*New Issue*

Insured Investment Rating:
S&P Global Ratings … AA (Stable Outlook)
*(BAM Insured)*

Underlying Investment Rating:
S&P Global Ratings … A- (Stable Outlook)

## Preliminary Official Statement Dated August 13, 2026

*Subject to compliance by the City with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "**TAX EXEMPTION**" herein for a more complete discussion.*

# CITY OF MONMOUTH
# Warren County, Illinois
# $18,110,000* General Obligation Bonds, Series 2026

**Dated Date of Delivery** **Book-Entry** **Due Serially December 1, 2037-2046**

The $18,110,000* General Obligation Bonds, Series 2026 (the "Bonds") are being issued by the City of Monmouth, Warren County, Illinois (the "City"). Interest is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2027. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 1 in the following years and amounts.

### AMOUNTS*, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS

| Principal Amount* | Due Dec. 1 | Interest Rate | Yield | CUSIP Number(1) | Principal Amount* | Due Dec. 1 | Interest Rate | Yield | CUSIP Number(1) |
|---|---|---|---|---|---|---|---|---|---|
| $1,780,000 | 2037 | ______% | ______% | ___________ | $2,270,000 | 2042 | ______% | ______% | ___________ |
| 1,860,000 | 2038 | ______% | ______% | ___________ | 2,375,000 | 2043 | ______% | ______% | ___________ |
| 1,955,000 | 2039 | ______% | ______% | ___________ | 2,505,000 | 2044 | ______% | ______% | ___________ |
| 2,060,000 | 2040 | ______% | ______% | ___________ | 560,000 | 2045 | ______% | ______% | ___________ |
| 2,160,000 | 2041 | ______% | ______% | ___________ | 585,000 | 2046 | ______% | ______% | ___________ |

### OPTIONAL REDEMPTION

The Bonds are callable at the option of the City on any date on or after December 1, 2035, at a price of par and accrued interest to the redemption date. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See **"OPTIONAL REDEMPTION"** herein.

### BOND INSURANCE

The scheduled payment of the principal of and interest on the Bonds when due will be guaranteed by a municipal bond insurance policy to be issued by Build America Mutual ("BAM") simultaneously with the delivery of the Bonds. See **"APPENDIX E – BOND INSURANCE AND SPECIMEN MUNCIPAL BOND INSURANCE POLICY"** herein. **The premium for such insurance policy and the related rating by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, New York, New York ("S&P), will be paid by the City. Additional ratings are at the cost of the purchaser of the Bonds.**

### PURPOSE, LEGALITY AND SECURITY

Bond proceeds will be used to: (i) partially refund the City's outstanding General Obligation Refunding Bonds, Series 2014; (ii) refund all of the City's outstanding General Obligation (Capital Appreciation) Bonds, Series 2015A; (iii) partially refund the City's outstanding General Obligation Refunding Bonds, Series 2015B; (iv) finance various capital improvements throughout the City; and (v) pay the costs of issuing the Bonds. See **"PLAN OF FINANCING"** and **"THE PROJECT"** herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The City **does not intend** to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds are offered when, as and if issued and received by Raymond James & Associates, Inc., Naperville, Illinois (the "Underwriter"), subject to the approving legal opinion of Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by Spears and Spears, Monmouth, Illinois ("Issuer's Counsel"). It is expected that the Bonds will be made available for delivery on or about September 10, 2026.

**Subject to change.*

*(1)CUSIP numbers appearing in this Official Statement have been provided by CUSIP Global Services ("CGS"). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The City 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 Official Statement. The CUSIP numbers are subject to change after issuance of the Bonds.*

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

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

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement and 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 City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City 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 CITY SINCE THE RESPECTIVE DATES THEREOF.

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

Build America Mutual ("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 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 heading "**APPENDIX E – BOND INSURANCE AND SPECIMEN MUNCIPAL BOND INSURANCE POLICY**".

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## BOND ISSUE SUMMARY

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

| | |
|---|---|
| **Issuer:** | City of Monmouth, Warren County, Illinois (the "City"). |
| **Issue:** | $18,110,000* General Obligation Bonds, Series 2026 (the "Bonds"). |
| **Dated Date:** | Date of delivery, expected to be on or about September 10, 2026. |
| **Interest Due:** | Each June 1 and December 1, commencing June 1, 2027. |
| **Principal Due:** | Serially each December 1, commencing December 1, 2037 through 2046, as detailed on the cover page of this Official Statement. |
| **Optional Redemption:** | The Bonds are callable at the option of the City on any date on or after December 1, 2035, at a price of par plus accrued interest. See **"OPTIONAL REDEMPTION"** herein. |
| **Authorization:** | The City is a home rule unit under the 1970 Illinois Constitution, has no debt limit, and is not required to seek referendum approval to issue the Bonds. The Bonds are issued under an ordinance adopted on the 17th day of August, 2026, as supplemented by a notification of sale (together, the "Bond Ordinance"). |
| **Purpose:** | Bond proceeds will be used to: (i) partially refund the City's outstanding General Obligation Refunding Bonds, Series 2014; (ii) refund all of the City's outstanding General Obligation (Capital Appreciation) Bonds, Series 2015A; (iii) partially refund the City's outstanding General Obligation Refunding Bonds, Series 2015B; (iv) finance various capital improvements throughout the City; and (v) pay the costs of issuing the Bonds. See **"PLAN OF FINANCING"** and **"THE PROJECT"** herein. |
| **Security:** | The Bonds are valid and legally binding obligations of the City payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount. |
| **Ratings/Insurance:** | S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, New York, New York ("S&P"), is expected to assign their 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 Build America Mutual ("BAM"). See **"INVESTMENT RATING"** and **APPENDIX E** herein. The premium for such insurance policy and the related rating by S&P will be paid by the City. **Additional ratings are at the cost of the purchaser of the Bonds.** The Bonds have an underlying rating of "A-" (Stable Outlook) from S&P. |
| **Tax Exemption**: | Bond Counsel will provide an opinion as to the federal tax exemption of the interest on the Bonds as discussed under **"TAX EXEMPTION"** in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes. |
| **No Bank Qualification:** | The Bonds **are not** "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. |
| **Bond Registrar/Paying Agent/ Escrow Agent:** | Amalgamated Bank of Chicago, Chicago, Illinois. |
| **Delivery:** | The Bonds are expected to be delivered on or about September 10, 2026. |
| **Book-Entry Form:** | The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. See **APPENDIX B** herein. |
| **Denomination:** | $5,000 or integral multiples thereof. |
| **Underwriter:** | Raymond James & Associates, Inc., Naperville, Illinois. |
| **Municipal Advisor:** | Speer Financial, Inc., Chicago, Illinois. |
| **Bond Counsel:** | Chapman and Cutler LLP, Chicago, Illinois. |

