254
Deferred Items - Police Pension	1,203,043
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.	211,507
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(510,132)
Net Pension Liability - IMRF	(1,192,124)
Net Pension Liability - Police Pension	(5,820,458)
Net Other Post-Employment Benefit Payable	(124,207)
General Obligation Bonds Payable - Net	(9,101,691)
Unamortized Loss on Refunding	142,149
Accrued Interest Payable	(129,746)
<b>Net Position of Governmental Activities</b>	<b>50,393,703</b>

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2017

See Following Page

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, 2017

	General
Revenues	
Property Taxes	\$ 2,259,645
Other Taxes	133,039
Licenses, Permits and Fees	525,473
Intergovernmental, Grants and Contributions	6,117,968
Fines and Forfeitures	235,742
Charges for Services	418,607
Interest	28,825
Miscellaneous	128,370
Total Revenues	9,847,669
Expenditures	
Current	
General Government	3,203,556
Public Safety	4,811,639
Highways and Streets	1,806,313
Capital Outlay	-
Debt Service	-
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	9,821,508
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,161
Other Financing Sources (Uses)	
Disposal of Capital Assets	-
Transfers In	-
Transfers Out	-
Net Change in Fund Balances	26,161
Fund Balances - Beginning as Restated	4,011,898
Fund Balances - Ending	4,038,059

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

	Debt Service	Capital Improvement	Infrastructure Improvement	Nonmajor	Totals
	-	-	-	574,092	2,833,737
	-	1,266,755	-	-	1,399,794
	-	-	-	-	525,473
	-	94,767	2,785,184	516,809	9,514,728
	-	-	-	20,115	255,857
	-	3,400	-	594,393	1,016,400
	-	4,592	656	10,751	44,824
	-	141,377	-	107,418	377,165
	-	1,510,891	2,785,840	1,823,578	15,967,978
	-	19,996	131,577	266,151	3,621,280
	-	-	-	26,212	4,837,851
	-	93,813	1,660,687	569,159	4,129,972
	-	99,924	-	1,151,598	1,251,522
	755,000	-	-	-	755,000
	334,965	-	-	-	334,965
	1,089,965	213,733	1,792,264	2,013,120	14,930,590
	(1,089,965)	1,297,158	993,576	(189,542)	1,037,388
	-	-	-	159,724	159,724
	1,084,076	-	-	-	1,084,076
	-	(1,084,076)	-	-	(1,084,076)
	1,084,076	(1,084,076)	-	159,724	159,724
	(5,889)	213,082	993,576	(29,818)	1,197,112
	56,089	512,969	972,967	3,818,802	9,372,725
	50,200	726,051	1,966,543	3,788,984	10,569,837

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, 2017

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,197,112</b>
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	1,068,975
Capital Contributions	403,637
Depreciation Expense	(2,904,580)
Disposals - Cost	(366,214)
Disposals - Accumulated Depreciation	366,214
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(210,016)
Change in Deferred Items - Police Pension	(733,440)
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.	(40,852)
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.	
(Increase) to Compensated Absences Payable	(48,349)
Decrease to Net Pension Liability - IMRF	518,723
Decrease to Net Pension Liability - Police Pension	388,420
(Increase) to Net Other Post-Employment Payable	(41,462)
Retirement of Debt	755,000
Amortization of Bond Premium	34,391
Amortization of Loss on Refunding	(27,463)
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.	9,156
<b>Changes in Net Position of Governmental Activities</b>	<b>369,252</b>

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, 2017

See Following Page

Governmental		
Activities		
Internal		
Service		
Employee		
Insurance		
	Business-Type Activities	
	Water	Refuse
	Totals	

Current Assets				
Cash and Investments	\$	2,943,186	-	2,943,186
Receivables - Net of Allowances				
Accounts		950,366	294,500	-
Accrued Interest		8,162	-	46
Due from Other Funds		60,313	-	-
Total Current Assets		3,962,027	294,500	211,507
Noncurrent Assets				
Nondepreciable Capital Assets		325,623	-	-
Depreciable Capital Assets		50,045,490	-	-
Accumulated Depreciation		(18,758,159)	-	-
Total Noncurrent Assets		31,612,954	-	-
Total Assets		35,574,981	294,500	211,507

Deferred Items - I/MRF	147,896	-	147,896	-
Total Assets and Deferred Outflows of Resources	35,722,877	294,500	36,017,377	211,507

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Current Liabilities				
Accounts Payable	\$	107,216	222,143	329,359
Accrued Payroll		26,991	-	26,991
Accrued Interest Payable		103,050	-	103,050
Other Payables		36,000	-	36,000
Due to Other Funds		-	60,313	60,313
Current Portion of Long-Term Debt		866,561	-	866,561
Total Current Liabilities		1,139,818	282,456	1,422,274

Compensated Absences Payable	45,213	-	45,213	-
Net Pension Liability - IMRF	415,642	-	415,642	-
General Obligation Bonds Payable - Net	4,589,944	-	4,589,944	-
IEPA Loans Payable	5,778,319	-	5,778,319	-
Total Noncurrent Liabilities	10,829,118	-	10,829,118	-
Total Liabilities	11,968,936	282,456	12,251,392	-

Deferred Items - IMRF	80,167	-	80,167	-
Total Liabilities and Deferred Inflows of Resources	12,049,103	282,456	12,331,559	-

Net Investment in Capital Assets	20,383,154	-	20,383,154	-
Unrestricted	3,290,620	12,044	3,302,664	211,507
Total Net Position	23,673,774	12,044	23,685,818	211,507

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VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds  
For the Fiscal Year Ended April 30, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities	
	Water	Refuse	Totals	Internal	Service
Operating Revenues					
Charges for Services	\$ 4,871,852	1,333,956	6,205,808	-	-
Interfund Services	-	-	-	1,097,061	
Total Operating Revenues	4,871,852	1,333,956	6,205,808	1,097,061	
Operating Expenses					
Operations	3,690,643	1,332,282	5,022,925	1,137,919	
Depreciation	1,872,718	-	1,872,718	-	-
Total Operating Expenses	5,563,361	1,332,282	6,895,643	1,137,919	
Operating Income (Loss)	(691,509)	1,674	(689,835)	(40,858)	
Nonoperating Revenues (Expenses)					
Investment Earnings	24,775	-	24,775	6	
Reimbursements	209,112	-	209,112	-	-
Other Income	18,559	-	18,559	-	-
Interest Expense	(301,039)	-	(301,039)	-	-
	(48,593)	-	(48,593)		
Income (Loss) Before Contributions	(740,102)	1,674	(738,428)	(40,852)	
Capital Contributions	587,125	-	587,125	-	-
Change in Net Position	(152,977)	1,674	(151,303)	(40,852)	
Net Position - Beginning	23,826,751	10,370	23,837,121	252,359	
Net Position - Ending	23,673,774	12,044	23,685,818	211,507	

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, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities	
	Water	Refuse	Totals	Internal	Service
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 5,129,448	1,371,621	6,501,069	(46)	(46)
Receipts from Interfund Services	-	-	-	1,097,061	
Payments to Employees	(576,290)	-	(576,290)	-	-
Payments to Suppliers	(2,997,182)	(1,371,621)	(4,368,803)	(1,137,919)	
	1,555,976	-	1,555,976	(40,904)	
Cash Flows from Capital and Related Financing Activities					
Purchase of Capital Assets	(135,143)	-	(135,143)	-	-
Principal Paid on Debt	(834,582)	-	(834,582)	-	-
Interest Paid on Debt	(301,039)	-	(301,039)	-	-
	(1,270,764)	-	(1,270,764)		
Cash Flows from Investing Activities					
Investment Income	24,775	-	24,775	6	
Net Change in Cash and Cash Equivalents	309,987	-	309,987	(40,898)	
Cash and Cash Equivalents - Beginning	2,633,199	-	2,633,199	252,359	
Cash and Cash Equivalents - Ending	2,943,186	-	2,943,186	211,461	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.					
Operating Income (Loss)	(691,509)	1,674	(689,835)	(40,858)	
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in)					
Depreciation and Amortization Expense	1,872,718	-	1,872,718	-	-
Other Income	227,671	-	227,671	-	-
Other Expense - IMRF	176,328	-	176,328	-	-
(Increase) Decrease in Current Assets	29,925	37,665	67,590	(46)	
Increase (Decrease) in Current Liabilities	(59,157)	(39,339)	(98,496)	-	-
Net Cash Provided by Operating Activities	1,555,976	-	1,555,976	(40,904)	

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

VILLAGE OF MONTGOMERY, ILLINOIS

Statement of Fiduciary Net Position  
April 30, 2017

	Pension Trust	Agency
	Police Pension	
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 755,697	3,189,337
Investments		
U.S. Treasury Obligations	24,381	-
U.S. Agency Obligations	2,170,205	-
Municipal Bonds	422,893	-
Corporate Bonds	1,824,131	-
Mutual Funds	3,169,160	-
Common Stock	690,904	-
Receivables - Net of Allowance	57,317	-
Accrued Interest		
Total Assets	9,114,688	3,189,337
<b>LIABILITIES</b>		
Deposits Payable	-	369,826
Due to Others	-	(439)
Due to Bondholders	-	2,819,950
Total Liabilities	-	3,189,337
<b>NET POSITION</b>		
Net Position Restricted for Pensions	9,114,688	

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, 2017

	Pension Trust	Police Pension
<b>ASSETS</b>		
Contributions - Employer	\$ 520,987	
Contributions - Plan Members	205,654	
Total Contributions	726,641	
Investment Income		
Investment Earnings	259,130	
Net Change in Fair Value	354,993	
Less Investment Expenses	614,123	
Net Investment Income	(20,125)	
	593,998	
Total Additions	1,320,639	
Deductions		
Administration	10,627	
Benefits and Refunds	545,717	
Total Deductions	556,344	
Change in Fiduciary Net Position	764,295	
Net Position Restricted for Pensions		
Beginning	8,350,393	
Ending	9,114,688	

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

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Notes to the Financial Statements**  
**April 30, 2017**

**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

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, 2017**

**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 activities 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, public works, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, 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, sales and use taxes, certain intergovernmental revenues, permits and charges for services, 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, 2017

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 19 nonmajor special revenue funds.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

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 2008A, Series 2010, 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 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 Fund.



**VILLAGE OF MONTGOMERY, ILLINOIS**

Notes to the Financial Statements  
April 30, 2017

**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 agency 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.

**Agency funds** are used to account for assets held by the Village in a purely custodial capacity. The Village maintains seven agency funds. The Talma Street Special Service Area Fund is used to account for the tax collections to pay principal and interest on the Special Service Area #96-1 Bonds. The Escrow Fund is used to account for the developer contributions held on behalf of other governments and for developer deposits. The Flexible Benefit Fund is used to account for the fringe benefits for employees. The Lakewood 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 Blackberry Crossing West Special Service Area Fund is used to account for the tax collections to pay principal and interest on the Special Service Area #10 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 Temporary CO Fund is used to account for the deposits held to ensure completion of final plans and projects on new commercial and residential construction.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). 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, 2017

**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 and pension trust 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. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

**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.

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, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.



VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

**Basis of Accounting** – Continued

All proprietary, pension trust and agency 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. All of the Village's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

**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.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

**Prepays**

Prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

**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.

**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 fair market 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 estimated fair market 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, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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 an acquisition of net position 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, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS 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 two 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, 2017

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 over budget at year end:

Fund	Excess
General	\$ 88,261
Forfeiture and Seizure	5,480
Emergency 911	27,212
Blackberry Crossing Special Service Area	1,210
Marquis Point Special Service Area	25
Balmorea Special Service Area	3,184
Tax Increment Financing District #1	11,136
Saratoga Springs Special Service Area	213
Blackberry Crossing West Special Service Area	2,467
Fieldstone Special Service Area	191
Vehicle Reserve	197,894
Lakewood Creek Project	6,022
Police Pension	139,551

DEFICIT FUND BALANCE/NET POSITION

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

Fund	Deficit
Water - Water Improvement Account	\$ 10,617

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.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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 Credit Risk, Custodial Credit Risk, and Concentration Risk

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$10,694,600 and the bank balances totaled \$10,823,824. The Village also has \$808,511 invested in municipal bonds with an average maturity of one to five years. The Village has a recurring fair value measurement of the municipal bonds of \$808,511 using other observable inputs (Level 2 Inputs).

*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.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. In accordance with the Village's investment policy, with the exception of U.S. Treasury and U.S. agency securities, as well as Illinois Funds, IMET and Illinois Trust not more than 50% of the Village's total investment portfolio will be invested with a single financial institution. 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).

*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. At April 30, 2017, the Village has no investments. The municipal bonds are rated AA by Standard & Poor's.

*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. April 30, 2017, 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 limits 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.

Police Pension Credit Risk, Custodial Credit Risk, and Concentration Risk

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$755,697 and the bank balances totaled \$755,697.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

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

Investment Type	Fair Value	Investment Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Obligations	\$ 24,381	-	24,381	-	-
U.S. Agency Obligations	2,170,205	21,198	969,234	1,117,725	62,048
Municipal Bonds	422,893	25,231	242,635	155,027	-
Corporate Bonds	1,824,131	10,070	1,362,419	451,642	-
Totals	4,441,610	56,499	2,598,669	1,724,394	62,048

The Fund has the following recurring fair value measurements as of April 30, 2017:

	April 30, 2017	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					
U.S. Treasury Obligations	\$ 24,381	24,381	-	-	-
U.S. Agency Obligations	2,170,205	-	2,170,205	-	-
Municipal Bonds	422,893	-	422,893	-	-
Corporate Bonds	1,824,131	-	1,824,131	-	-
Equity Securities					
Mutual Funds	3,169,160	3,169,160	-	-	-
Common Stock	690,904	690,904	-	-	-
Total Investments by Fair Value Level	8,301,674	3,884,445	4,417,229	-	-

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

*Interest Rate Risk.* The Fund's investment policy limits exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

*Credit Risk.* The Fund's investment policy helps limit exposure to credit risk by primarily investing in U.S. Treasury obligations and other obligations which are rated in the top three classes by a national rating agency. U.S. agency obligations are rated AA+. The municipal bonds and corporate bonds range in rating from BB+ to AA+.

*Custodial Credit Risk – Deposits.* The Fund's investment policy requires all bank balances to be covered by federal depository insurance. At April 30, 2017, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

*Custodial Credit Risk – Investments.* To limits its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agency separate from where the investment was purchased. At April 30, 2017, the Fund's investments in the money market mutual funds and equity mutual funds are not subject to custodial credit risk.

*Concentration of Credit Risk.* The Fund's investment policy does not address concentration of credit risk. At April 30, 2017, the Fund had no investments that represent over 5% of net plan position available for retirement (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). The Fund also has \$690,904 invested in common stock and \$3,169,160 invested in mutual funds at year-end.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

*Concentration of Credit Risk – Continued.* The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. Treasury Securities	10.00%	4.30%
U.S. Agency Securities	40.00%	4.50%
Domestic Equities	10.00% - 55.00%	7.50% - 12.30%
Corporate Bonds	25.00%	5.00% - 10.20%
International Equities	15.00%	3.10% - 10.70%
Real Estate	10.00%	6.80% - 11.90%
Cash and Cash Equivalents	0.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 45%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2017 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2017 are listed in the table above.

Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.61%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NOTES RECEIVABLE

Economic Development

During the fiscal year ended April 30, 1985, the village established the Economic Development Fund from the proceeds of a Community Development Block Grant, in the amount of \$500,000, received through the Department of Commerce and Community Affairs of the State of Illinois. During the fiscal year ended April 30, 1991, the village received another community Development Block Grant in the amount of \$300,000. This fund is used to account for these grant funds which are to be loaned to new or expanding local business ventures which enhance economic development of the Village. Proceeds (principal and interest) received from such economic development loans made by the Village are to be used to capitalize a revolving economic development loan fund. The following represents the outstanding balances as of April 30, 2017:

- During the fiscal year 2014, the Village entered into an installment note with Butterball, Inc., in the amount of \$1,500,000. The note is payable in monthly installments of \$13,141 through November, 2023, which includes 1.00% interest on the unpaid balance. The outstanding balance of this note as of April 30, 2017 was \$1,004,689.

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

Fiscal Year	Amount
2018	\$ 157,687
2019	157,687
2020	157,687
2021	157,687
2022	157,687
2023	157,687
2024	92,399
Total Principal and Interest	1,038,521
Less: Interest	(33,832)
Total Principal	1,004,689 *

\*See subsequent event note on page 62

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2016 attach as an enforceable lien on January 1, 2016, 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.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Advances

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

Receivable Fund	Payable Fund	Amount
General	Capital Improvement	\$ 484,073

Interfund Balances

The purpose of the interfund balances are to eliminate deficit cash balances. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
Water	Refuse	\$ 60,313

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Debt Service	Capital Improvement	\$ 1,084,076

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

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	\$ 9,876,696	-	-	9,876,696
Land Right of Way	8,056,400	-	-	8,056,400
Construction in Progress	63,260	-	63,260	-
	17,996,356	-	63,260	17,933,096
Depreciable Capital Assets				
Land Improvements	138,448	-	-	138,448
Buildings	22,310,653	-	-	22,310,653
Equipment	453,900	189,694	-	643,594
Vehicles	2,655,900	942,541	366,214	3,232,227
Infrastructure	33,452,472	403,637	-	33,856,109
	59,011,373	1,535,872	366,214	60,181,031
Less Accumulated Depreciation				
Land Improvements	130,126	4,162	-	134,288
Buildings	9,284,718	1,115,533	-	10,400,251
Equipment	280,043	66,570	-	346,613
Vehicles	1,622,484	364,071	366,214	1,620,341
Infrastructure	9,307,119	1,354,244	-	10,661,363
	20,624,490	2,904,580	366,214	23,162,856
Total Depreciable Capital Assets	38,386,883	(1,368,708)	-	37,018,175
Total Capital Assets	56,383,239	(1,368,708)	63,260	54,951,271

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 659,710
Public Safety	655,438
Highways and Streets	<u>1,589,432</u>
	<u>2,904,580</u>

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

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	262,707	46,383	-	309,090
	279,240	46,383	-	325,623
Depreciable Capital Assets				
Equipment	84,062	-	-	84,062
Infrastructure	49,285,543	675,885	-	49,961,428
	49,369,605	675,885	-	50,045,490
Less Accumulated Depreciation				
Equipment	84,062	-	-	84,062
Infrastructure	16,791,175	1,882,922	-	18,674,097
	16,875,237	1,882,922	-	18,758,159
Total Depreciable Capital Assets	32,494,368	(1,207,037)	-	31,287,331
Total Capital Assets	32,773,608	(1,160,654)	-	31,612,954

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

Water	<u>\$ 1,882,922</u>
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VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

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
\$3,020,000 General Obligation Alternate Revenue Source Refunding Bonds of 2007, due in annual installments of \$5,000 to \$365,000 plus interest at 3.95% through December 1, 2018.					
	Water	\$ 1,050,000	-	335,000	715,000
\$2,000,000 General Obligation Alternate Revenue Source Bonds of 2008A, due in annual installments of \$1,000,000 plus interest at 5.00% through December 1, 2019.					
	Debt Service	2,000,000	-	-	2,000,000
\$7,375,000 General Obligation Alternate Revenue Source Refunding Bonds of 2010, due in annual installments of \$340,000 to \$605,000 plus interest at 2.00% to 4.00% through December 1, 2017.					
	Debt Service	1,155,000	-	550,000	605,000
\$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, 2024.					
	Debt Service	3,275,000	-	205,000	3,070,000

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$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	\$ 4,345,000	-	125,000	4,220,000
\$3,335,000 Taxable General Obligation Alternate Revenue Refunding Source 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	3,335,000	-	-	3,335,000
		15,160,000	-	1,215,000	13,945,000

Defeased Debt

In prior years, the Village defeased general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements which 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 Village's basic financial statements. Defeased bonds of \$800,000 remain outstanding as of the date of this report.



VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

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.	Sewer	\$ 474,556	-	62,511	412,045
IEPA Loan Payable of 2011, due in semi-annual installments of \$125,440, including interest of 1.25% through April 19, 2032.	Sewer	3,627,912	-	206,173	3,421,739
IEPA Loan Payable of 2014, due in semi-annual installments of \$77,226, including interest of 1.995% through December 7, 2034.	Sewer	2,431,970	-	105,898	2,326,072
		6,534,438	-	374,582	6,159,856

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

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	\$ 461,783	94,527	46,178	510,132	51,013
Net Pension Liability					
IMRF	1,710,847	-	518,723	1,192,124	-
Police Pension	6,208,878	-	388,420	5,820,458	-
Net Other Post-Employment Benefit Payable	82,745	41,462	-	124,207	-
General Obligation Bonds Payable	9,765,000	-	755,000	9,010,000	810,000
Unamortized Bond Premium	126,082	-	34,391	91,691	-
	18,355,335	135,989	1,742,712	16,748,612	861,013
Business-Type Activities					
Compensated Absences	62,863	10,565	23,191	50,237	5,024
Net Pension Liability					
IMRF	224,677	190,965	-	415,642	-
General Obligation Bonds Payable	5,395,000	-	460,000	4,935,000	480,000
Unamortized Bond Premium	145,147	-	10,203	134,944	-
IEPA Loans Payable	6,534,438	-	374,582	6,159,856	381,537
	12,362,125	201,530	867,976	11,695,679	866,561

For governmental activities, the General Fund makes payments on the compensated absences, the net pension liabilities, and the net other post-employment benefit obligation. The Debt Service Fund makes payments on the general obligation bonds payable.

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

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

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			IEPA		
	Principal	Interest		Principal	Interest	
2018	\$ 810,000	311,390	480,000	187,042	381,537	98,584
2019	1,375,000	283,090	500,000	169,318	388,060	92,061
2020	1,385,000	224,652	140,000	150,850	394,708	85,413
2021	1,025,000	165,508	145,000	146,650	401,480	78,641
2022	1,050,000	136,734	145,000	142,300	408,380	71,741
2023	1,085,000	106,753	150,000	137,950	415,410	64,711
2024	1,120,000	75,253	155,000	133,450	347,284	58,047
2025	1,160,000	38,913	160,000	128,800	352,559	52,772
2026	-	-	165,000	122,400	357,916	47,415
2027	-	-	175,000	115,800	363,360	41,971
2028	-	-	180,000	108,800	368,891	36,440
2029	-	-	190,000	101,600	374,511	30,820
2030	-	-	195,000	94,000	380,221	25,110
2031	-	-	205,000	86,200	386,024	19,307
2032	-	-	210,000	78,000	391,920	13,411
2033	-	-	220,000	69,600	146,248	8,203
2034	-	-	230,000	60,800	149,180	5,271
2035	-	-	240,000	51,600	152,167	2,281
2036	-	-	245,000	42,000	-	-
2037	-	-	255,000	32,200	-	-
2038	-	-	270,000	22,000	-	-
2039	-	-	280,000	11,200	-	-
Totals	9,010,000	1,342,293	4,935,000	2,192,560	6,159,856	832,199

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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."

Assessed Valuation - 2016	\$ 401,706,662
Legal Debt Limit - 8.625% of Assessed Value	34,647,200
Amount of Debt Applicable to Limit	
General Obligation ARS Refunding Bonds of 2007	\$ 715,000
General Obligation ARS Bonds of 2008A	2,000,000
General Obligation ARS Refunding Bonds of 2010	605,000
General Obligation ARS Refunding Bonds of 2011	3,070,000
General Obligation ARS Bonds of 2013	4,220,000
Taxable General Obligation ARS Refunding Bonds of 2014	3,335,000
	13,945,000
	(13,945,000)
Less: Alternate Revenue Source Bonds	-
Total Applicable Debt	34,647,200
Legal Debt Margin	

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, 2017, \$30,190 of the Special Service Area No. 17 bonds are outstanding.

Special Assessment Bonds

During fiscal year ended April 30, 2007, the Village refunded \$11,923,000 of special assessment bonds, which were paid from escrow during the fiscal year ended April 30, 2012. The refunding special assessment bonds, dated December 1, 2006, were outstanding as of April 30, 2017 and totaled \$9,915,000. These bonds are not an obligation of the Village and are secured by the levy of special assessments on the real property within the special assessment area. The Village is in no way liable for repayment, but is acting solely as agent for the property owners in levying and collecting the assessments and forwarding the collections to bondholders.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Pledged Revenues

The Village has issued Alternate Revenue Source Bonds for which they have pledged future revenue streams. The General Obligation Alternate Revenue Source Bonds of 2007, issued for various water system improvements, are payable by a pledge of the Village's water operations revenue. The bonds have a remaining total pledge of \$757,660, with the bonds maturing December 1, 2018. During the current fiscal year, the pledge of water revenues for the bonds of \$376,475 was approximately 7.73% of total water operating revenues.

The General Obligation Alternate Revenue Source Bonds of 2008A, issued for the construction of the Village Hall, are payable from a pledge of sales tax, telecommunication and use tax, with a remaining total pledge of \$2,250,000 with the bonds maturing December 1, 2019. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$100,000 was approximately 1.21% of total sales, telecommunication and use tax.

The General Obligation Alternate Revenue Source Refunding Bonds of 2010, issued to refund the General Obligation Alternate Revenue Source Bonds of 2002A, are payable from a pledge of sales tax, telecommunication and use tax, with a remaining total pledge of \$592,075 with the bonds maturing December 1, 2017. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$629,200 was approximately 7.59% of total sales, telecommunication and use tax.

The General Obligation Alternate Revenue Source Refunding Bonds of 2011, issued to refund the General Obligation Alternate Revenue Source Bonds of 2005, are payable from a pledge of sales tax, telecommunication and use tax, with a remaining total pledge of \$3,484,213 with the bonds maturing December 1, 2024. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$289,950 was approximately 3.50% of total sales, telecommunication and use tax.

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 \$6,369,900, with the bonds maturing December 1, 2038. During the current fiscal year, the pledge of water revenues of \$287,550 was approximately 5.90% 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 \$3,988,880 with the bonds maturing December 1, 2024. During the current fiscal year, the pledge of sales tax, use tax and telecommunication tax of \$106,340 was approximately 1.28% of total sales, telecommunication and use tax.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

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, 2017:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 54,951,271
Plus: Unamortized Loss on Refunding	142,149
Less Capital Related Debt:	
General Obligation ARS Refunding Bonds of 2008A	(2,000,000)
General Obligation ARS Refunding Bonds of 2010	(605,000)
General Obligation ARS Refunding Bonds of 2011	(3,070,000)
General Obligation ARS Refunding Bonds of 2014	(3,335,000)
Unamortized Bond Premium	(91,691)
Net Investment in Capital Assets	<u>45,991,729</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	31,612,954
Less Capital Related Debt:	
General Obligation ARS Refunding Bonds of 2007	(715,000)
General Obligation ARS Refunding Bonds of 2013	(4,220,000)
IEPA Loan Payable of 2002	(412,045)
IEPA Loan Payable of 2011	(3,421,739)
IEPA Loan Payable of 2014	(2,326,072)
Unamortized Bond Premium	(134,944)
Net Investment in Capital Assets	<u>20,383,154</u>

# VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

## NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

### FUND BALANCE CLASSIFICATIONS

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

	General	Debt Service	Capital Projects		Totals
			Capital Improvements	Infrastructure Improvement	
Fund Balances					
Nonspendable					
Advances	\$ 484,073	-	-	-	484,073
Prepays	65,160	-	-	-	65,160
	549,233	-	-	-	549,233
Restricted					
Economic Development	-	-	-	1,725,516	1,725,516
Police	-	-	-	159,814	159,814
Highways and Streets	-	-	-	554,987	554,987
Subdivision Maintenance	-	-	-	823,805	823,805
Subdivision Improvements	-	-	-	23,850	23,850
Debt Service	-	50,200	-	-	50,200
	-	50,200	-	3,287,972	3,338,172
Assigned					
Capital	-	-	726,051	1,966,543	3,193,606
Unassigned	3,488,826	-	-	-	3,488,826
Total Fund Balances	4,038,059	50,200	726,051	1,966,543	10,569,837

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.

**Assigned Fund Balance.** The Village reports assigned fund balance in the Capital Improvements Fund and in the Infrastructure Improvement Fund, both major funds, and in the Vehicle Reserve Fund, a nonmajor fund. The Village's Board, through the fund balance policy, has given authority to management (Village Administrator) to assign funds as listed above based on approved management and Board expenditures as determined through the annual budget process.

# VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

## NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

### FUND BALANCE CLASSIFICATIONS – Continued

**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.

## 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, 2017, 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.

### COMMITMENTS AND CONTINGENCIES

#### 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, 2017 was \$990,012, and the total cumulative expenditures incurred to date in rebates of current development agreements was \$6,651,499.

### 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.

#### 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.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

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. A separate report is not issued for the Police Pension Plan. 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](http://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.

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.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

*Benefits Provided – Continued.* 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.

*Plan Membership.* As of December 31, 2016, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	36
Inactive Plan Members Entitled to but not yet Receiving Benefits	43
Active Plan Members	33
Total	112

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.5% 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. The Village's annual contribution rate for calendar year 2016 was 13.49% of covered payroll.

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

*Actuarial Assumptions:* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2016, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions Interest Rate	7.50%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	3.00%
Inflation	2.75%

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, and the discount rate used in the prior valuation was 7.48%. 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.

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:

	Current		
	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 3,402,060	1,607,766	151,052



VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 12,393,053	10,457,529	1,935,524
Changes for the Year:			
Service Cost	242,720	-	242,720
Interest on the Total Pension Liability	917,636	-	917,636
Difference Between Expected and Actual Experience of the Total Pension Liability	(233,085)	-	(233,085)
Changes of Assumptions	(33,076)	-	(33,076)
Contributions - Employer	-	299,313	(299,313)
Contributions - Employees	-	99,846	(99,846)
Net Investment Income	-	718,169	(718,169)
Benefit Payments, including Refunds of Employee Contributions	(493,110)	(493,110)	-
Other (Net Transfer)	-	104,625	(104,625)
Net Changes	401,085	728,843	(327,758)
Balances at December 31, 2016	12,794,138	11,186,372	1,607,766

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

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, 2017, the Village recognized pension expense of \$78,076. At April 30, 2017, 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	\$ -	(286,733)	(286,733)
Change in Assumptions	-	(23,367)	(23,367)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	491,191	-	491,191
	491,191	(310,100)	181,091
Pension Contributions Made Subsequent to the Measurement Date	80,892	-	80,892
Total Deferred Amounts Related to IMRF	572,083	(310,100)	261,983

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
2018	\$ (12,202)
2019	52,462
2020	127,521
2021	13,310
2022	-
Thereafter	-
Total	181,091

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

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, 2017, 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	1
Active Plan Members	26
Total	36

*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, 2017

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 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police 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 1<sup>st</sup> 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 preceding 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, 2017, the Village's contribution was 25.17% 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, 2017

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, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	7.00%
Interest Rate	
Salary Increases	3.75% - 8.50%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the assumption study prepared by the independent actuary in 2017. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, which is the same as the prior year. 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, 2017

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	\$ 8,330,758	5,820,458	3,819,045

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2016	\$ 14,559,271	8,350,393	6,208,878
Changes for the Year:			
Service Cost	426,069	-	426,069
Interest on the Total Pension Liability	1,000,049	-	1,000,049
Difference Between Expected and Actual Experience of the Total Pension Liability	(874,635)	-	(874,635)
Changes of Assumptions	370,109	-	370,109
Contributions - Employer	-	520,987	(520,987)
Contributions - Employees	-	205,654	(205,654)
Net Investment Income	-	593,998	(593,998)
Benefit Payments, including Refunds of Employee Contributions	(545,717)	(545,717)	-
Administrative Expense	-	(10,627)	10,627
Net Changes	375,875	764,295	(388,420)
Balances at April 30, 2017	14,935,146	9,114,688	5,820,458

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

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, 2017, the Village recognized pension expense of \$866,007. At April 30, 2017, 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	\$ -	(1,278,444)	(1,278,444)
Change in Assumptions	2,120,683	-	2,120,683
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	363,612	(2,808)	360,804
Total Deferred Amounts Related to Police Pension	2,484,295	(1,281,252)	1,203,043

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 of Resources
2018	\$ 225,404
2019	225,404
2020	225,404
2021	104,200
2022	104,902
Thereafter	317,729
Total	1,203,043

VILLAGE OF MONTGOMERY, ILLINOIS

Notes to the Financial Statements  
April 30, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's General Fund.

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2017, retirees contributed \$78,271. Active employees do not contribute to the plan until retirement.

At April 30, 2017 membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	54
Active Employees	6
Total	60
Participating Employers	1

The Village does not currently have a funding policy.

**VILLAGE OF MONTGOMERY, ILLINOIS**

Notes to the Financial Statements  
April 30, 2017

**NOTE 4 – OTHER INFORMATION – Continued****OTHER POST-EMPLOYMENT BENEFITS – Continued****Annual OPEB Costs and Net OPEB Obligation**

The net OPEB obligation (NOPEBO) as of April 30, 2017, was calculated as follows:

Annual Required Contribution	\$ 183,907
Interest on the NOPEBO	3,310
Adjustment to the ARC	(3,065)
Annual OPEB Cost	184,152
Actual Contribution	142,690
Change in NOPEBO	41,462
NOPEBO - Beginning	82,745
NOPEBO - Ending	124,207

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Trend Information**

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 56,749	\$ 43,396	76.47%	\$ 53,835
2016	176,993	148,083	83.67%	82,745
2017	184,152	142,690	77.48%	124,207

**VILLAGE OF MONTGOMERY, ILLINOIS**

Notes to the Financial Statements  
April 30, 2017

**NOTE 4 – OTHER INFORMATION – Continued****OTHER POST-EMPLOYMENT BENEFITS – Continued****Funded Status and Funding Progress**

The funded status of the plan as of April 30, 2016, the date of the most recent valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 2,759,939
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 2,759,939
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 4,059,995
UAAL as a Percentage of Covered Payroll	67.98%

**Actuarial Methods and Assumptions**

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

In the April 30, 2016 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (including a 2.50% inflation assumption) and an initial healthcare cost trend rate of 2.90% to 7.80%, with an ultimate rate of 2.90% to 5.00%. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2017, was 27 years.

**SUBSEQUENT EVENT**

On July 18, 2017, the Village issued \$3,370,000 of General Obligation Alternate Bonds, Series 2017, due in annual installments of \$135,000 to \$235,000 plus interest at 3.00% to 4.00% through December 1, 2037.

Butterball, Inc. paid the outstanding notes receivable balance on July 10, 2017, including \$967,741 of principal and \$239 of interest.

VILLAGE OF MONTGOMERY, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
April 30, 2017

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
4/30/2012	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
4/30/2013	-	882,324	0.00%	882,324	3,442,427	25.63%
4/30/2014	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2015	N/A	N/A	N/A	N/A	N/A	N/A
4/30/2016	-	2,759,939	0.00%	2,759,939	4,059,995	67.98%
4/30/2017	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2012	\$ 24,773	\$ 31,224	79.34%
2013	24,773	31,224	79.34%
2014	43,396	56,726	76.50%
2015	43,396	56,576	76.70%
2016	148,083	176,833	83.74%
2017	142,690	183,907	77.59%

N/A - Not Available

The Village is required to have an actuarial valuation performed triennially.

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 Funding Progress and Employer Contributions  
Other Post-Employment Benefit Plan
- Schedule of Employer Contributions  
Illinois Municipal Retirement Fund  
Police Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability  
Illinois Municipal Retirement Fund  
Police Pension Fund
- Schedule of Investment Returns  
Police Pension Fund
- Budgetary Comparison Schedule  
General 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, 2017**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	\$ 298,271	\$ 298,271	\$ -	\$ 2,242,641	13.30%
2017	299,313	299,313	-	2,218,784	13.49%

Notes to the Required Supplementary Information:

Actuarial Cost Method  
Amortization Method  
Remaining Amortization Period  
Asset Valuation Method  
Inflation  
Salary Increases  
Investment Rate of Return  
Retirement Age  
Mortality

Entry Age Normal  
Level % Pay (Closed)  
27 Years  
5-Year Smoothed Market  
2.75%  
3.75% to 14.50%  
7.50%  
See the Notes to the Financial Statements  
RP-2014 Blue Collar Health Annuitant Mortality Table

Note:  
This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF MONTGOMERY, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2017**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee 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%

Notes to the Required Supplementary Information:

Actuarial Cost Method  
Amortization Method  
Remaining Amortization Period  
Asset Valuation Method  
Inflation  
Salary Increases  
Investment Rate of Return  
Mortality

Projected Unit Credit (Level Dollars)  
Level % Pay (Closed)  
23 Years  
5-Year Smoothed Market  
2.50%  
3.75% to 8.50%  
7.00%  
Independent actuary 2016 Illinois Police Mortality Rates

Note:  
This schedule is intended to show information for ten years and additional year's 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  
April 30, 2017

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2017

	12/31/2015	12/31/2016
Total Pension Liability		
Service Cost	\$ 231,852	242,720
Interest	891,008	917,636
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	(308,800)	(233,085)
Change of Assumptions	-	(33,076)
Benefit Payments, Including Refunds of Member Contributions	(433,918)	(493,110)
Net Change in Total Pension Liability	380,142	401,085
Total Pension Liability - Beginning	12,012,911	12,393,053
Total Pension Liability - Ending	12,393,053	12,794,138
Plan Fiduciary Net Position		
Contributions - Employer	\$ 298,271	299,313
Contributions - Members	100,919	99,846
Net Investment Income	52,165	718,169
Benefit Payments, Including Refunds of Member Contributions	(433,918)	(493,110)
Administrative Expense	(10,193)	104,625
Net Change in Plan Fiduciary Net Position	7,244	728,843
Plan Net Position - Beginning	10,450,285	10,457,529
Plan Net Position - Ending	10,457,529	11,186,372
Employer's Net Pension Liability	\$ 1,935,524	1,607,766
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.38%	87.43%
Covered-Employee Payroll	\$ 2,242,641	2,218,784
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	86.31%	72.46%

Note:  
This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2017

	4/30/2015	4/30/2016	4/30/2017
Total Pension Liability			
Service Cost	\$ 463,455	400,101	426,069
Interest	782,101	837,341	1,000,049
Differences Between Expected and Actual Experience	-	(589,343)	(874,635)
Change in Assumptions	-	2,189,746	370,109
Benefit Payments, Including Refunds of Member Contributions	(431,684)	(481,164)	(545,717)
Net Change in Total Pension Liability	813,872	2,356,681	375,875
Total Pension Liability - Beginning	11,388,718	12,202,590	14,559,271
Total Pension Liability - Ending	12,202,590	14,559,271	14,935,146
Plan Fiduciary Net Position			
Contributions - Employer	\$ 449,027	452,282	520,987
Contributions - Members	228,037	216,533	205,654
Net Investment Income	471,668	(25,628)	593,998
Benefit Payments, Including Refunds of Member Contributions	(431,684)	(481,164)	(545,717)
Administrative Expense	(8,625)	(18,226)	(10,627)
Net Change in Plan Fiduciary Net Position	708,423	143,797	764,295
Plan Net Position - Beginning	7,498,173	8,206,596	8,350,393
Plan Net Position - Ending	8,206,596	8,350,393	9,114,688
Employer's Net Pension Liability	\$ 3,995,994	6,208,878	5,820,458
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.25%	57.35%	61.03%
Covered-Employee Payroll	\$ 2,010,832	1,951,463	2,070,191
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	198.72%	318.17%	281.16%

Note:  
This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

VILLAGE OF MONTGOMERY, ILLINOIS

Police Pension Fund

Required Supplementary Information  
Schedule of Investment Returns  
April 30, 2017

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2015	6.54%
2016	0.29%
2017	6.61%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

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, 2017

	Original and Final Budget	Actual
<b>Revenues</b>		
Property Taxes	\$ 2,251,869	2,259,645
Other Taxes	126,788	133,039
Licenses, Permits and Fees	435,890	525,473
Intergovernmental, Grants and Contributions	6,205,400	6,117,968
Charges for Services	321,023	418,607
Fines and Forfeitures	338,500	235,742
Investment Earnings	30,000	28,825
Miscellaneous	113,450	128,370
<b>Total Revenues</b>	<b>9,822,920</b>	<b>9,847,669</b>
<b>Expenditures</b>		
Current		
General Government	3,139,750	3,203,556
Public Safety	4,727,078	4,811,639
Highways and Streets	1,866,419	1,806,313
<b>Total Expenditures</b>	<b>9,733,247</b>	<b>9,821,508</b>
<b>Net Change in Fund Balance</b>	<b>89,673</b>	<b>26,161</b>
<b>Fund Balance - Beginning</b>		<b>4,011,898</b>
<b>Fund Balance - Ending</b>		<b>4,038,059</b>



**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND 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.

**Economic Development Fund**

The Economic Development Fund is used to account for the community development revolving loan program initially funded by 2 grants from the Illinois Department of Commerce and Economic Opportunity (DCEO), restricted to provide loans to local businesses.

**Forfeiture and Seizure Fund**

The Forfeiture and Seizure Fund is used to account for Kane and Kendall County court fines, written by Village of Montgomery officers, which are restricted for certain purposes including drug and DUI prevention.

**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.

**Emergency 911 Fund**

The Emergency 911 Fund is used to account for Kane and Kendall County wireless 911 surcharge fees restricted for emergency 911 enhancements.

**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.

**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 Statement of Changes in Assets and Liabilities – Agency Funds

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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**SPECIAL REVENUE FUNDS – Continued**

**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.

**Ogden Hill Special Service Area Fund**

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

**Marquis Pointe Special Service Area Fund**

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

**Balmorea Special Service Area Fund**

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

**Arbor Ridge Special Service Area Fund**

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

**Fairfield Way Special Service Area Fund**

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

**Foxmoor Special Service Area Fund**

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

**Tax Increment Financing District #1 Fund**

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

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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**SPECIAL REVENUE FUNDS – Continued**

**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.

**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.

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**DEBT SERVICE FUNDS**

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 2008A, Series 2010, 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.

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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**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, rent 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 Reserve Fund**

The Vehicle Reserve 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.

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**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.

**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.

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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**INTERNAL SERVICE FUNDS**

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.

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**TRUST AND AGENCY 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 income.

**AGENCY FUNDS**

**Talma Street Special Service Area Fund**

The Talma Street Special Service Area Fund is used to account for the tax collections to pay principal and interest on the Special Service Area #06-1 Bonds.

**Escrow Fund**

The Escrow Fund is used to account for the developer contributions held on behalf of other governments and for developer deposits.

**Flexible Benefit Fund**

The Flexible Benefit Fund is used to account for employee flexible spending accounts (FSA) and dependent care accounts (DCA).

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

**TRUST AND AGENCY FUNDS – Continued**

**AGENCY FUNDS – Continued**

**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.

**Blackberry Crossing West Special Service Area Fund**

The Blackberry Crossing West Special Service Area Fund is used to account for the tax collections to pay principal and interest on the Special Service Area #10 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.