**Subject to change.*

**CITY OF MONMOUTH**
**Warren County, Illinois**

Rod Davies
*Mayor*

**City Council**

| | | |
|---|---|---|
| Brad Bone | Kevin Ferry | Juan Pinedo |
| Brian Daw | Roger Teel | Scott Weber |
| Jim Conard | | John VanVleet |

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**Officials**

| | |
|---|---|
| Melissa Teel<br>*City Clerk* | Allison Bennett<br>*City Treasurer* |
| Lou Leone<br>*City Administrator* | Marcum Spears<br>Spears & Spears<br>*City Counsel* |

## INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning the City of Monmouth, Warren County, Illinois (the "City"), in connection with the offering and sale of its $18,110,000* General Obligation Bonds, Series 2026 (the "Bonds").

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

**Subject to change.*

## AUTHORIZATION, SECURITY AND GENERAL DESCRIPTION

The Bonds are being issued pursuant to the Illinois Municipal Code of the State of Illinois, as amended (the "Municipal Code"), and the Local Government Debt Reform Act of the State of Illinois (the "Debt Reform Act"), and all laws amendatory thereof and supplementary thereto, and by a bond ordinance adopted by the City Council of the City (the "City Council") on the 17th day of August, 2026 (as supplemented by a notification of sale, the "Bond Ordinance").

The Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount (the "Pledged Taxes"), except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Whenever other funds from any lawful source are made available for the purpose of paying any principal of or interest on the Bonds, so as to enable the abatement of Pledged Taxes, the City Council shall, by proper proceedings, direct the deposit of such funds into the bond fund established by the Bond Ordinance for the repayment of the Bonds and shall further direct the abatement of Pledged Taxes by the amount so deposited. A certified copy or other notification of any such proceedings abating Pledged Taxes shall then be filed with the Warren County Clerk in a timely manner to effect such abatement.

Bond proceeds will be used to: (i) partially refund the City's outstanding General Obligation Refunding Bonds, Series 2014; (ii) refund all of the City's outstanding General Obligation (Capital Appreciation) Bonds, Series 2015A; (iii) partially refund the City's outstanding General Obligation Refunding Bonds, Series 2015B; (iv) finance various capital improvements throughout the City; and (v) pay the costs of issuing the Bonds. See **"PLAN OF FINANCING"** and **"THE PROJECT"** herein.

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of $5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York ("DTC"). Principal of and interest on the Bonds will be payable by Amalgamated Bank of Chicago, Chicago, Illinois (the "Bond Registrar").

The Bonds will mature as shown on the cover page hereof. Interest on the Bonds will be payable each June 1 and December 1, beginning June 1, 2027. The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Bond Registrar. Interest on each Bond will be paid by check or draft of the Bond Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the record date, which is the 15th day of the month next preceding the interest payment date (the "Record Date").

## PLAN OF FINANCING

A portion of the Bond proceeds will be used to fund an escrow to: (i) partially refund the City's outstanding General Obligation Refunding Bonds, Series 2014 (the "Series 2014 Bonds"); (ii) refund all of the City's outstanding General Obligation (Capital Appreciation) Bonds, Series 2015A (the "Series 2015A Bonds"); and (iii) partially refund the City's outstanding General Obligation Refunding Bonds, Series 2015B (the "Series 2015B Bonds"), as further described below (the "Refunded Bonds"):

### The Refunded Bonds

### The Series 2014 Bonds

| Maturities | Outstanding Amount | Refunded Amount | Redemption Price | Redemption Date |
|---|---|---|---|---|
| 12/1/2026 ....................... | $ 910,000 | $ 0 | N/A | N/A |
| 12/1/2027 ....................... | 945,000 | 690,000 | 100.00% | 10/10/2026 |
| 12/1/2028 ....................... | 980,000 | 490,000 | 100.00% | 10/10/2026 |
| Total ............................ | $2,835,000 | $1,180,000 | | |

### The Series 2015A Bonds

| Maturities | Outstanding Amount(1) | Refunded Amount(1) | Redemption Price | Redemption Date |
|---|---|---|---|---|
| 12/1/2030 ....................... | $ 299,309 | $ 299,309 | 100.00% | 12/1/2026 |
| 12/1/2031 ....................... | 282,087 | 282,087 | 100.00% | 12/1/2026 |
| 12/1/2032 ....................... | 266,713 | 266,713 | 100.00% | 12/1/2026 |
| 12/1/2033 ....................... | 252,749 | 252,749 | 100.00% | 12/1/2026 |
| 12/1/2034 ....................... | 237,457 | 237,457 | 100.00% | 12/1/2026 |
| 12/1/2035 ....................... | 222,704 | 222,704 | 100.00% | 12/1/2026 |
| 12/1/2036 ....................... | 203,972 | 203,972 | 100.00% | 12/1/2026 |
| 12/1/2037 ....................... | 815,886 | 815,886 | 100.00% | 12/1/2026 |
| 12/1/2038 ....................... | 776,603 | 776,603 | 100.00% | 12/1/2026 |
| 12/1/2039 ....................... | 740,341 | 740,341 | 100.00% | 12/1/2026 |
| 12/1/2040 ....................... | 691,747 | 691,747 | 100.00% | 12/1/2026 |
| 12/1/2041 ....................... | 659,249 | 659,249 | 100.00% | 12/1/2026 |
| 12/1/2042 ....................... | 626,751 | 626,751 | 100.00% | 12/1/2026 |
| 12/1/2043 ....................... | 596,574 | 596,574 | 100.00% | 12/1/2026 |
| 12/1/2044 ....................... | 568,719 | 568,719 | 100.00% | 12/1/2026 |
| Total ............................ | $7,240,861 | $7,240,861 | | |

Note: (1) Original principal amount.