**Temporary Certificate of Occupancy (CO) Fund**

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

**VILLAGE OF MONTGOMERY, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended April 30, 2017**

	Original and Final Budget	Actual
Property Taxes		
Corporate	\$ 959,996	972,713
Police Pension	457,912	456,841
Social Security	226,248	225,721
IMRF	226,248	225,721
Insurance	266,487	265,867
Road and Bridge	114,978	112,782
Total Property Taxes	2,251,869	2,259,645
Other Taxes		
Utility Tax	69,188	63,256
Video Gaming Tax	57,600	69,783
Total Other Taxes	126,788	133,039
Licenses, Permits and Fees		
Licenses		
Liquor	27,300	31,600
Amusement Machine	1,050	225
Tobacco	300	425
Contractors	25,000	28,000
Other	1,050	1,922
Permits		
Building	115,000	172,749
Oversized Vehicle	8,000	26,700
Solicitor	1,200	1,980
Other	100	720
Fees		
Cable Franchise	256,890	261,152
Total Licenses, Permits, and Fees	435,890	525,473

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2017

	Original and Final Budget	Actual
Intergovernmental		
Sales Tax	\$ 3,798,419	3,839,387
State Income Tax	1,880,676	1,742,849
Corporate Replacement Tax	58,553	60,490
Road and Bridge Replacement Tax	7,319	7,977
Local Use Tax	433,293	456,796
TIF Surplus	9,000	-
State Grant - Body Armor (Police)	1,500	2,041
State Grant - ILCC Tobacco (Police)	1,760	1,760
State Grant - Traffic Safety (Police)	14,880	6,668
Total Intergovernmental	6,205,400	6,117,968
Charges for Services		
Refuse Removal	7,000	9,937
Plumbing Inspections	17,000	24,627
Engineering Inspections	11,000	1,900
Elevator Inspections	1,600	180
Planning - Plan Commission Applications	6,000	9,000
Recycling Income	4,000	2,852
Lawn Services	7,666	7,611
Professional Services Reimbursements - Dispatch Service	12,917	13,052
Professional Services Reimbursements - Engineering Service	147,420	243,561
Professional Services Reimbursements - Legal Service	42,000	18,328
Professional Services Reimbursements - Planning Service	10,500	26,962
Professional Services Reimbursements - Printing and Publishing	500	-
Police Reimbursements - Training	7,500	11,029
Police Reimbursements - Special Duty	2,700	1,126
Police Reimbursements - Other	8,000	3,050
Police Reimbursements - Firing Range	500	240
Other Reimbursements - Streets	11,680	14,192
Other Reimbursements - Credit Card Fees	14,000	19,994
Other Reimbursements - Miscellaneous	7,000	8,229
Rents and Royalties - Municipal Building Rental	2,040	2,737
Total Charges for Services	321,023	418,607

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VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2017

	Original and Final Budget	Actual
Fines and Forfeitures		
Tow Impoundment Fee	\$ 135,000	84,000
Court Fines - Village	32,000	24,195
Court Fines - Kane County	140,000	102,349
Court Fines - Kendall County	10,000	11,343
Patrol Car Maintenance Fines - Kane County	15,000	4,855
Patrol Car Maintenance Fines - Kendall County	2,000	1,245
Code Enforcement Fines	4,500	7,755
Total Fines and Forfeitures	338,500	235,742
Investment Earnings		
Interest	30,000	28,825
Miscellaneous		
Other Reimbursements - Insurance	30,000	35,977
Donations - Montgomery Fest	53,000	58,985
Donations - Beautification	5,000	7,485
Donations - River Run	12,000	11,166
Donations - Garage Sales	2,000	1,230
Donations - Settler's Cottage	500	274
Donations - HPC Brick Paver Program	500	-
Donations - Senior Luncheon	2,000	1,535
Donations - Parkway Tree Program	5,000	9,000
Donations - Car Show	3,000	2,613
Salable Items - History Books	350	105
Salable Items - Miscellaneous	100	-
Total Miscellaneous	113,450	128,370
Total Revenues	9,822,920	9,847,669

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VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended April 30, 2017

	Original and Final Budget	Actual
General Government Elected Officials		
Personal Services	\$ 72,439	69,356
Contractual Services	83,575	89,737
Commodities	1,015	1,917
	157,029	161,010
Administration		
Personal Services	304,041	288,483
Contractual Services	73,203	76,130
Commodities	5,045	4,194
	382,289	368,807
Finance		
Accounting		
Personal Services	441,825	435,651
Contractual Services	380,759	395,672
Commodities	7,775	8,233
	830,359	839,556
Utility Billing		
Personal Services	122,344	120,438
Contractual Services	66,779	55,809
Commodities	29,445	27,969
	218,568	204,216
Less: Internal Charges	1,048,927	1,043,772
	(550,712)	(540,038)
Total Finance	498,215	503,734
Legal		
Contractual Services	186,500	149,171

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2017

	Original and Final Budget	Actual
General Government - Continued		
Engineering		
Contractual Services	\$ 207,500	286,533
Community Development		
Economic Development	97,660	95,735
Contractual Services	967,171	990,012
Other	1,064,831	1,085,747
Planning and Zoning		
Personal Services	263,310	263,090
Contractual Services	40,635	38,603
Commodities	2,425	1,949
	306,370	303,642
Code Enforcement and Inspections		
Personal Services	286,909	286,031
Contractual Services	45,667	53,720
Commodities	4,440	5,161
	337,016	344,912
Total Community Development	1,708,217	1,734,301
Total General Government	3,139,750	3,203,556
Public Safety		
Police		
Administration		
Personal Services	404,058	399,130
Contractual Services	193,078	183,228
Commodities	33,720	36,214
	630,856	618,572

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2017

	Original and Final Budget	Actual
Public Safety - Continued		
Police - Continued		
Support Services		
Personal Services	\$ 204,026	208,617
Contractual Services	266,994	264,634
	471,020	473,251
Patrol		
Personal Services	3,073,284	3,155,951
Contractual Services	232,483	233,131
Commodities	29,500	27,817
	3,335,267	3,416,899
Investigations		
Personal Services	265,483	278,288
Contractual Services	6,180	7,585
Commodities	4,445	5,602
	276,108	291,475
Police Commission		
Personal Services	452	-
Contractual Services	10,925	9,134
Commodities	250	252
	11,627	9,386
ESDA		
Contractual Services	2,000	2,056
Commodities	200	-
	2,200	2,056
Total Public Safety	4,727,078	4,811,639

VILLAGE OF MONTGOMERY, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2017

	Original and Final Budget	Actual
Highways and Streets		
Administration		
Personal Services	\$ 92,675	91,607
Contractual Services	29,499	38,514
Commodities	4,490	5,606
	126,664	135,727
Streets		
Personal Services	448,017	437,590
Contractual Services	523,292	514,907
Commodities	106,850	107,156
	1,078,159	1,059,653
Vehicle Maintenance		
Personal Services	133,298	113,579
Contractual Services	103,815	117,478
Commodities	164,600	145,866
	401,713	376,923
Buildings and Grounds		
Personal Services	199,180	169,107
Contractual Services	354,700	382,163
Commodities	32,750	32,099
	586,630	583,369
Stormwater Management		
Contractual Services	40,000	14,861
	2,233,166	2,170,533
Less: Internal Charges	(366,747)	(364,220)
Total Highways and Streets	1,866,419	1,806,313
Total Expenditures	9,733,247	9,821,508

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, 2017

	Original and Final Budget	Actual
Revenues		
Interest	\$ -	-
Expenditures		
Debt Service		
Principal Retirement	755,000	755,000
Interest and Fiscal Charges	335,165	334,965
Total Expenditures	1,090,165	1,089,965
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,090,165)	(1,089,965)
Other Financing Sources		
Transfers In	1,084,076	1,084,076
Net Change in Fund Balance	(6,089)	(5,889)
Fund Balance - Beginning		56,089
Fund Balance - Ending		50,200

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, 2017

	Original and Final Budget	Actual
Revenues		
Other Taxes		
Utility Taxes	\$ 1,200,109	1,266,755
Intergovernmental, Grants and Contributions	226,951	94,767
Charges for Services	11,453	3,400
Interest	4,000	4,592
Miscellaneous	70,817	141,377
Total Revenues	1,513,330	1,510,891
Expenditures		
Current		
General Government	1,736	19,996
Contractual Services		
Highways and Streets	148,000	93,813
Contractual Services	307,257	99,924
Capital Outlay	456,993	213,733
Total Expenditures		
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,056,337	1,297,158
Other Financing Sources (Uses)		
Transfers Out	(1,084,076)	(1,084,076)
Net Change in Fund Balances	(27,739)	213,082
Fund Balances - Beginning		512,969
Fund Balances - Ending		726,051



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, 2017

	Original and Final Budget	Actual
<b>Revenues</b>		
Intergovernmental, Grants and Contributions		
Non-Home Rule Sales Tax	\$ 2,646,000	2,725,682
State Grants	500,000	59,502
Interest	1,000	656
Total Revenues	3,147,000	2,785,840
<b>Expenditures</b>		
Current		
General Government	141,200	131,577
Contractual Services		
Highways and Streets	2,353,969	1,660,687
Contractual Services	60,000	-
Capital Outlay	2,555,169	1,792,264
Total Expenditures	591,831	993,576
Net Change in Fund Balance		972,967
Fund Balance - Beginning		1,966,543
Fund Balance - Ending		

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet  
April 30, 2017

	Special Revenue	Capital Projects	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 2,604,948	584,226	3,189,174
Receivables - Net of Allowances			
Property Taxes	547,545	-	547,545
Accrued Interest	-	1,161	1,161
Notes	1,004,689	-	1,004,689
Due from Other Governments	40,369	-	40,369
Total Assets	4,197,551	585,387	4,782,938
<b>LIABILITIES</b>			
Accounts Payable	385,884	60,525	446,409
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	547,545	-	547,545
Total Liabilities and Deferred Inflows of Resources	933,429	60,525	993,954
<b>FUND BALANCES</b>			
Restricted	3,264,122	23,850	3,287,972
Assigned	-	501,012	501,012
Total Fund Balances	3,264,122	524,862	3,788,984
Total Liabilities, Deferred Inflows of Resources and Fund Balances	4,197,551	585,387	4,782,938

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2017

	Special Revenue	Capital Projects	Totals
Revenues			
Property Taxes	\$ 574,092	-	574,092
Intergovernmental, Grants and Contributions	516,809	-	516,809
Fines and Forfeitures	20,115	-	20,115
Charges for Services	-	594,393	594,393
Interest	11,416	(665)	10,751
Miscellaneous	25,632	81,786	107,418
Total Revenues	1,148,064	675,514	1,823,578
Expenditures			
Current			
General Government	200,129	66,022	266,151
Public Safety	26,212	-	26,212
Highways and Streets	569,159	-	569,159
Capital Outlay	163,906	987,692	1,151,598
Total Expenditures	959,406	1,053,714	2,013,120
Excess (Deficiency) of Revenues Over Expenditures	188,658	(378,200)	(189,542)
Other Financing Sources			
Disposal of Capital Assets	-	159,724	159,724
Net Change in Fund Balances	188,658	(218,476)	(29,818)
Fund Balances - Beginning	3,075,464	743,338	3,818,802
Fund Balances - Ending	3,264,122	524,862	3,788,984

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet  
April 30, 2017

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet  
April 30, 2017

	Economic Development	Forfeiture and Seizure	Motor Fuel Tax	Emergency 911
Cash and Investments	\$ 621,133	41,458	645,540	109,872
Receivables - Net of Allowances				
Property Taxes	-	-	-	-
Notes	1,004,689	-	-	-
Due from Other Governments	-	-	40,369	-
Total Assets	1,625,822	41,458	685,909	109,872

ASSETS

LIABILITIES

Accounts Payable

DEFERRED INFLOWS OF RESOURCES

Property Taxes

Total Liabilities and Deferred  
Inflows of Resources

FUND BALANCES

Restricted

Total Liabilities and Fund Balances

	Police Gift	Montgomery Crossings Special Service Area	Blackberry Crossings Special Service Area	Ogden Hill Special Service Area	Marquis Pointe Special Service Area	Balmorea Special Service Area
8,484	8,484	136,707	62,917	33,373	26,459	4,647
-	-	48,002	8,001	25,029	14,029	35,001
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,484	8,484	184,709	70,918	58,402	40,488	39,648
-	-	1,703	1,077	772	952	3,572
-	-	48,002	8,001	25,029	14,029	35,001
-	-	49,705	9,078	25,801	14,981	38,573
8,484	8,484	135,004	61,840	32,601	25,507	1,075
8,484	8,484	184,709	70,918	58,402	40,488	39,648

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet - Continued  
April 30, 2017

	Arbor Ridge Special Service Area	Fairfield Way Special Service Area	Foxmoor Special Service Area	Tax Increment Financing District #1
Cash and Investments	\$ 28,549	179,867	126,718	180,916
Receivables - Net of Allowances				
Property Taxes	20,000	25,000	43,000	33,680
Notes	-	-	-	-
Due from Other Governments	-	-	-	-
Total Assets	48,549	204,867	169,718	214,596
<b>LIABILITIES</b>				
Accounts Payable	461	1,206	2,044	87,688
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	20,000	25,000	43,000	33,680
Total Liabilities and Deferred Inflows of Resources	20,461	26,206	45,044	121,368
<b>FUND BALANCES</b>				
Restricted	28,088	178,661	124,674	93,228
Total Liabilities and Fund Balances	48,549	204,867	169,718	214,596

	Tax Increment Financing District #2	Saratoga Springs Special Service Area	Orchard Prairie Special Service Area	Blackberry Crossing Special Service Area	Fieldstone Special Service Area	Totals
	155,304	36,522	34,864	152,505	19,113	2,604,948
	197,801	13,500	29,000	50,002	5,500	547,545
	-	-	-	-	-	1,004,689
	-	-	-	-	-	40,369
	353,105	50,022	63,864	202,507	24,613	4,197,551
	148,838	416	348	5,477	408	385,884
	197,801	13,500	29,000	50,002	5,500	547,545
	346,639	13,916	29,348	55,479	5,908	933,429
	6,466	36,106	34,516	147,028	18,705	3,264,122
	353,105	50,022	63,864	202,507	24,613	4,197,551

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, 2017

	Economic Development	Forfeiture and Seizure	Motor Fuel Tax	Emergency 911
Revenues				
Property Taxes	\$ -	-	-	-
Intergovernmental, Grants and Contributions	-	-	516,809	-
Fines and Forfeitures	-	20,115	-	-
Interest	10,722	-	694	-
Miscellaneous	-	-	-	-
Total Revenues	10,722	20,115	517,503	-
Expenditures				
Current				
General Government	808	-	-	-
Public Safety	-	5,691	-	20,080
Highways and Streets	-	-	237,224	-
Capital Outlay	-	30,339	-	51,542
Total Expenditures	808	36,030	237,224	71,622
Net Change in Fund Balances	9,914	(15,915)	280,279	(71,622)
Fund Balances - Beginning	1,615,908	57,373	274,708	181,494
Fund Balances - Ending	1,625,822	41,458	554,987	109,872

	Police Gift	Montgomery Crossings Special Service Area	Blackberry Crossings Special Service Area	Ogden Hill Special Service Area	Marquis Pointe Special Service Area	Balmorea Special Service Area
	-	52,977	10,999	24,028	14,028	34,500
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	2,800	-	-	-	-	-
	2,800	52,977	10,999	24,028	14,028	34,500
	-	-	-	-	-	-
	441	-	-	-	-	-
	-	53,025	12,228	19,205	11,777	33,009
	-	-	-	-	-	-
	441	53,025	12,228	19,205	11,777	33,009
	2,359	(48)	(1,229)	4,823	2,251	1,491
	6,125	135,052	63,069	27,778	23,256	(416)
	8,484	135,004	61,840	32,601	25,507	1,075

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, 2017

	Arbor Ridge Special Service Area	Fairfield Way Special Service Area	Foxmoor Special Service Area	Tax Increment Financing District #1
Revenues				
Property Taxes	\$ 18,216	39,977	42,923	39,630
Intergovernmental, Grants and Contributions	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	18,216	39,977	42,923	39,630
Expenditures				
Current				
General Government	-	-	-	47,266
Public Safety	-	-	-	-
Highways and Streets	34,538	33,204	37,462	-
Capital Outlay	-	-	-	82,025
Total Expenditures	34,538	33,204	37,462	129,291
Net Change in Fund Balances	(16,322)	6,773	5,461	(89,661)
Fund Balances - Beginning	44,410	171,888	119,213	182,889
Fund Balances - Ending	28,088	178,661	124,674	93,228

	Tax Increment Financing District #2	Saratoga Springs Special Service Area	Orchard Prairie North Special Service Area	Blackberry Crossing West Special Service Area	Fieldstone Special Service Area	Totals
	188,195	12,000	27,000	63,132	6,487	574,092
	-	-	-	-	-	516,809
	-	-	-	-	-	20,115
	-	-	-	-	-	11,416
	-	-	-	22,832	-	25,632
	188,195	12,000	27,000	85,964	6,487	1,148,064
	152,055	-	-	-	-	200,129
	-	-	-	-	-	26,212
	-	13,474	21,489	56,708	5,816	569,159
	-	-	-	-	-	163,906
	152,055	13,474	21,489	56,708	5,816	959,406
	36,140	(1,474)	5,511	29,256	671	188,658
	(29,674)	37,580	29,005	117,772	18,034	3,075,464
	6,466	36,106	34,516	147,028	18,705	3,264,122

VILLAGE OF MONTGOMERY, ILLINOIS

Economic Development - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2017

	Original and Final Budget	Actual
Revenues		
Interest	\$ 11,445	10,722
Expenditures		
Current		
General Government	3,000	808
Contractual Services	8,445	9,914
Net Change in Fund Balance		<u>1,615,908</u>
Fund Balance - Beginning		<u>1,625,822</u>
Fund Balance - Ending		

VILLAGE OF MONTGOMERY, ILLINOIS

Forfeiture and Seizure - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2017

	Original and Final Budget	Actual
Revenues		
Fines and Forfeitures	\$ 16,150	20,115
Expenditures		
Current		
Public Safety	3,000	5,691
Commodities	27,550	30,339
Capital Outlay	30,550	36,030
Total Expenditures		
Net Change in Fund Balance	<u>(14,400)</u>	<u>(15,915)</u>
Fund Balance - Beginning		<u>57,373</u>
Fund Balance - Ending		<u>41,458</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, 2017

	Original and Final Budget	Actual
Revenues		
Intergovernmental, Grants and Contributions		
Motor Fuel Taxes	\$ 527,194	516,809
Interest	500	694
Total Revenues	527,694	517,503
Expenditures		
Current		
Highways and Streets		
Contractual Services	88,000	130,922
Commodities	174,250	106,302
Total Expenditures	262,250	237,224
Net Change in Fund Balance	265,444	280,279
Fund Balance - Beginning		274,708
Fund Balance - Ending		554,987

VILLAGE OF MONTGOMERY, ILLINOIS

Emergency 911 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2017

	Original and Final Budget	Actual
Revenues		
Charges for Services		
Kane County Wireless 911	\$ -	-
Expenditures		
Current		
Public Safety		
Contractual Services	16,860	20,080
Capital Outlay	27,550	51,542
Total Expenditures	44,410	71,622
Net Change in Fund Balance	(44,410)	(71,622)
Fund Balance - Beginning		181,494
Fund Balance - Ending		109,872



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, 2017

	Original and Final Budget	Actual
Revenues		
Miscellaneous	\$ 250	2,800
Expenditures		
Current		
Public Safety		
Commodities	1,300	441
Net Change in Fund Balance	(1,050)	2,359
Fund Balance - Beginning		6,125
Fund Balance - Ending		8,484

VILLAGE OF MONTGOMERY, ILLINOIS

Montgomery Crossings 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, 2017

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 53,000	52,977
Expenditures		
Current		
Highways and Streets		
Contractual Services	54,377	53,025
Net Change in Fund Balance	(1,377)	(48)
Fund Balance - Beginning		135,052
Fund Balance - Ending		135,004

VILLAGE OF MONTGOMERY, ILLINOIS

Blackberry Crossings 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, 2017

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 11,000	10,999
Expenditures		
Current		
Highways and Streets	11,018	12,228
Contractual Services		
Net Change in Fund Balance	(18)	(1,229)
Fund Balance - Beginning		63,069
Fund Balance - Ending		61,840

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, 2017

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 24,000	24,028
Expenditures		
Current		
Highways and Streets	20,012	19,205
Contractual Services		
Net Change in Fund Balance	3,988	4,823
Fund Balance - Beginning		27,778
Fund Balance - Ending		32,601

**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, 2017**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 14,000	14,028
Expenditures		
Current		
Highways and Streets	11,752	11,777
Contractual Services		
Net Change in Fund Balance	<u>2,248</u>	2,251
Fund Balance - Beginning		<u>23,256</u>
Fund Balance - Ending		<u><u>25,507</u></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, 2017**

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 34,500	34,500
Expenditures		
Current		
Highways and Streets	29,825	33,009
Contractual Services		
Net Change in Fund Balance	<u>4,675</u>	1,491
Fund Balance - Beginning		<u>(416)</u>
Fund Balance - Ending		<u><u>1,075</u></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, 2017

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 20,000	18,216
Expenditures		
Current		
Highways and Streets	34,978	34,538
Contractual Services	(14,978)	(16,322)
Net Change in Fund Balance		44,410
Fund Balance - Beginning		28,088
Fund Balance - Ending		

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, 2017

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 40,000	39,977
Expenditures		
Current		
Highways and Streets	36,851	33,204
Contractual Services	3,149	6,773
Net Change in Fund Balance		171,888
Fund Balance - Beginning		178,661
Fund Balance - Ending		

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, 2017

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 43,000	42,923
Expenditures		
Current		
Highways and Streets	42,491	37,462
Contractual Services	509	5,461
Net Change in Fund Balance		119,213
Fund Balance - Beginning		124,674
Fund Balance - Ending		

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, 2017

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 41,800	39,630
Expenditures		
Current		
General Government	36,130	47,266
Contractual Services	385,720	82,025
Capital Outlay	421,850	129,291
Total Expenditures		
Excess (Deficiency) of Revenues Over (Under) Expenditures	(380,050)	(89,661)
Other Financing Sources		
Debt Issuance	300,000	-
Net Change in Fund Balance	(80,050)	(89,661)
Fund Balance - Beginning		182,889
Fund Balance - Ending		93,228

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, 2017

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 247,000	188,195
Expenditures		
Current		
General Government		
Contractual Services	183,000	152,055
Net Change in Fund Balance	<u>64,000</u>	36,140
Fund Balance - Beginning		<u>(29,674)</u>
Fund Balance - Ending		<u>6,466</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, 2017

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 12,000	12,000
Expenditures		
Current		
Highways and Streets		
Contractual Services	13,261	13,474
Net Change in Fund Balance	<u>(1,261)</u>	(1,474)
Fund Balance - Beginning		<u>37,580</u>
Fund Balance - Ending		<u>36,106</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, 2017

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 27,000	27,000
Expenditures		
Current		
Highways and Streets	22,666	21,489
Contractual Services	4,334	5,511
Net Change in Fund Balance		29,005
Fund Balance - Beginning		34,516
Fund Balance - Ending		

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, 2017

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 63,000	63,132
Miscellaneous	-	22,832
Total Revenues	63,000	85,964
Expenditures		
Current		
Highways and Streets	54,241	56,708
Contractual Services	8,759	29,256
Net Change in Fund Balance		117,772
Fund Balance - Beginning		147,028
Fund Balance - Ending		

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, 2017

	Original and Final Budget	Actual
Revenues		
Property Taxes	\$ 6,500	6,487
Expenditures		
Current		
Highways and Streets		
Contractual Services	5,625	5,816
Net Change in Fund Balance	875	671
Fund Balance - Beginning		18,034
Fund Balance - Ending		18,705

VILLAGE OF MONTGOMERY, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Balance Sheet  
April 30, 2017

	Vehicle Reserve	Lakewood Creek Project	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 560,376	23,850	584,226
Receivables - Net of Allowances			
Accrued Interest	1,161	-	1,161
Total Assets	561,537	23,850	585,387
<b>LIABILITIES</b>			
Accounts Payable	60,525	-	60,525
<b>FUND BALANCES</b>			
Restricted			
Assigned	-	23,850	23,850
Total Fund Balances	501,012	-	501,012
	501,012	23,850	524,862
Total Liabilities and Fund Balances	561,537	23,850	585,387



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, 2017

	Vehicle Reserve	Lakewood Creek Project	Totals
Revenues			
Charges for Services	\$ 594,393	-	594,393
Interest	(676)	11	(665)
Miscellaneous	-	81,786	81,786
Total Revenues	593,717	81,797	675,514
Expenditures			
Current			
General Government	-	66,022	66,022
Capital Outlay	987,692	-	987,692
Total Expenditures	987,692	66,022	1,053,714
Excess (Deficiency) of Revenues Over Expenditures	(393,975)	15,775	(378,200)
Other Financing Sources			
Disposal of Capital Assets	159,724	-	159,724
Net Change in Fund Balances	(234,251)	15,775	(218,476)
Fund Balances - Beginning	735,263	8,075	743,338
Fund Balances - Ending	501,012	23,850	524,862

VILLAGE OF MONTGOMERY, ILLINOIS

Vehicle Reserve - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2017

	Original and Final Budget	Actual
Revenues		
Charges for Services	\$ 601,738	594,393
Interest	500	(676)
Miscellaneous	10,000	-
Total Revenues	612,238	593,717
Expenditures		
Capital Outlay	789,798	987,692
Excess (Deficiency) of Revenues Over Expenditures	(177,560)	(393,975)
Other Financing Sources		
Disposal of Capital Assets	-	159,724
Net Change in Fund Balance	(177,560)	(234,251)
Fund Balance - Beginning		735,263
Fund Balance - Ending		501,012

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, 2017

	Original and Final Budget		Actual
Revenues			
Interest	\$ 2	11	
Miscellaneous	60,000	81,786	
Total Revenues	60,002	81,797	
Expenditures			
Current			
General Government	60,000	66,022	
Contractual Services			
Net Change in Fund Balance	2	15,775	
Fund Balance - Beginning		8,075	
Fund Balance - Ending		23,850	

See Following Page

VILLAGE OF MONTGOMERY, ILLINOIS

Water - Enterprise Fund - by Account

Combining Statement of Net Position  
April 30, 2017

VILLAGE OF MONTGOMERY, ILLINOIS

Water - Enterprise Fund - by Account

Combining Statement of Net Position  
April 30, 2017

	Water Account	Water Improvement Account	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 2,934,890	8,296	2,943,186
Receivables - Net of Allowances Accounts	950,366	-	950,366
Accrued Interest	8,162	-	8,162
Due from Other Funds	60,313	-	60,313
Total Current Assets	3,953,731	8,296	3,962,027
Noncurrent Assets			
Nondepreciable Capital Assets	325,623	-	325,623
Depreciable Capital Assets	50,045,490	-	50,045,490
Accumulated Depreciation	(18,758,159)	-	(18,758,159)
Total Noncurrent Assets	31,612,954	-	31,612,954
Total Assets	35,566,685	8,296	35,574,981
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	147,896	-	147,896
Total Assets and Deferred Outflows of Resources	35,714,581	8,296	35,722,877

	Water Account	Water Improvement Account	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 88,303	18,913	107,216
Accrued Payroll	26,991	-	26,991
Accrued Interest Payable	103,050	-	103,050
Other Payables	36,000	-	36,000
Current Portion of Long-Term Debt	866,561	-	866,561
Total Current Liabilities	1,120,905	18,913	1,139,818
Noncurrent Liabilities			
Compensated Absences Payable	45,213	-	45,213
Net Pension Liability - IMRF	415,642	-	415,642
General Obligation Bonds Payable - Net	4,589,944	-	4,589,944
IEPA Loans Payable	5,778,319	-	5,778,319
Total Noncurrent Liabilities	10,829,118	-	10,829,118
Total Liabilities	11,950,023	18,913	11,968,936
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	80,167	-	80,167
Total Liabilities and Deferred Inflows of Resources	12,030,190	18,913	12,049,103
<b>NET POSITION</b>			
Net Investment in Capital Assets	20,383,154	-	20,383,154
Unrestricted (Deficit)	3,301,237	(10,617)	3,290,620
Total Net Position	23,684,391	(10,617)	23,673,774

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, 2017

	Water Account	Water Improvement Account	Totals
Operating Revenues			
Charges for Services	\$ 4,871,852	-	4,871,852
Operating Expenses			
Operations	3,297,311	393,332	3,690,643
Depreciation and Amortization	1,872,718	-	1,872,718
Total Operating Expenses	5,170,029	393,332	5,563,361
Operating Income (Loss)	(298,177)	(393,332)	(691,509)
Nonoperating Revenues (Expenses)			
Investment Income	24,775	-	24,775
Reimbursements	-	209,112	209,112
Other Income	18,559	-	18,559
Interest Expense	(301,039)	-	(301,039)
	(257,705)	209,112	(48,593)
Income (Loss) Before Contributions and Transfers	(555,882)	(184,220)	(740,102)
Capital Contributions			
Transfers In	587,125	-	587,125
Transfers Out	(212,027)	212,027	212,027
	375,098	212,027	587,125
Change in Net Position	(180,784)	27,807	(152,977)
Net Position - Beginning	23,865,175	(38,424)	23,826,751
Net Position - Ending	23,684,391	(10,617)	23,673,774

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VILLAGE OF MONTGOMERY, ILLINOIS

Water - Enterprise Fund - by Account

Combining Statement of Cash Flows  
For the Fiscal Year Ended April 30, 2017

	Water Account	Water Improvement Account	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 4,917,368	212,080	5,129,448
Payments to Employees	(576,290)	-	(576,290)
Payments to Suppliers	(2,581,371)	(415,811)	(2,997,182)
	1,759,707	(203,731)	1,555,976
Cash Flows from Non-Capital Financing Activities			
Transfers In	-	212,027	212,027
Transfers Out	(212,027)	-	(212,027)
	(212,027)	212,027	-
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(135,143)	-	(135,143)
Principal Paid on Debt	(834,582)	-	(834,582)
Interest Paid on Debt	(301,039)	-	(301,039)
	(1,270,764)	-	(1,270,764)
Cash Flows from Investing Activities			
Investment Income	24,775	-	24,775
Net Change in Cash and Cash Equivalents	301,691	8,296	309,987
Cash and Cash Equivalents - Beginning	2,633,199	-	2,633,199
Cash and Cash Equivalents - Ending	2,934,890	8,296	2,943,186
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.			
Operating Income (Loss)	(298,177)	(393,332)	(691,509)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:			
Depreciation and Amortization Expense	1,872,718	-	1,872,718
Other Income	18,559	209,112	227,671
Other Expense - IMRF	176,328	-	176,328
(Increase) Decrease in Current Assets	26,957	2,968	29,925
Increase (Decrease) in Current Liabilities	(36,678)	(22,479)	(59,157)
Net Cash Provided by Operating Activities	1,759,707	(203,731)	1,555,976

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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, 2017

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Water Sales	\$ 3,637,487	3,637,302
Late Charges	132,803	132,905
Water Service Charges	352,742	353,647
Delinquent Fees	50,000	59,600
Sewer Maintenance Charges	150,864	151,151
BH Infrastructure Fee	508,860	509,626
Fox Metro Reading Fee	27,705	27,621
Total Operating Revenues	4,860,461	4,871,852
Operating Expenses		
Operations		
Water Administration	209,373	197,136
Water Plant Operations	2,871,173	3,100,175
Depreciation and Amortization	-	1,872,718
Total Operating Expenses	3,080,546	5,170,029
Operating Income (Loss)	1,779,915	(298,177)
Nonoperating Revenues (Expenses)		
Investment Income	15,000	24,775
Other Income	1,250	18,559
Interest Expense	(309,559)	(301,039)
	(293,309)	(257,705)
Income (Loss) Before Contributions and Transfers	1,486,606	(555,882)
Capital Contributions	-	587,125
Transfers Out	(884,890)	(212,027)
Change in Net Position	601,716	(180,784)
Net Position - Beginning		23,865,175
Net Position - Ending		23,684,391