### The Series 2015B Bonds

| Maturities | Outstanding Amount | Refunded Amount | Redemption Price | Redemption Date |
|---|---|---|---|---|
| 12/1/2026 ....................... | $ 390,000 | $ 0 | N/A | N/A |
| 12/1/2027 ....................... | 400,000 | 0 | N/A | N/A |
| 12/1/2028 ....................... | 415,000 | 0 | N/A | N/A |
| 12/1/2029 ....................... | 430,000 | 430,000 | 100.00% | 10/10/2026 |
| Total ............................ | $1,635,000 | $ 430,000 | | |

Bond proceeds will be used to purchase direct full faith and credit obligations of the United States of America (the "Government Securities"), the principal of which together with interest to be earned thereon will be sufficient to pay interest on, principal of, or compound accreted value of, the Refunded Bonds on the redemption dates. The remaining bond proceeds will be used for the Project (as hereinafter defined) and to pay the costs of issuing the Bonds.

The Government Securities will be held in an escrow account created pursuant to an escrow agreement (the "Escrow Agreement") dated September 10, 2026, between the City and Amalgamated Bank of Chicago, Chicago, Illinois, as Escrow Agent (the "Escrow Agent").

## THE PROJECT

A portion of the Bond proceeds will also be used to finance various capital improvements throughout the City (the "Project"). The Project includes the construction of a new water treatment plant on West Harlem Avenue to provide an additional 1 million gallons of potable water daily to support economic development and ensure adequate fire protection throughout the community and to upgrade the Supervisory Control and Data Acquisition (SCADA) systems for all municipal water treatment and wastewater treatment facilities. The Project is expected to cost $5 million and is expected to be completed in 2027.

## SOURCES AND USES

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

| | |
|---|---|
| **SOURCES:** | |
| Principal Amount | $________ |
| Net Original Issue Premium | ________ |
| Total Sources | $________ |
| **USES:** | |
| Deposit to Escrow Fund | $________ |
| Costs of the Project | ________ |
| Costs of Issuance(1) | ________ |
| Total Uses | $________ |

Note: (1) Includes underwriter's discount, bond insurance premium, fixed costs of issuance and contingencies.

## OPTIONAL REDEMPTION

The Bonds are callable at the option of the City on any date on or after December 1, 2035, at a price of par and accrued interest to the redemption date. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot.

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

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

## RISK FACTORS

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

### Construction Risks

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

### Finances of the State of Illinois

While the finances of the State have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately $140 billion and a combined funded ratio of approximately 45%. Also, despite nine credit rating upgrades since June 2021, the State's long term general obligation bonds carry the lowest ratings of all states.

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the City. The State's general fiscal condition and the underfunding of the State's pension systems have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the City in future years. Over time, the State has reduced the share of certain of these revenue sources, particularly income tax revenues, that are distributed to local governments, such as the City, through the Local Government Distributive Fund. With respect to income tax revenues, prior to State fiscal year 2011, 10% of income tax revenues were divided among municipalities in the State. That amount was reduced to 5.45% by State fiscal year 2015. In the State's budgets for the fiscal years ended June 30, of the years 2024, 2025 and 2026, the portions distributed to local governments are 6.47% and 6.845% of individual and corporate income taxes, respectively.

In addition, the State's budgets for fiscal years 2018 through 2020 contained provisions reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the City, by 10% for State fiscal year 2018 and by 5% for State fiscal year 2019 and State fiscal year 2020. All State budgets since the State fiscal year 2020 budget have not included such a reduction. Each State budget since the budget for State fiscal year 2018 has also included a service fee for collection and processing of local imposed sales taxes. Such fee was 2% of such sales taxes for State fiscal year 2018 and was reduced to 1.5% of such sales taxes beginning in State fiscal year 2019.

Pursuant to Public Act 103-0781 ("P.A. 103-0781") food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, and food that has been prepared for immediate consumption) are exempt from sales tax beginning January 1, 2026. Under P.A. 103-0781, the corporate authorities of any municipality may, by ordinance or resolution that takes effect on or after January 1, 2026, impose a tax upon all persons engaged in the business of selling groceries at retail in the municipality on the gross receipts from those sales made in the course of that business. If imposed, the tax shall be at the rate of 1% of the gross receipts from these sales.

The City re-established the 1% sales tax on groceries effective January 1, 2026.

The City can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State, nor can the City predict the effect the State's financial problems may have on the City's future finances.

**Future Pension Plan Funding Requirements**

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

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

**Cybersecurity**

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

## Local Economy

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

## Loss or Change of Bond Rating

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

## Secondary Market for the Bonds

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

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

## Continuing Disclosure

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

## Suitability of Investment

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

**Future Changes in Laws**

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

**Factors Relating to Tax Exemption**

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

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

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

**Bankruptcy**

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

**Climate Change Risk**

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

# THE CITY

The City covers an approximate four-square mile area in west central Illinois, and is the county seat of Warren County (the "County"). Current City population is 9,444 as of the 2010 Census. The City is approximately 200 miles southwest of Chicago, Illinois, and 45 miles south of the Quad Cities area (Moline and Rock Island, Illinois and Davenport and Bettendorf, Iowa). The nearest communities to the City are Galesburg, Illinois, 18 miles east, and Burlington, Iowa, 30 miles west.

The City was incorporated in 1852 and serves as a commercial center for a surrounding four county agricultural area in western Illinois. The City is the home of Monmouth College, a four-year liberal arts co-educational college affiliated with the Presbyterian Church USA and established in the City in 1853. Monmouth College has approximately 759 undergraduate students and approximately 140 full-time and part-time employees. The College is located on a 50 acre campus in the City.

## Organization and Services

Pursuant to an election held on April 13, 1999, by a vote of 1,496 to 284, the City is a home rule unit under the 1970 Illinois Constitution and is governed under a Mayor-Council form of government. A Mayor is elected at large for a four-year term, and eight aldermen are elected from four wards for staggered, four-year terms. Also elected at large for four-year terms are a City Clerk and City Treasurer. The Mayor serves as the City's chief executive officer and the City Administrator serves as the City's chief administrative officer. Department heads are appointed by the Mayor with the advice and consent of the City Council and they report directly to the City Administrator.

The City employs 46 full-time and 13 part-time personnel. The American Federation of State, County and Municipal Employees Union Local No. 3071 has a collective bargaining contract with the City expiring April 30, 2028. The Fraternal Order of Police Lodge Number 265 has a collective bargaining contract expiring April 30, 2028. The Fire Department Union Local Number 1702 has a collective bargaining contract expiring April 30, 2027. The City considers employee relations to be healthy.