VILLAGE OF MONTGOMERY, ILLINOIS

Water Account - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended April 30, 2017

	Original and Final Budget	Actual
Water Administration		
Personal Services	\$ 134,398	139,139
Contractual Services	66,825	53,321
Commodities	8,150	4,676
Debt Service		
Principal Payment	834,582	-
Interest Payment and Fiscal Agent Fees	309,559	301,039
	1,353,514	498,175
Less Nonoperating Items		
Debt Service	(1,144,141)	(301,039)
Total Water Administration	209,373	197,136
Water Plant Operations		
Personal Services	660,078	843,255
Contractual Services	1,961,595	1,946,018
Commodities	249,500	310,902
Total Water Plant Operations	2,871,173	3,100,175
Depreciation and Amortization	-	1,872,718
Total Operating Expenses	3,080,546	5,170,029

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, 2017

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ -	-
Operating Expenses		
Operations	1,840,990	393,332
Operating Income (Loss)	(1,840,990)	(393,332)
Nonoperating Revenues		
Connection Fees and Reimbursements	65,000	209,112
Income (Loss) Before Transfers	(1,775,990)	(184,220)
Transfers In	884,890	212,027
Change in Net Position	(891,100)	27,807
Net Position - Beginning		(38,424)
Net Position - Ending		(10,617)

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, 2017

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 1,350,415	1,333,956
Refuse Removal		
Operating Expenses		
Operations	1,350,415	1,332,282
Solid Waste Disposal		
Operating Income	-	1,674
Nonoperating Revenues		
Investment Earnings	250	-
Change in Net Position	250	1,674
Net Position - Beginning		10,370
Net Position - Ending		12,044

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, 2017

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 1,103,019	1,097,061
Operating Expenses		
Operations		
Insurance	1,103,019	1,137,919
Operating Income (Loss)	-	(40,858)
Nonoperating Revenues		
Investment Earnings	-	6
Change in Net Position	-	(40,852)
Net Position - Beginning		252,359
Net Position - Ending		211,507

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, 2017

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 457,912	520,987
Contributions - Plan Members	216,848	205,654
Total Contributions	674,760	726,641
Investment Income		
Investment Earnings	643,055	259,130
Net Change in Fair Value	-	354,993
Less Investment Expenses	643,055	614,123
Net Investment Income	(18,373)	(20,125)
	624,682	593,998
Total Additions	1,299,442	1,320,639
Deductions		
Administration	19,616	10,627
Benefits and Refunds	397,177	545,717
Total Deductions	416,793	556,344
Change in Fiduciary Net Position	882,649	764,295
Net Position Restricted for Pensions		
Beginning		8,350,393
Ending		9,114,688

VILLAGE OF MONTGOMERY, ILLINOIS

Agency Funds

Combining Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended April 30, 2017

	Beginning Balances	Additions	Deductions	Ending Balances
<b>ALL FUNDS</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 3,261,505	3,188,214	3,260,382	3,189,337
<b>LIABILITIES</b>				
Deposits Payable	525,926	369,826	525,926	369,826
Due to Others	16,568	(1,562)	15,445	(439)
Due to Bondholders	2,719,011	2,819,950	2,719,011	2,819,950
Total Liabilities	3,261,505	3,188,214	3,260,382	3,189,337
<b>TALMA STREET SPECIAL SERVICE AREA</b>				
<b>ASSETS</b>				
Cash and Investments	19,445	-	18,322	1,123
<b>LIABILITIES</b>				
Due to Others	19,445	-	18,322	1,123

	Beginning Balances	Additions	Deductions	Ending Balances
<b>ESCROW</b>				
<b>ASSETS</b>				
Cash and Investments	473,226	342,266	473,226	342,266
<b>LIABILITIES</b>				
Deposits Payable	473,226	342,266	473,226	342,266
<b>FLEXIBLE BENEFITS</b>				
<b>ASSETS</b>				
Cash and Investments	(2,889)	(1,562)	(2,889)	(1,562)
<b>LIABILITIES</b>				
Due to Others	(2,889)	(1,562)	(2,889)	(1,562)



VILLAGE OF MONTGOMERY, ILLINOIS

Agency Funds

Combining Statement of Changes in Assets and Liabilities - Continued  
For the Fiscal Year Ended April 30, 2017

	Beginning Balances	Additions	Deductions	Ending Balances
<b>LAKEWOOD CREEK SPECIAL ASSESSMENT</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 2,715,077	2,816,008	2,715,077	2,816,008
<b>LIABILITIES</b>				
Due to Bondholders	2,715,077	2,816,008	2,715,077	2,816,008
<b>BLACKBERRY CROSSING WEST SPECIAL SERVICE AREA</b>				
<b>ASSETS</b>				
Cash and Investments	12	-	12	-
<b>LIABILITIES</b>				
Due to Others	12	-	12	-

	Beginning Balances	Additions	Deductions	Ending Balances
<b>CORNELL SPECIAL SERVICE AREA</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 3,934	3,942	3,934	3,942
<b>LIABILITIES</b>				
Due to Bondholders	3,934	3,942	3,934	3,942
<b>TEMPORARY CO</b>				
<b>ASSETS</b>				
Cash and Investments	52,700	27,560	52,700	27,560
<b>LIABILITIES</b>				
Deposits Payable	52,700	27,560	52,700	27,560

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Refunding Bonds of 2007  
April 30, 2017

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

SUPPLEMENTAL SCHEDULES

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2018	\$ 350,000	28,242	378,242
2019	365,000	14,418	379,418
	715,000	42,660	757,660

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds of 2008A  
April 30, 2017

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2018	\$ -	100,000	100,000
2019	1,000,000	100,000	1,100,000
2020	1,000,000	50,000	1,050,000
	2,000,000	250,000	2,250,000

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Refunding Bonds of 2010  
April 30, 2017

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2018	\$ 605,000	24,200	629,200

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Refunding Bonds of 2011  
April 30, 2017

Date of Issue	December 15, 2011
Date of Maturity	December 1, 2024
Authorized Issue	\$4,410,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 3.125%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	U.S. Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2018	\$ 205,000	80,850	285,850
2019	375,000	76,750	451,750
2020	385,000	68,312	453,312
2021	395,000	59,168	454,168
2022	405,000	49,294	454,294
2023	420,000	38,663	458,663
2024	435,000	27,113	462,113
2025	450,000	14,063	464,063
	3,070,000	414,213	3,484,213

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds of 2013  
April 30, 2017

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	U.S. Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2018	\$ 130,000	158,800	288,800
2019	135,000	154,900	289,900
2020	140,000	150,850	290,850
2021	145,000	146,650	291,650
2022	145,000	142,300	287,300
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
	4,220,000	2,149,900	6,369,900

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

Taxable General Obligation Alternate Revenue Source Refunding Bonds of 2014  
April 30, 2017

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	U.S. Bank			

Fiscal Year	Principal	Interest	Totals
2018	\$ -	106,340	106,340
2019	-	106,340	106,340
2020	-	106,340	106,340
2021	630,000	106,340	736,340
2022	645,000	87,440	732,440
2023	665,000	68,090	733,090
2024	685,000	48,140	733,140
2025	710,000	24,850	734,850
	3,335,000	653,880	3,988,880

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2002  
April 30, 2017

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			

Fiscal Year	Principal	Interest	Totals
2018	\$ 64,194	10,596	74,790
2019	65,922	8,868	74,790
2020	67,698	7,092	74,790
2021	69,521	5,269	74,790
2022	71,393	3,397	74,790
2023	73,317	1,473	74,790
	412,045	36,695	448,740

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2011  
April 30, 2017

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
2018	\$ 208,758	42,122	250,880
2019	211,376	39,504	250,880
2020	214,027	36,853	250,880
2021	216,711	34,169	250,880
2022	219,428	31,452	250,880
2023	222,178	28,702	250,880
2024	224,965	25,915	250,880
2025	227,786	23,094	250,880
2026	230,642	20,238	250,880
2027	233,534	17,346	250,880
2028	236,462	14,418	250,880
2029	239,427	11,453	250,880
2030	242,429	8,451	250,880
2031	245,469	5,411	250,880
2032	248,547	2,333	250,880
	3,421,739	341,461	3,763,200

VILLAGE OF MONTGOMERY, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2014  
April 30, 2017

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
2018	\$ 108,585	45,866	154,451
2019	110,762	43,689	154,451
2020	112,983	41,468	154,451
2021	115,248	39,203	154,451
2022	117,559	36,892	154,451
2023	119,915	34,536	154,451
2024	122,319	32,132	154,451
2025	124,773	29,678	154,451
2026	127,274	27,177	154,451
2027	129,826	24,625	154,451
2028	132,429	22,022	154,451
2029	135,084	19,367	154,451
2030	137,792	16,659	154,451
2031	140,555	13,896	154,451
2032	143,373	11,078	154,451
2033	146,248	8,203	154,451
2034	149,180	5,271	154,451
2035	152,167	2,281	154,448
	2,326,072	454,043	2,780,115

VILLAGE OF MONTGOMERY, ILLINOIS

Net Position by Component - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)

STATISTICAL SECTION  
(Unaudited)

See Following Page

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information 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, 2017 (Unaudited)**

	2008	2009	2010
Governmental Activities			
Net Investment in			
Capital Assets	\$ 30,251,886	36,431,647	41,540,031
Restricted	2,369,032	2,580,672	3,055,679
Unrestricted	709,828	(499,811)	433,352
Total Governmental Activities Net Position	33,330,746	38,512,508	45,029,062
Business-Type Activities			
Net Investment in			
Capital Assets	23,331,066	24,102,567	25,878,294
Unrestricted	691,648	637,045	1,244,447
Total Business-Type Activities Net Position	24,022,714	24,739,612	27,122,741
Total Net Position			
Net Investment in			
Capital Assets	53,582,952	60,534,214	67,418,325
Restricted	2,369,032	2,580,672	3,055,679
Unrestricted	1,401,476	137,234	1,677,799
Total Primary Government Net Position	57,353,460	63,252,120	72,151,803

Data Source: Audited Financial Statements

	2011	2012	2013	2014	2015	2016	2017
Governmental Activities							
Net Investment in							
Capital Assets	45,586,500	47,292,952	51,636,819	50,229,557	48,714,620	46,661,769	45,991,729
Restricted	3,226,346	3,313,822	3,379,946	3,332,376	3,094,319	3,113,629	3,287,972
Unrestricted	2,190,183	2,419,305	2,487,065	3,083,037	3,583,910	249,053	1,114,002
Total Governmental Activities Net Position	51,003,029	53,026,079	57,503,830	56,644,970	55,392,849	50,024,451	50,393,703
Business-Type Activities							
Net Investment in							
Capital Assets	26,651,346	27,255,898	28,096,145	26,974,755	25,650,151	20,879,292	20,383,154
Unrestricted	1,865,399	1,842,862	2,183,680	2,224,460	2,596,797	2,957,829	3,302,664
Total Business-Type Activities Net Position	28,516,745	29,098,760	30,279,825	29,199,215	28,246,948	23,837,121	23,685,818
Total Net Position							
Net Investment in							
Capital Assets	72,237,846	74,548,850	79,732,964	77,204,312	74,364,771	67,541,061	66,374,883
Restricted	3,226,346	3,313,822	3,379,946	3,332,376	3,094,319	3,113,629	3,287,972
Unrestricted	4,055,582	4,262,167	4,670,745	5,307,497	6,180,707	3,206,882	4,416,666
Total Primary Government Net Position	79,519,774	82,124,839	87,783,655	85,844,185	83,639,797	73,861,572	74,079,521



April 30, 2017 (Unaudited)

Expenses  
Governmental Activities  
General Government  
Public Safety  
Highways and Streets  
Sanitation \*  
Interest  
Total Governmental Activities Expenses  
Business-Type Activities  
Waterworks  
Refuse \*  
Total Business-Type Activities Net Position  
Total Primary Government Expenses

Data Source: Audited Financial Statements

VILLAGE OF MONTGOMERY, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)

	2008	2009	2010
General Fund			
Reserved	\$ -	701,124	691,533
Unreserved	1,442,677	769,038	1,338,650
Nonspendable	-	-	-
Unassigned	-	-	-
Total General Fund	1,442,677	1,470,162	2,030,183
All Other Governmental Funds			
Reserved	2,369,032	2,580,672	3,055,679
Unreserved, Reported in:			
Special Revenues Funds	(92,759)	(24,412)	(6,226)
Capital Projects Funds	(46,374)	(1,238,112)	(744,263)
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total All Other Governmental Funds	3,672,576	2,788,310	4,335,373
Total Governmental Funds	5,115,253	4,258,472	6,365,556

Data Source: Audited Financial Statements

Note: The Village implemented GASB No. 54 at April 30, 2011.

	2011	2012	2013	2014	2015	2016	2017
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	691,533	691,533	691,533	754,783	686,895	617,742	549,233
	2,124,288	2,484,493	2,860,573	2,799,352	2,972,861	3,394,156	3,488,826
	2,815,821	3,176,026	3,552,106	3,554,135	3,659,756	4,011,898	4,038,059
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	3,226,346	3,226,351	3,379,946	3,332,376	3,094,319	3,169,718	3,338,172
	165,254	165,255	56,089	388,966	585,659	2,221,199	3,193,606
	(59,236)	(59,234)	(565,377)	(360,486)	(129,852)	(30,090)	-
	6,148,185	6,508,398	6,422,764	6,914,991	7,209,882	5,360,827	6,531,778
	8,964,006	9,684,424	9,974,870	10,469,126	10,869,638	9,372,725	10,569,837

VILLAGE OF MONTGOMERY, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)

	2008	2009	2010
<b>Revenues</b>			
Property Taxes	\$ 1,728,472	2,107,824	2,538,391
Other Taxes	5,818,015	6,240,493	5,871,837
State Shared Income Taxes	-	-	-
Licenses and Permits	453,255	347,605	348,071
Charges for Services	2,584,045	3,406,271	2,318,607
Intergovernmental	105,561	123,206	199,193
Fines and Forfeits	157,644	239,539	327,227
Investment Income	372,126	55,770	22,633
Developer Contributions	362,323	-	148,541
Contributions from Property Owners	-	17,500	423
Miscellaneous	213,042	170,688	219,131
<b>Total Revenues</b>	<b>11,794,483</b>	<b>12,708,896</b>	<b>11,994,054</b>
<b>Expenditures</b>			
General Government	3,974,221	3,185,821	2,744,480
Public Safety	3,495,453	3,389,865	3,532,943
Highways and Streets	2,237,906	1,640,752	1,403,559
Sanitation **	839,223	889,190	997,054
Capital Outlay	8,614,925	5,540,861	485,739
Debt Service	-	-	-
Principal	530,000	580,000	610,000
Interest and Fiscal Charges	594,812	609,961	658,300
<b>Total Expenditures</b>	<b>20,286,540</b>	<b>15,836,450</b>	<b>10,432,075</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(8,492,057)</b>	<b>(3,127,554)</b>	<b>1,561,979</b>
<b>Other Financing Sources (Uses)</b>			
Transfer In	1,126,120	1,218,711	1,595,763
Transfer (Out)	(1,126,120)	(1,218,711)	(1,595,763)
Capital Lease Issuance	-	-	-
Bonds Issued	-	2,000,000	-
Premium on Bonds Issued	-	138,290	-
Payment to Escrow	-	-	-
Disposal of Capital Assets	-	-	-
<b>Net Change in Fund Balances</b>	<b>(8,492,057)</b>	<b>(989,264)</b>	<b>1,561,979</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>9.81%</b>	<b>11.18%</b>	<b>12.45%</b>

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.

	2011	2012	2013*	2014	2015	2016	2017
	2,131,202	2,258,978	2,570,184	2,607,364	2,650,814	2,681,695	2,833,737
	6,198,356	6,342,355	4,838,011	5,231,904	5,628,806	1,316,334	1,399,794
	-	-	1,661,642	1,796,712	1,805,718	8,425,193	9,349,990
	337,455	337,287	331,004	401,960	394,959	447,653	525,473
	2,658,910	1,771,386	1,890,891	2,293,343	944,616	1,158,907	1,016,400
	908,238	147,133	127,585	214,355	24,742	1,319,509	164,738
	333,126	416,324	435,958	301,446	308,703	341,152	255,857
	61,751	66,329	42,991	16,143	25,919	44,614	44,824
	1,208	-	-	-	-	-	-
	145,315	147,006	316,079	738,124	249,051	288,798	377,165
	12,775,561	11,486,798	12,214,345	13,601,351	12,033,328	16,023,855	15,967,978
	2,665,677	2,939,574	2,475,369	2,674,004	2,908,916	3,099,920	3,621,280
	3,449,377	3,961,199	4,533,205	4,342,408	4,329,070	4,434,450	4,837,851
	2,259,801	1,802,261	2,350,369	3,012,767	2,891,627	3,678,986	4,129,972
	1,030,129	1,062,656	1,159,173	1,265,497	64,954	-	-
	501,212	53,213	117,786	483,766	471,361	1,368,627	1,251,522
	740,000	915,000	1,080,000	1,297,966	738,396	828,071	755,000
	599,438	561,575	435,339	474,225	340,767	364,061	334,965
	11,245,634	11,295,478	12,151,241	13,550,633	11,745,091	13,774,115	14,930,590
	1,529,927	191,320	63,104	50,718	288,237	2,249,740	1,037,388
	1,443,300	1,584,100	1,612,150	1,681,117	968,253	1,492,113	1,084,076
	(1,443,300)	(1,584,100)	(1,612,150)	(1,681,117)	(968,253)	(1,492,113)	(1,084,076)
	-	-	-	309,433	-	-	-
	7,375,000	4,410,000	-	3,335,000	-	-	-
	339,600	2,857	-	21,989	-	-	-
	(7,599,986)	(4,412,857)	-	(3,289,345)	-	-	-
	196,844	9,853	10,302	31,176	6,654	68,650	159,724
	311,458	9,853	10,302	408,253	6,654	68,650	159,724
	1,841,385	201,173	73,406	458,971	294,891	2,318,390	1,197,112
	12.31%	13.21%	12.81%	13.65%	9.54%	9.44%	8.10%

VILLAGE OF MONTGOMERY, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years  
April 30, 2017 (Unaudited)

Tax Levy Year	Residential Property	Commercial Property	Industrial Property
2007	Kane County \$ 143,557,685 Kendall County 225,221,844	\$ 21,254,903 24,443,380	\$ 52,334,881 3,215,940
2008	Kane County 146,340,376 Kendall County 239,740,364	25,150,166 33,432,819	59,513,310 2,943,895
2009	Kane County 145,339,543 Kendall County 246,603,488	24,471,644 35,351,375	55,883,059 3,124,055
2010	Kane County 132,284,981 Kendall County 217,611,681	23,970,816 36,767,375	55,212,581 2,947,971
2011	Kane County 115,406,949 Kendall County 200,255,016	21,077,188 33,611,185	46,500,648 2,800,573
2012	Kane County 105,322,142 Kendall County 183,611,931	20,071,750 31,452,582	43,379,949 2,828,579
2013	Kane County 95,690,557 Kendall County 173,665,059	15,885,918 31,035,606	42,166,350 2,773,279
2014	Kane County 93,950,487 Kendall County 171,747,048	15,947,615 31,285,233	41,084,650 2,773,279
2015	Kane County 98,340,197 Kendall County 176,394,904	15,641,112 32,284,178	43,142,637 2,773,279
2016	Kane County 108,576,163 Kendall County 198,500,016	16,100,280 32,069,048	44,028,747 2,773,279

Data Source: Village and County Records

Railroad Property	Farm Property	Total Equalized Assessed Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Actual Value	Direct Tax Rate
\$ 494,539 10056	\$ 411,850 128,586	\$ 218,053,858 253,019,806 471,073,664	\$ 654,226,997 759,135,332 1,413,362,329	33.33%	\$ 0.3673 0.3660
600,802 10056	459,791 126,025	232,064,445 276,253,159 508,317,604	696,262,961 828,842,361 1,525,105,322	33.33%	0.3592 0.3634
719,732 10056	502,703 103,780	226,916,681 285,192,754 512,109,435	680,818,125 855,663,828 1,536,481,953	33.33%	0.3686 0.3664
761,544 10056	537,493 142,280	212,767,415 257,479,363 470,246,778	638,366,082 772,515,341 1,410,881,423	33.33%	0.4155 0.4156
907,720 10056	553,817 128,645	184,446,322 236,805,475 421,251,797	553,394,305 710,487,474 1,263,881,779	33.33%	0.4747 0.4746
970,041 10056	424,227 139,612	170,168,109 218,042,760 388,210,869	510,555,383 654,193,699 1,164,749,082	33.33%	0.5405 0.5305
1,054,188 10056	409,843 189,690	155,206,856 207,673,690 362,880,546	465,667,135 623,083,378 1,088,750,513	33.33%	0.5726 0.5824
1,062,546 10056	415,211 208,290	152,460,509 206,023,906 358,484,415	457,381,527 618,071,718 1,075,453,245	33.33%	0.5989 0.5937
1,114,199 10056	440,268 227,910	158,678,413 211,690,327 370,368,740	476,035,239 635,070,981 1,111,106,220	33.33%	0.5883 0.5804
1,263,415 10056	469,149 239,540	170,437,754 233,591,939 404,029,693	511,313,262 700,775,817 1,212,089,079	33.33%	0.5387 0.5391

VILLAGE OF MONTGOMERY, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
April 30, 2017 (Unaudited)

	2007	2008	2009
Village of Montgomery			
General Corporate	\$ 0.1984	0.1927	0.1883
IMRF	0.0346	0.0345	0.0390
Liability Insurance	0.0367	0.0394	0.0458
Social Security	0.0504	0.0493	0.0487
Police Pension	0.0472	0.0473	0.0468
Prior Year Adjustment	-	(0.0040)	-
Total Direct Tax Rates	0.3673	0.3592	0.3686
Overlapping			
Kane County	0.3322	0.3428	0.3398
Kane County Forest Preserve District	0.1974	0.1932	0.1997
Kendall County	-	-	-
Kendall County Forest Preserve District	-	-	-
Aurora Township	0.1449	0.1450	0.1486
Aurora Township Road District	0.0690	0.0691	0.0703
Oswego Township	-	-	-
Oswego Township Road District	-	-	-
Montgomery Fire Protection District	0.6061	0.6015	0.6207
Oswego Fire Protection District	-	-	-
Oswego Library District	0.2082	0.2002	0.2018
Fox Valley Park District	0.4037	0.4014	0.4122
Oswegoland Park District	-	-	-
Unit School District Number 129	4.1252	4.1724	4.1835
Unit School District Number 308	-	-	-
Community College District Number 516	0.3950	0.4322	0.4043
Total Overlapping Tax Rates	6.4817	6.5578	6.5809
Total All Rates (Representative)	7.2163	7.2758	6.9495

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 2007 to 2013 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

	2010	2011	2012	2013	2014	2015	2016
	0.1999	0.2283	0.2459	0.2573	0.2667	0.2607	0.2043
	0.0461	0.0527	0.0580	0.0606	0.0629	0.0615	0.0571
	0.0461	0.0527	0.0682	0.0714	0.0740	0.0724	0.0733
	0.0543	0.0621	0.0580	0.0606	0.0629	0.0615	0.0593
	0.0691	0.0789	0.1104	0.1227	0.1272	0.1243	0.1451
	-	-	-	-	-	-	-
	0.4155	0.4747	0.5405	0.5726	0.5937	0.5804	0.5391
	0.3730	0.3990	0.4336	0.4623	-	-	-
	0.2201	0.2609	0.2710	0.3039	-	-	-
	-	-	-	-	0.8085	0.7909	0.7477
	-	-	-	-	0.1826	0.1787	0.1755
	0.1664	0.1882	0.2162	0.2517	-	-	-
	0.0764	0.0860	0.0978	0.1104	-	-	-
	-	-	-	-	0.0947	0.0904	0.0855
	-	-	-	-	0.2124	0.2027	0.1917
	0.6769	0.7000	0.7000	0.8000	-	-	-
	-	-	-	-	0.8045	0.7871	0.7524
	0.2207	0.2453	0.2726	0.2999	0.3058	0.2996	0.2864
	0.4803	0.5286	0.5863	0.6280	-	-	-
	-	-	-	-	0.5103	0.4973	0.4764
	4.2740	5.1603	5.8896	6.6667	-	-	-
	-	-	-	-	7.8803	7.3176	6.9712
	0.4070	0.4710	0.5312	0.5807	0.5973	0.5885	0.5601
	6.8948	8.0393	8.9983	10.1036	11.3964	10.7528	10.2469
	7.3103	8.5140	9.5388	10.6762	11.9901	11.3332	10.7860

2016 Tax Levy					2007 Tax Levy				
Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Taxpayer		Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Taxpayer	
10	United Facilities	\$ 10,474,669	1	2.59%	10	United Facilities	\$ 9,167,104	1	1.95%
	Wal-Mart Stores, Inc.	4,353,035	2	1.08%		Wal-Mart Stores, Inc.	5,368,060	2	1.14%
	Allsteel 900 Knell LLC	3,567,231	3	0.88%		Williamette Industries, Inc.	3,215,044	3	0.68%
	Stag Montgomery, LLC	2,709,745	4	0.67%		2125 Rochester Property, LLC	3,187,916	4	0.68%
	Fox River Foods, Inc.	2,702,098	5	0.67%		2001 Baseline Road, LLC	2,895,980	5	0.61%
	IP Eat Five	2,674,643	6	0.66%		Monmouth Capital Corp.	2,591,438	6	0.55%
	Menards, Inc.	2,476,918	7	0.61%		Centerpoint Properties	2,222,432	7	0.54%
	Monmouth Capital Corp.	1,961,769	8	0.49%		Freeport Farm & Fleet Inc.	2,216,450	8	0.47%
	2125 Rochester Property, LLC	1,900,314	9	0.47%		FRF Leasing	1,898,340	9	0.40%
	JC Penny Properties, Inc.	1,866,667	10	0.46%		Menards, Inc.	1,709,510	10	0.36%
34,687,089					34,772,274				
\$ 404,029,693					\$ 471,073,664				

Data Source: Kane and Kendall Counties Assessors (The 2016 EAV is the most current)

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
2007	\$ 1,735,855	\$ 1,735,135	99.96%	\$ 1,073	\$ 1,736,208	100.02%
2008	1,834,151	1,830,130	99.78%	-	1,830,130	99.78%
2009	1,881,028	1,878,698	99.88%	-	1,878,698	99.88%
2010	1,952,586	1,951,512	99.94%	-	1,951,512	99.94%
2011	1,999,478	1,995,607	99.81%	-	1,995,607	99.81%
2012	2,059,447	2,052,971	99.69%	-	2,052,971	99.69%
2013	2,096,375	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%	-	2,131,871	99.77%
2016	2,164,974	*	*	*	*	*

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, 2017 (Unaudited)

	2007	2008	2009
General Merchandise	\$ 355,410	729,003	727,772
Food	160,131	194,116	175,861
Drinking and Eating Places	157,769	147,971	166,372
Apparel	1,448	72	-
Furniture & H.H. & Radio	32,733	28,375	14,894
Lumber, Building Hardware	195,045	323,201	282,213
Automobile and Filling Stations	407,522	429,644	259,857
Drugs and Miscellaneous Retail	278,838	250,920	277,069
Agriculture and All Others	327,456	331,207	329,266
Manufacturers	216,569	161,464	112,243
Censored (1)	27,482	24,762	21,247
Totals	2,160,403	2,620,735	2,366,794
Village Portion of State Sales Tax Rate	1.00%	1.00%	1.00%
Village Non-Home Rule Rate	-	-	-
Total	1.00%	1.00%	1.00%

Notes:

- (1) Censored - The State will not release data if 4 or fewer businesses are included in a particular category for each County.
- (2) The Village Non-Home Rule Sales Tax was implemented on July 1, 2015.
- (3) The above numbers are the total sales tax dollars received by the Village before applicable sales tax rebates.

Data Source: Illinois Department of Revenue SIC Reporting and Village Records

	2010	2011	2012	2013	2014	2015 (2)	2016
	758,004	624,501	751,216	731,581	884,321	1,489,844	1,190,970
	156,322	172,562	186,712	179,076	161,385	245,183	1,048,995
	188,509	166,753	177,489	174,763	171,217	327,968	450,668
	-	4,210	14,541	14,019	15,067	24,467	32,781
	16,054	17,684	2,374	22,547	9,446	33,435	28,547
	265,305	293,067	337,541	381,898	424,927	652,700	878,745
	301,975	427,877	371,747	439,511	416,930	526,431	677,443
	301,107	287,564	299,006	329,801	354,712	449,040	578,138
	380,789	375,008	376,804	385,633	360,361	927,918	1,066,314
	108,189	131,142	138,385	170,761	208,833	330,015	509,575
	30,842	150,838	24,506	8,346	18,700	12,132	14,538
Totals	2,507,096	2,651,206	2,680,321	2,837,936	3,025,899	5,019,133	6,476,714
Village Portion of State Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village Non-Home Rule Rate	-	-	-	-	-	-	-
Total	1.00%	1.00%	1.00%	1.00%	1.00%	2.00%	2.00%

VILLAGE OF MONTGOMERY, ILLINOIS

Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years  
April 30, 2017 (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
2008 Kane Kendall	1.00%	5.25%	6.25%	0.00%	0.25%	0.00%	6.50%
	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2009 Kane Kendall	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2010 Kane Kendall	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2011 Kane Kendall	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2012 Kane Kendall	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2013 Kane Kendall	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2014 Kane Kendall	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2015 Kane Kendall	1.00%	5.25%	6.25%	0.00%	0.75%	0.00%	7.00%
	1.00%	5.25%	6.25%	0.00%	0.00%	1.00%	7.25%
2016 Kane Kendall	1.00%	5.25%	6.25%	1.00%	0.75%	0.00%	8.00%
	1.00%	5.25%	6.25%	1.00%	0.00%	1.00%	8.25%
2017 Kane Kendall	1.00%	5.25%	6.25%	1.00%	0.75%	0.00%	8.00%
	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, 2017 (Unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita		
	General Obligation Alternate Revenue Bonds	Capital Lease Payable		General Obligation Alternate Revenue Bonds	Installment Loans								
2008	\$	13,990,000	\$	-	\$	3,295,000	\$	919,003	\$	18,204,003	5.20%	\$	1,263.55
2009		15,410,000		-		3,015,000		868,464		19,293,464	4.65%		1,130.79
2010		14,800,000		-		2,770,000		816,563		18,386,563	4.43%		1,077.63
2011		13,985,000		-		2,515,000		763,245		17,263,245	3.85%		936.29
2012		13,115,000		-		2,245,000		4,825,560		20,185,560	4.50%		1,094.78
2013		12,325,300		-		1,973,909		4,774,966		19,074,175	4.00%		1,034.50
2014		11,336,945		201,467		6,431,249		4,627,334		22,596,995	4.73%		1,225.57
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	4.54%		1,191.33
2017		9,101,691		-		5,069,944		6,159,856		20,331,491	3.96%		1,102.70

Data Source: Village Records

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.  
See Demographic and Economic Statistics schedule for personal income and population data.