## Transportation

The City is served by Interstate 74, which connects southeast from the City through the communities of Galesburg, Peoria, and Bloomington, Illinois, to Interstate 55. The north-south State Route 67 and the east-west State Route 34 intersect in the City. Amtrak commuter rail service is available in nearby Galesburg. Freight rail transportation is available through the Burlington Northern Railroad, which also has a large rail switching yard and intermodal hub center for piggy-back shipments in nearby Galesburg.

## Community Life

Recreation services are provided by the Monmouth Park District, an independent unit of government which owns various park facilities and a golf course. The City owns and operates a campground. Library services are available from the Warren County Library, which has a main library facility located in the City and three smaller branches at locations in Warren County. Monmouth College also has library facilities open to area residents.

The primary community hospital serving City residents is OSF Holy Family Medical Center ("OSF"), which is a 23-bed acute/intermediate care, critical access hospital. OSF provides a broad range of acute care and outpatient services including a variety of specialist, emergency, rehabilitation and diagnostic imaging services. St. Mary's Hospital is located in Galesburg.

## Education

The City is served by two public school districts. Monmouth Roseville Community Unit School District Number 238 (grades pre-Kindergarten through 12) ("Monmouth Roseville 238") is nearly coterminous with the City and has an enrollment of approximately 1,599. United Community Unit School District Number 304 (grades Kindergarten through 12) ("United 304") surrounds the City and has an enrollment of approximately 1,008. Immaculate Conception School has 165 students Pre-K through 8th grade.

Vocational, college transfer and continuing education classes, and conference centers for Agriculture and Business and Industry, are available from Carl Sandburg Community College District No. 518 ("Carl Sandburg"). Carl Sandburg serves an approximate 3,000 square mile area (portions of ten counties) in western Illinois, and has an enrollment of approximately 1,860 full and part-time students. Carl Sandburg has a main campus in Galesburg.

City residents have many opportunities for higher education. In addition to Monmouth College with an enrollment of 759 students, located in the City since 1853, Western Illinois University ("WIU") is located 47 miles south of the City in Macomb, Illinois. Enrollment at WIU is approximately 5,337 graduate and undergraduate students. Knox College is a private four-year college in Galesburg, which was established in 1836 with an enrollment of approximately 1,108 students.

## Industry and Commerce

The City's commercial activity is located in the central business district, with retail, hardware, financial institutions and service businesses predominating. In addition, highway-related commercial activity is located in the City along the Illinois Route 34 bypass, such as a County Market grocery store, Fareway Foods grocery store, an automobile dealership, various fast food restaurants, Super 8, AmericInn & Suites and a Love's Travel Stop. In December 2025, Smithfield purchased the 7-acre parcel of land adjoining its hog processing plant to the south which includes the 61,000 square foot former Shopko store and intends to utilize this property to store cardboard packaging materials for their various pork products.

Smithfield has operated a hog processing plant in the City (the "Plant") since 2013. The Plant processes some 15,000 hogs per day and serves as the County's largest employer and utility customer with approximately 1,700 workers. Smithfield has been and is expected to continue to be a long-term stable employer in the community. Smithfield has invested and is expected to continue to invest in its facility to make it more efficient and productive. Smithfield has indicated to the City that they have a goal of increasing production and employment.

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# SOCIOECONOMIC INFORMATION

## Employment

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

### Major City and Area Employers*(1)*

| Name | Product/Service | Location | Approximate Employment |
|---|---|---|---|
| Smithfield | Pork Processing & Packing | Monmouth | 1,700 |
| BNSF Railway | Railroad Operations | Galesburg | 1,115 |
| NTN Bower Corp | Roller Bearings | Macomb | 700 |
| OSF St. Mary Medical Center | General Hospital | Galesburg | 680 |
| Pella Corp | Windows | Macomb | 600 |
| Great Dane, LLC | Semi Truck Trailers | Kewanee | 500 |
| Galesburg Cottage Hospital | Hospital Services | Galesburg | 500 |
| McDonough District Hospital | General Hospital | Macomb | 450 |
| General Grind & Machine, Inc. | General Machining | Aledo | 400 |
| Monmouth College | Education | Monmouth | 392 |
| OSF Holy Family Medical Center | Health Care | Monmouth | 250 |

Note: (1) Source: 2026 Illinois Manufacturers Directory, 2026 Illinois Services Directory, and the Illinois Department of Commerce and Economic Opportunity.

The following tables show employment by industry and by occupation for the City, the County, and the State as reported by the U.S. Census Bureau 2020-2024 American Community Survey 5-Year Estimates (the "2020-2024 ACS") released by the U.S. Census Bureau on January 29, 2026.

### Employment By Industry*(1)*

| | The City | | The County | | The State | |
|---|---|---|---|---|---|---|
| Classification | Number | Percent | Number | Percent | Number | Percent |
| Agriculture, Forestry, Fishing and Hunting, and Mining | 74 | 1.8% | 313 | 4.0% | 65,758 | 1.0% |
| Construction | 67 | 1.6% | 283 | 3.7% | 335,593 | 5.4% |
| Manufacturing | 614 | 14.9% | 1,068 | 13.8% | 719,899 | 11.5% |
| Wholesale Trade | 137 | 3.3% | 292 | 3.8% | 163,639 | 2.6% |
| Retail Trade | 505 | 12.2% | 888 | 11.5% | 648,265 | 10.3% |
| Transportation and Warehousing, and Utilities | 283 | 6.8% | 628 | 8.1% | 439,507 | 7.0% |
| Information | 57 | 1.4% | 90 | 1.2% | 104,876 | 1.7% |
| Finance and Insurance, and Real Estate and Rental and Leasing | 244 | 5.9% | 423 | 5.5% | 465,899 | 7.4% |
| Professional, Scientific, and Management, and Administrative and Waste Management Services | 105 | 2.5% | 324 | 4.2% | 805,057 | 12.9% |
| Educational Services and Health Care and Social Assistance | 1,303 | 31.5% | 2,181 | 28.2% | 1,475,900 | 23.6% |
| Arts, Entertainment and Recreation and Accommodation and Food Services | 406 | 9.8% | 527 | 6.8% | 512,046 | 8.2% |
| Other Services, Except Public Administration | 274 | 6.6% | 435 | 5.6% | 286,574 | 4.6% |
| Public Administration | 65 | 1.6% | 281 | 3.6% | 240,751 | 3.8% |
| Total | 4,134 | 100.0% | 7,733 | 100.0% | 6,263,764 | 100.0% |

Note: (1) Source: 2020-2024 ACS.