VILLAGE OF MONTGOMERY, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)

Fiscal Year	Gross General Obligation Bonds	Debt Payable From Other Sources	Net General Obligation Bonds	Total Estimated Actual Value	Percentage of Actual Taxable Value of Property	Per Capita
2008	\$ 17,285,000	\$ 41,040	\$ 17,243,960	\$ 471,073,664	3.66%	\$ 1,196.92
2009	18,425,000	-	18,425,000	508,317,604	3.62%	1,079.89
2010	17,570,000	-	17,570,000	512,109,435	3.43%	1,029.77
2011	16,500,000	33,063	16,466,937	470,246,778	3.50%	893.10
2012	15,360,000	33,063	15,326,937	421,251,797	3.64%	831.27
2013	14,299,209	56,089	14,243,120	388,210,869	3.67%	772.49
2014	17,768,194	59,033	17,709,161	362,880,546	4.88%	960.47
2015	16,651,327	56,089	16,595,238	358,484,415	4.63%	900.06
2016	15,431,229	-	15,431,229	370,368,740	4.17%	836.93
2017	14,171,635	-	14,171,635	404,029,693	3.51%	768.61
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.

VILLAGE OF MONTGOMERY, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt  
April 30, 2017 (Unaudited)

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village	Village's Share of Debt
Village of Montgomery	\$ 14,171,635	100.000 %	\$ 14,171,635
Less: Self-Supported Debt	(14,171,635)	100.000 %	(14,171,635)
Net Direct Bonded Debt	-		-
School Districts:			
Community College District #516	72,795,667	7.760 %	5,648,944
School District #129	124,743,000	4.320 %	5,388,898
School District #131	128,811,175	4.230 %	5,448,713
School District #302	89,046,717	4.380 %	3,900,246
School District #308	314,683,712	10.530 %	33,136,195
Community College District #516	62,810,000	4.260 %	2,675,706
Total School Districts	792,890,271		56,198,701
Other Agencies:			
Kane County	39,335,000	1.130 %	444,486
Kendall County	30,593,762	8.010 %	2,450,560
Kane County Forest Preserve District	122,205,000	1.130 %	1,380,917
Kendall County Forest Preserve District	42,650,000	8.010 %	3,416,265
Fox Valley Park District	37,120,000	7.860 %	2,917,632
Oswegoland Park District	3,610,000	4.550 %	164,255
Oswego Library District	6,815,000	19.170 %	1,306,436
Sugar Grove Library District	4,765,000	12.620 %	601,343
Total Other Agencies	287,093,762		12,681,893
Total Overlapping Debt	1,079,984,033		68,880,594
Total Direct and Overlapping Debt	1,079,984,033		68,880,594

Data Source: Kane and Kendall Clerks

Note: Overlapping and bonded debt percentages based on 2015 EAV, the most current available.

VILLAGE OF MONTGOMERY, ILLINOIS

Schedule of Legal Debt Margin - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)

	2008	2009	2010	2011
Assessed Value of Property	\$ 471,073,664	508,317,604	512,109,435	470,246,778
Debt Limit				
8.625% of Assessed Value	40,630,104	43,842,393	44,192,914	40,558,785
Total Debt Applicable to Limit	275,000	-	-	-
Legal Debt Margin	40,355,104	43,842,393	44,192,914	40,558,785
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.681%	0.000%	0.000%	0.000%

Data Source: Audited Financial Statements

	2012	2013	2014	2015	2016	2017
	421,251,797	388,210,869	362,880,546	358,484,415	368,483,500	401,706,662
	36,332,967	33,483,187	31,298,447	30,919,281	31,781,702	34,647,200
	-	-	-	-	-	-
	36,332,967	33,483,187	31,298,447	30,919,281	31,781,702	34,647,200
	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, 2017 (Unaudited)

Fiscal Year	General Obligation Aleternate Revenue Source Bonds and IEPA Loans				
	Water Charges and Other	Less: Operating Expenses (1)	Net Available Revenue	Debt Service Principal	Interest Coverage
2008	\$ 3,921,224	\$ 2,245,278	\$ 1,675,946	\$ 500,000	\$ 195,774 2.4088
2009	2,900,870	2,323,735	577,135	330,539	172,271 1.1478
2010	3,315,100	2,263,878	1,051,222	296,901	141,983 2.3952
2011	3,582,980	2,499,547	1,083,433	308,298	131,614 2.4628
2012	3,690,830	3,476,530	214,300	324,734	119,749 0.4821
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
2014	4,871,852	3,690,643	1,181,209	834,582	301,039 1.0401

Data Source: Village Records

(1) Total expenses exclusive of depreciation and bond interest.

VILLAGE OF MONTGOMERY, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)

Fiscal Year	Population	Personal Income (in Thousands)	Per Capita Personal Income (1)	Unemployment Rate (2)
2008	14,407	\$ 350,306,205	\$ 24,315	5.90%
2009	17,062	414,862,530	24,315	10.30%
2010	17,062	414,862,530	24,315	10.60%
2011	18,438	448,319,970	24,315	9.55%
2012	18,438	448,319,970	24,315	8.60%
2013	18,438	477,212,316	25,882	8.55%
2014	18,438	477,783,894	25,913	6.60%
2015	18,438	483,296,856	26,212	5.45%
2016 (3)	18,438	481,342,428	26,106	5.65%
2017	18,438	512,816,094	27,813	4.10%

Data Source:

(1) US Census Bureau, 2010-2014 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 2016

VILLAGE OF MONTGOMERY, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2017 (Unaudited)

Employer	2017			2008		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Caterpillar, Inc.	2,000	1	10.85%			
Butterball	660	2	3.58%			
Eby-Brown Co., LLC	400	3	2.17%	400	1	2.78%
Performance Food Service	379	4	2.06%	340	4	2.36%
VVF Illinois Services	357	5	1.94%	400	1	2.78%
Wal-Mart	286	6	1.55%			
Aurora Bearing Co.	246	7	1.33%			
ComEd	200	8	1.08%			
Hormann, LLC	200	9	1.08%			
Sam's Club	170	10	0.92%			
Lyon Workspace Products, LLC				400	1	2.78%
Herman Gadco, LLC				200	5	1.39%
Weyerhaeuser Co.				150	6	1.04%
Aurora Metals Divisions, LLC				112	7	0.78%
Neumann Distribution Centers, LLC				100	8	0.69%
The Lakone Co.				95	9	0.66%
	4,898		26.56%	2,197		15.26%

See Following Page

Data Source:  
Montgomery Economic Development Corporation  
2016 Illinois Manufacturers Directory, 2016 Illinois Services Directory, Selective telephone survey  
2007 Illinois Manufacturers Directory, 2007 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, 2017 (Unaudited)

VILLAGE OF MONTGOMERY, ILLINOIS

Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)

Function/Program	2008	2009	2010	2011
General Government				
Administration	3.50	3.00	3.00	4.00
Finance	5.75	5.75	4.50	4.50
Building	5.00	-	-	-
Community Development	3.75	5.00	5.00	5.00
Public Safety				
Police				
Sworn Officers	25.00	23.00	23.00	23.00
Civilians/Other	10.00	11.00	11.00	11.00
Public Works				
Administration	3.00	2.00	2.00	2.00
Street Maintenance	8.00	7.00	7.00	7.00
Water Operations	2.00	2.00	2.00	2.00
Building Maintenance	1.00	1.00	1.00	1.00
Fleet Maintenance	1.50	1.50	1.50	1.50
Totals	68.50	61.25	60.00	61.00

Data Source: Village Records

	2012	2013	2014	2015	2016	2017
	3.00	3.88	2.38	1.88	1.88	1.88
	4.50	5.50	5.50	6.00	6.00	6.00
	-	-	-	-	-	-
	3.50	3.50	4.70	5.00	5.00	5.00
	23.00	23.00	25.00	25.00	25.00	28.00
	11.00	3.00	3.00	3.00	3.00	3.70
	2.00	2.00	2.00	2.00	2.00	2.00
	8.00	7.00	8.50	8.50	9.00	10.50
	2.00	3.00	3.00	3.00	3.00	3.00
	-	1.00	1.00	1.00	1.00	1.00
	1.00	1.00	1.00	1.00	1.00	1.50
Totals	58.00	52.88	56.08	56.38	56.88	62.58

VILLAGE OF MONTGOMERY, ILLINOIS

Operating Indicators by Function/Program - Last Ten Calendar Years  
April 30, 2017 (Unaudited)

Function/Program	2007	2008	2009
General Government			
Accounts Payable	-	-	-
Checks Issued	-	-	-
ACH Transactions	-	-	-
Percent of Accounts Payable as ACH	-	-	-
Voided Checks	-	-	-
Percent of Accounts Payable Voided	-	-	-
Payroll	-	-	-
Direct Deposits	-	-	-
Checks Issued	-	-	-
Percent of Payroll as Direct Deposits	-	-	-
Debt	-	-	-
Bond Rating	-	-	-
Police			
Physical Arrests	565	703	845
Parking Violations	547	597	670
Traffic Violations	2,978	4,715	4,314
Truck Overweight Violations	-	-	-
Public Works			
Reconstruction (Miles)	1.8	1.5	1.3
Resurfacing (Miles)	-	-	-
Sidewalk Replacement (Sq. Ft.)	-	-	-
Parkway Tree Planting	-	-	-
Parkway Tree Removal	-	-	-
Water			
Number of Accounts	-	-	-
Average Bi-Monthly Bill	-	-	-
Payment Types			
Epayment (Village website, IVR, Mobile)	-	-	-
Lockbox	-	-	-
Bill Pay (Bank Website)	-	-	-
Credit Card	-	-	-
Direct Debit	-	-	-
Other	-	-	-
Peak Daily Consumption	4,332,000	4,539,000	4,120,000
Average Daily Consumption	2,459,795	2,642,000	2,583,000
Water Main Breaks	56	55	67
Water Main Breaks Spoils Removal (Sq. Yd.)	-	-	-
Fire Hydrant Maintenance and Painting	-	-	-
New Connections	782	251	49

Data Source: Village Records

Function/Program	2010	2011	2012	2013	2014	2015	2016
Accounts Payable	-	-	-	-	2,455	4,206	4,916
Checks Issued	-	-	-	-	58	65	113
ACH Transactions	-	-	-	-	2.3%	1.5%	2.2%
Percent of Accounts Payable as ACH	-	-	-	-	23	23	57
Voided Checks	-	-	-	-	0.9%	0.5%	1.1%
Percent of Accounts Payable Voided	-	-	-	-	-	-	-
Payroll	-	-	-	-	-	-	-
Direct Deposits	-	-	-	-	1,506	1,477	1,600
Checks Issued	-	-	-	-	402	334	326
Percent of Payroll as Direct Deposits	-	-	-	-	78.9%	81.6%	83.1%
Debt	-	-	-	-	-	-	-
Bond Rating	-	-	-	-	AA	AA	AA
Police							
Physical Arrests	930	912	2,221	994	1,505	993	821
Parking Violations	826	786	1,316	1,273	1,184	984	866
Traffic Violations	3,940	4,023	4,141	2,474	2,758	2,884	2,135
Truck Overweight Violations	-	-	-	-	-	77	32
Public Works							
Reconstruction (Miles)	0.4	-	-	-	-	-	-
Resurfacing (Miles)	2.0	1.5	0.6	1.1	0.9	6.7	5.4
Sidewalk Replacement (Sq. Ft.)	-	-	-	3,100	4,475	1,480	13,716
Parkway Tree Planting	-	-	-	142	174	282	300
Parkway Tree Removal	-	-	-	152	749	475	286
Water							
Number of Accounts	-	-	-	-	9,114	9,111	9,145
Average Bi-Monthly Bill	-	-	-	-	\$ 68.85	\$ 70.30	\$ 75.49
Payment Types							
Epayment (Village website, IVR, Mobile)	-	-	-	-	-	26.0%	31.1%
Lockbox	-	-	-	-	-	27.6%	25.2%
Bill Pay (Bank Website)	-	-	-	-	-	11.8%	14.2%
Credit Card	-	-	-	-	-	5.5%	5.5%
Direct Debit	-	-	-	-	-	4.4%	4.5%
Other	-	-	-	-	-	24.7%	19.5%
Peak Daily Consumption	4,159,000	4,200,590	3,907,000	3,563,800	3,732,300	3,384,000	3,923,000
Average Daily Consumption	2,694,800	2,721,750	2,441,000	2,156,394	2,443,000	2,243,917	2,328,000
Water Main Breaks	55	57	53	56	44	19	33
Water Main Breaks Spoils Removal (Sq. Yd.)	-	-	-	-	1,428	1,580	2,250
Fire Hydrant Maintenance and Painting	-	-	-	300	300	325	180
New Connections	85	63	62	30	50	22	19

VILLAGE OF MONTGOMERY, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Calendar Years  
April 30, 2017 (Unaudited)

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	3	3	3	4	4	4	4	4	4	4
Patrol Units	15	15	15	15	15	19	19	19	19	19
Public Works										
Residential Streets (Miles)	53	53	58	74	76	76	76	76	76	76
Water										
Water Mains (Miles)	-	-	-	110	114	114	117	117	117	118
Fire Hydrants	-	-	-	1,050	1,372	1,372	1,680	1,680	1,680	1,700
Storage Capacity (Millions of Gallons)	-	-	-	4.8	4.8	4.8	5.8	5.8	5.8	5.8

Data Source: Village Records

[illegible]

Drawn By: S. Soom      Designed By:      Scale: 1"=50'

**Final Plat of Subdivision**

**REVISIONS**

NO.	DATE	REVISION
1	10/25/2011	Review Add 15
2	11/2/2011	Add new High Easement
3	11/25/2011	Review Lots 2 thru 11
		Review Lots 12 thru 18