### Employment By Occupation*(1)*

| | The City | | The County | | The State | |
|---|---|---|---|---|---|---|
| Classification | Number | Percent | Number | Percent | Number | Percent |
| Management, Business, Science and Arts | 1,062 | 25.7% | 2,164 | 28.0% | 2,709,096 | 43.3% |
| Service | 957 | 23.1% | 1,425 | 18.4% | 985,143 | 15.7% |
| Sales and Office | 852 | 20.6% | 1,780 | 23.0% | 1,221,853 | 19.5% |
| Natural Resources, Construction, and Maintenance | 193 | 4.7% | 623 | 8.1% | 436,545 | 7.0% |
| Production, Transportation, and Material Moving | 1,070 | 25.9% | 1,741 | 22.5% | 911,127 | 14.5% |
| Total | 4,134 | 100.0% | 7,733 | 100.0% | 6,263,764 | 100.0% |

Note: (1) Source: 2020-2024 ACS.

The table below shows unemployment trends for the City, the County and the State.

**Annual Average Unemployment Rates***(1)*

| Calendar Year | The City | The County | The State |
|---|---|---|---|
| 2017 | 4.4% | 4.1% | 5.0% |
| 2018 | 4.4% | 4.2% | 4.3% |
| 2019 | 4.4% | 4.1% | 4.0% |
| 2020 | 6.6% | 6.2% | 9.5% |
| 2021 | 5.3% | 5.0% | 6.1% |
| 2022 | 4.2% | 4.2% | 4.6% |
| 2023 | 4.6% | 4.3% | 4.5% |
| 2024 | 4.9% | 4.6% | 5.0% |
| 2025 | 4.7% | 4.4% | 4.6% |
| 2026(2) | N/A | 4.1% | 4.7% |

Notes: (1) Source: Illinois Department of Employment Security.
(2) As of April 2026.

## Housing

The 2020-2024 ACS reported that the median value of the City's owner-occupied homes was $86,800. This compares to $105,000 for the County and $263,300 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2020-2024 ACS.

**Home Values***(1)*

| | The City | | The County | | The State | |
|---|---|---|---|---|---|---|
| Value | Number | Percent | Number | Percent | Number | Percent |
| Under $50,000 | 298 | 13.5% | 537 | 10.5% | 182,108 | 5.4% |
| $50,000 to $99,999 | 1,031 | 46.8% | 1,874 | 36.7% | 281,025 | 8.3% |
| $100,000 to $149,999 | 462 | 21.0% | 962 | 18.9% | 327,262 | 9.7% |
| $150,000 to $199,999 | 211 | 9.6% | 672 | 13.2% | 397,649 | 11.8% |
| $200,000 to $299,999 | 138 | 6.3% | 549 | 10.8% | 754,046 | 22.3% |
| $300,000 to $499,999 | 50 | 2.3% | 376 | 7.4% | 935,763 | 27.7% |
| $500,000 to $999,999 | 0 | 0.0% | 66 | 1.3% | 408,207 | 12.1% |
| $1,000,000 or more | 12 | 0.5% | 65 | 1.3% | 92,850 | 2.7% |
| Total | 2,202 | 100.0% | 5,101 | 100.0% | 3,378,910 | 100.0% |

Note: (1) Source: 2020-2024 ACS.

**Mortgage Status***(1)*

| | The City | | The County | | The State | |
|---|---|---|---|---|---|---|
| Value | Number | Percent | Number | Percent | Number | Percent |
| Housing Units with a Mortgage | 1,215 | 55.2% | 2,453 | 48.1% | 2,054,343 | 60.8% |
| Housing Units without a Mortgage | 987 | 44.8% | 2,648 | 51.9% | 1,324,567 | 39.2% |
| Total | 2,202 | 100.0% | 5,101 | 100.0% | 3,378,910 | 100.0% |

Note: (1) Source: 2020-2024 ACS.

The 2020-2024 ACS reported that the City had a median family income of $75,286. This compares to $83,542 for the County and $106,018 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2020-2024 ACS.

**Family Income***(1)*

| | The City | | The County | | The State | |
|---|---|---|---|---|---|---|
| Income | Number | Percent | Number | Percent | Number | Percent |
| Under $10,000 | 153 | 7.4% | 196 | 4.4% | 94,337 | 3.0% |
| $10,000 to $14,999 | 43 | 2.1% | 90 | 2.0% | 47,536 | 1.5% |
| $15,000 to $24,999 | 105 | 5.0% | 117 | 2.7% | 108,472 | 3.5% |
| $25,000 to $34,999 | 54 | 2.6% | 115 | 2.6% | 136,845 | 4.4% |
| $35,000 to $49,999 | 203 | 9.8% | 516 | 11.7% | 246,939 | 7.9% |
| $50,000 to $74,999 | 474 | 22.8% | 843 | 19.1% | 429,350 | 13.7% |
| $75,000 to $99,999 | 425 | 20.4% | 791 | 17.9% | 408,331 | 13.0% |
| $100,000 to $149,999 | 453 | 21.8% | 1,039 | 23.5% | 660,666 | 21.1% |
| $150,000 to $199,999 | 125 | 6.0% | 441 | 10.0% | 413,369 | 13.2% |
| $200,000 or more | 45 | 2.2% | 267 | 6.0% | 585,133 | 18.7% |
| Total | 2,080 | 100.0% | 4,415 | 100.0% | 3,130,978 | 100.0% |

Note: (1) Source: 2020-2024 ACS.

The 2020-2024 ACS reported that the City had a median household income of $61,138. This compares to $67,385 for the County and $83,390 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2020-2024 ACS.

**Household Income***(1)*

| | The City | | The County | | The State | |
|---|---|---|---|---|---|---|
| Income | Number | Percent | Number | Percent | Number | Percent |
| Under $10,000 | 195 | 5.9% | 337 | 5.0% | 271,292 | 5.4% |
| $10,000 to $14,999 | 150 | 4.5% | 304 | 4.5% | 163,473 | 3.2% |
| $15,000 to $24,999 | 202 | 6.1% | 274 | 4.0% | 299,635 | 5.9% |
| $25,000 to $34,999 | 339 | 10.2% | 508 | 7.5% | 318,588 | 6.3% |
| $35,000 to $49,999 | 514 | 15.5% | 1,095 | 16.1% | 487,504 | 9.7% |
| $50,000 to $74,999 | 643 | 19.3% | 1,238 | 18.2% | 747,716 | 14.8% |
| $75,000 to $99,999 | 499 | 15.0% | 956 | 14.1% | 636,158 | 12.6% |
| $100,000 to $149,999 | 508 | 15.3% | 1,171 | 17.3% | 905,194 | 18.0% |
| $150,000 to $199,999 | 154 | 4.6% | 517 | 7.6% | 510,782 | 10.1% |
| $200,000 or more | 119 | 3.6% | 387 | 5.7% | 696,107 | 13.8% |
| Total | 3,323 | 100.0% | 6,787 | 100.0% | 5,036,449 | 100.0% |

Note: (1) Source: 2020-2024 ACS.

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## Retail Activity

Following is a summary of the City's sales tax receipts as collected and disbursed by the State.

### Retailers' Occupation, Service Occupation and Use Tax*(1)*

| State Fiscal Year Ending June 30 | State Sales Tax Distributions(2) | Annual Percent Change + (-) |
|---|---|---|
| 2017 | $1,096,989 | 0.31%(3) |
| 2018 | 1,078,414 | (1.69%) |
| 2019 | 1,104,697 | 2.44% |
| 2020 | 1,104,655 | 0.00% |
| 2021 | 1,138,515 | 3.07% |
| 2022 | 1,321,504 | 16.07% |
| 2023 | 1,382,582 | 4.62% |
| 2024 | 1,453,731 | 5.15% |
| 2025 | 1,429,091 | (1.69%) |
| 2026 | 1,621,410 | 13.46% |
| Growth From 2017 to 2026 | | 47.81% |

Notes: (1) Source: Illinois Department of Revenue.
(2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the City, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.
(3) The 2017 percentage is based on a 2016 sales tax of $1,093,597.

## DEFAULT RECORD

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

## SHORT-TERM BORROWING

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

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## DEBT INFORMATION

After issuance of the Bonds and the refunding of the Refunded Bonds, the City will have outstanding $40,501,750* principal amount of general obligation debt. The City also has an outstanding note with Midwest Bank in the principal amount of $3,000,000. The note has an interest rate of 4.5% and is payable in monthly installments of $19,037 ending in September 2027. The note was issued on behalf of Smithfield to help fund ongoing sewer projects. Smithfield is paying the debt service on the note.

Except for the Bonds, the City does not intend to issue any debt within the next six months, except for the potential issuance of USDA revenue bonds.

### General Obligation Bonded Debt*(1)*
(Principal Only)

| Calendar Year | Series 2014 (12/1) | Series 2015A(2) (12/1) | Series 2015B (12/1) | Series 2020 (4/30) | Series 2020A (12/1) | Series 2021A(2) (12/1) | Series 2021B (12/1) | The Bonds(3) (12/1) | Less: The Refunded Bonds(3) (12/1) | Total Debt(3) | Cumulative Principal Retired(3) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | Amount | Percent |
| 2026 ........... | $ 910,000 | $ 0 | $ 390,000 | $ 475,000 | $ 415,000 | $ 0 | $ 195,000 | $ 0 | $ 0 | $ 2,385,000 | $ 2,385,000 | 5.89% |
| 2027 ........... | 945,000 | 0 | 400,000 | 490,000 | 425,000 | 0 | 205,000 | 0 | (690,000) | 1,775,000 | 4,160,000 | 10.27% |
| 2028 ........... | 980,000 | 0 | 415,000 | 510,000 | 445,000 | 0 | 215,000 | 0 | (490,000) | 2,075,000 | 6,235,000 | 15.39% |
| 2029 ........... | 0 | 0 | 430,000 | 525,000 | 460,000 | 777,737 | 220,000 | 0 | (430,000) | 1,982,737 | 8,217,737 | 20.29% |
| 2030 ........... | 0 | 299,309 | 0 | 540,000 | 0 | 1,213,416 | 230,000 | 0 | (299,309) | 1,983,416 | 10,201,153 | 25.19% |
| 2031 ........... | 0 | 282,087 | 0 | 560,000 | 0 | 1,177,920 | 240,000 | 0 | (282,087) | 1,977,920 | 12,179,073 | 30.07% |
| 2032 ........... | 0 | 266,713 | 0 | 575,000 | 0 | 1,143,547 | 245,000 | 0 | (266,713) | 1,963,547 | 14,142,620 | 34.92% |
| 2033 ........... | 0 | 252,749 | 0 | 595,000 | 0 | 1,105,502 | 250,000 | 0 | (252,749) | 1,950,502 | 16,093,123 | 39.73% |
| 2034 ........... | 0 | 237,457 | 0 | 610,000 | 0 | 1,067,320 | 260,000 | 0 | (237,457) | 1,937,320 | 18,030,443 | 44.52% |
| 2035 ........... | 0 | 222,704 | 0 | 635,000 | 0 | 1,027,944 | 265,000 | 0 | (222,704) | 1,927,944 | 19,958,387 | 49.28% |
| 2036 ........... | 0 | 203,972 | 0 | 0 | 0 | 698,363 | 275,000 | 0 | (203,972) | 973,363 | 20,931,750 | 51.68% |
| 2037 ........... | 0 | 815,886 | 0 | 0 | 0 | 0 | 280,000 | 1,780,000 | (815,886) | 2,060,000 | 22,991,750 | 56.77% |
| 2038 ........... | 0 | 776,603 | 0 | 0 | 0 | 0 | 285,000 | 1,860,000 | (776,603) | 2,145,000 | 25,136,750 | 62.06% |
| 2039 ........... | 0 | 740,341 | 0 | 0 | 0 | 0 | 290,000 | 1,955,000 | (740,341) | 2,245,000 | 27,381,750 | 67.61% |
| 2040 ........... | 0 | 691,747 | 0 | 0 | 0 | 0 | 300,000 | 2,060,000 | (691,747) | 2,360,000 | 29,741,750 | 73.43% |
| 2041 ........... | 0 | 659,249 | 0 | 0 | 0 | 0 | 305,000 | 2,160,000 | (659,249) | 2,465,000 | 32,206,750 | 79.52% |
| 2042 ........... | 0 | 626,751 | 0 | 0 | 0 | 0 | 0 | 2,270,000 | (626,751) | 2,270,000 | 34,476,750 | 85.12% |
| 2043 ........... | 0 | 596,574 | 0 | 0 | 0 | 0 | 0 | 2,375,000 | (596,574) | 2,375,000 | 36,851,750 | 90.99% |
| 2044 ........... | 0 | 568,719 | 0 | 0 | 0 | 0 | 0 | 2,505,000 | (568,719) | 2,505,000 | 39,356,750 | 97.17% |
| 2045 ........... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 560,000 | 0 | 560,000 | 39,916,750 | 98.56% |
| 2046 ........... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 585,000 | 0 | 585,000 | 40,501,750 | 100.00% |
| Total ......... | $2,835,000 | $7,240,861 | $1,635,000 | $5,515,000 | $1,745,000 | $8,211,750 | $4,060,000 | $18,110,000 | $(8,850,861) | $40,501,750 | | |

Notes: (1) Source: the City.
(2) Original principal amount.
(3) Subject to change.

**Subject to change.*

## Detailed Overlapping Bonded Debt*(1)*

| | Outstanding Debt(2) | Applicable to the City Percent(3) | Applicable to the City Amount |
|---|---|---|---|
| Warren County | $17,405,000 | 21.55% | $ 3,750,266 |
| Community College District Number 518 | 64,885,000 | 4.28% | 2,777,858 |
| Unit School District Number 238 | 17,348,300 | 57.96% | 10,055,141 |
| Unit School District Number 304 | 4,350,000 | 38.40% | 1,670,243 |
| Monmouth Park District | 348,000 | 100.00% | 348,000 |
| Total Overlapping Bonded Debt | | | $18,601,509 |

Notes: (1) Source: Warren County Clerk and the MSRB's Electronic Municipal Market Access website ("EMMA").
(2) Outstanding debt as of June 18, 2026 and includes alternate revenue source bonded debt.
(3) Overlapping debt percentages based on 2025 EAV, the most current available.

## Statement of Bonded Indebtedness*(1)*

| | Amount Applicable | Ratio To Equalized Assessed | Ratio To Estimated Actual | Per Capita (2020 Census Pop. 8,902) |
|---|---|---|---|---|
| City EAV of Taxable Property, 2025 | $114,651,132 | 100.00% | 33.33% | $12,879.26 |
| Estimated Actual Value, 2025 | $343,953,396 | 300.00% | 100.00% | $38,637.77 |
| Total Outstanding Bonded Debt(2) | $ 40,501,750 | 35.33% | 11.78% | $ 4,549.74 |
| Total Overlapping Bonded Debt(3) | $ 18,601,509 | 16.22% | 5.41% | $ 2,089.59 |
| Total Direct and Overlapping Bonded Debt | $ 59,103,260 | 51.55% | 17.18% | $ 6,639.32 |

Notes: (1) Source: Warren County Clerk and the City.
(2) Subject to change.
(3) As of June 18, 2026.

## PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2025 levy year, the City's EAV was comprised of 56% residential, 17% industrial, 26% commercial, and 1% railroad and less than 1% farm and mineral property valuations.

## Equalized Assessed Valuation*(1)*

| Property Class | Levy Years 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Residential | $52,126,933 | $51,300,300 | $54,972,898 | $58,665,274 | $63,823,279 |
| Farm | 42,300 | 31,844 | 40,600 | 85,910 | 101,670 |
| Commercial | 25,520,970 | 22,009,421 | 25,831,550 | 25,973,835 | 29,386,016 |
| Industrial | 6,638,350 | 11,541,236 | 6,639,190 | 7,764,947 | 19,365,290 |
| Mineral | 0 | 0 | 0 | 270,340 | 270,340 |
| Railroad | 1,600,950 | 1,225,159 | 1,881,920 | 1,748,068 | 1,704,537 |
| Total | $85,929,503 | $86,107,960 | $89,366,158 | $94,508,374 | $114,651,132 |
| Percent Change | 3.42%(2) | 0.21% | 3.78% | 5.75% | 21.31% |

Notes: (1) Source: Warren County Clerk.
(2) Percent change based on 2020 EAV of $83,089,196.

## Representative Tax Rates*(1)*
(Per $100 EAV)

| | Levy Years | | | | |
|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| City Rates: | | | | | |
| Bond & Interest | $ 0.4655 | $ 0.4645 | $ 0.4521 | $ 0.4275 | $0.3956 |
| Corporate | 0.3925 | 0.4065 | 0.3738 | 0.3693 | 0.3044 |
| Fire Pension | 1.0590 | 1.0953 | 1.1190 | 1.1110 | 0.9812 |
| Police Pension | 1.0125 | 1.0800 | 1.1190 | 1.1110 | 0.9812 |
| Total City Rate | $ 2.9295 | $ 3.0463 | $ 3.0638 | $ 3.0188 | $2.6625 |
| Others: | | | | | |
| Warren County(2) | 0.8800 | 0.8728 | 0.8718 | 0.8705 | 0.8558 |
| Monmouth Township(3) | 0.3487 | 0.3566 | 0.3553 | 0.3486 | 0.3542 |
| Monmouth Park District | 0.4397 | 0.4028 | 0.3909 | 0.3754 | 0.3236 |
| Ambulance | 0.0611 | 0.0586 | 0.0551 | 0.0518 | 0.0462 |
| Library | 0.1862 | 0.1865 | 0.1837 | 0.1808 | 0.1729 |
| Soil and Water | 0.0014 | 0.0014 | 0.0013 | 0.0013 | 0.0013 |
| Unit School District Number 238 | 4.7236 | 4.7141 | 4.6947 | 4.6229 | 4.6370 |
| Community College District Number 518 | 0.6168 | 0.6161 | 0.6114 | 0.5897 | 0.6571 |
| Total Rate(4) | $10.1870 | $10.2553 | $10.2280 | $10.0597 | $9.7107 |

Notes: (1) Source: Warren County Clerk.
(2) Includes County Highway, County Mental Health, County Education Extension, and County Veterans Assistance.
(3) Includes Township Road and Bridge.
(4) Representative tax rates are from Monmouth Township tax code 09001, which represents the largest tax code in the City.

## Tax Extensions and Collections*(1)*
(Excludes Road and Bridge Levy)

| Levy Year | Coll. Year | Taxes Extended(2) | Total Collections Amount(3) | Total Collections Percent |
|---|---|---|---|---|
| 2020 | 2021 | $2,416,491 | $2,428,788 | 100.51% |
| 2021 | 2022 | 2,517,300 | 2,491,932 | 98.99% |
| 2022 | 2023 | 2,623,098 | 2,629,857 | 100.25% |
| 2023 | 2024 | 2,738,027 | 2,699,372 | 98.59% |
| 2024 | 2025 | 2,853,028 | 2,805,209 | 98.32% |
| 2025 | 2026 | 3,052,541 | ------ In Collection ------- | |

Notes: (1) Source: the City and Warren County Clerk.
(2) Tax extensions have been adjusted for abatements.
(3) Total collections include back taxes, taxpayer refunds, interest, etc.

## Principal Taxpayers*(1)*

| Taxpayer Name | Business/Service | 2025 EAV(2) |
|---|---|---|
| Americold & Affiliated Companies | Storage Facility | $ 9,383,060 |
| Smithfield Fresh Meats Corp | Meat Processing | 9,038,230 |
| All In Properties | Real Property | 2,269,555 |
| HBSA Hospitality LLC | Real Property | 1,572,590 |
| Big River Resources West | Real Property | 1,348,100 |
| Two Brothers Property LLC | Real Property | 1,178,620 |
| Maple Hill Senior Living | Senior Living | 1,112,100 |
| Roserock Holdings LLC | Real Property | 1,065,760 |
| Fareway Stores Inc. | Real Property | 1,065,640 |
| Midwest Bank of Western IL | Bank | 861,110 |
| Total | | $28,894,765 |
| Largest Taxpayers as Percent of City's 2025 EAV ($114,651,132) | | 25.20% |

Notes: (1) Source: Warren County Clerk.
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2025 EAV is the most current available.

## REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

### Summary of Property Assessment, Tax Levy and Collection Procedures

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

### Tax Levy and Collection Procedures

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

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year.

### Unpaid Taxes and Annual Tax Sales

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 1.50% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, each county treasurer is required to sell the delinquent property taxes at the "Annual Tax Sale" — a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, then the tax buyer can secure a court-ordered deed to the home. If a tax buyer can prove the home has been abandoned, the period for seeking a deed can be shortened to two years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale. When taxes go unpaid for more than 20 years, Illinois law states that the property is "forfeited to the state." As a practical matter, this does not happen. Instead, the taxes are wiped out, as the property remains in its distressed condition barring a change in the owner's circumstances or it being sold.

**Exemptions**

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

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

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

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

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

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

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

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

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

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

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

### Truth in Taxation Law

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

## FINANCIAL INFORMATION

### Budgeting

The City adopts an annual appropriation and budget ordinance in accordance with the Illinois Compiled Statutes on or before July 31 of the issuing year. The Budget covers the fiscal year ending April 30 for all funds and is prepared on the basis of cash receipts and disbursements. Once approved, the City may amend the legally adopted budgets when unexpected modifications are required.

### Investment Policy

State statutes authorize the City to make deposits in commercial banks and savings and loan institutions, and to make investments in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, and life insurance company contracts.

### Financial Reports

The City's financial statements are audited annually by certified public accountants. The City's financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.

### No Consent or Updated Information Requested of the Auditor

The tables contained in this **"FINANCIAL INFORMATION"** section (the "Excerpted Financial Information") are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended April 30, 2025 (the "2025 Audit"), which was approved by formal action of the City Council and attached to this Official Statement as **APPENDIX A**. The City has not requested the Auditor to update information contained in the Excerpted Financial Information or the 2025 Audit; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information or the 2025 Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Excerpted Financial Information and 2025 Audit has not been updated since the date of the 2025 Audit. The inclusion of the Excerpted Financial Information and 2025 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2025 Audit. Questions or inquiries relating to financial information of the City since the date of the 2025 Audit should be directed to the City.

### Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the City's 2025 Audit.

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## Statement of Net Position
## Governmental Activities

| | Audited as of April 30 | | | | |
|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| **ASSETS:** | | | | | |
| Current Assets: | | | | | |
| Cash and Investments | $ 6,017,181 | $15,311,656 | $18,050,868 | $15,528,252 | $13,991,494 |
| Receivables: | | | | | |
| Property Tax | 750,000 | 737,300 | 750,000 | 734,000 | 1,888,133 |
| Accounts | 349,848 | 443,824 | 402,255 | 287,183 | 320,891 |
| Grants | 5,503 | 0 | 0 | 0 | 0 |
| Interest | 3,884 | 7,833 | 10,293 | 11,060 | 18,363 |
| Due from Other Governments | 956,838 | 1,279,379 | 1,252,299 | 1,333,463 | 1,235,940 |
| Prepaid Expenses | 24,124 | 67,965 | 72,872 | 184,792 | 104,749 |
| Internal Balances | 458,551 | (4,545,732) | (4,545,732) | 458,551 | 458,551 |
| Total Current Assets | $ 8,565,929 | $13,302,225 | $15,992,855 | $18,537,301 | $18,018,121 |
| Noncurrent Assets: | | | | | |
| Land and Construction in Progress | $ 1,062,169 | $ 2,057,338 | $ 2,310,336 | $ 1,767,370 | $ 3,787,727 |
| Net Pension Assets | 8,594,229 | 11,027,012 | 6,884,483 | 8,488,971 | 9,096,033 |
| Other Capital Assets, Net of Depreciation | 6,293,594 | 6,855,797 | 6,538,805 | 8,569,939 | 8,563,874 |
| Total Noncurrent Assets | $ 15,949,992 | $19,940,147 | $15,733,624 | $18,826,280 | $21,447,634 |
| Total Assets | $ 24,515,921 | $33,242,372 | $31,726,479 | $37,363,581 | $39,465,755 |
| **DEFERRED OUTFLOWS OF RESOURCES:** | | | | | |
| Deferred Outflows of Pension Resources | $ 3,122,618 | $ 15,363 | $ 4,540,649 | $ 2,923,928 | $ 1,553,922 |
| Total Assets and Deferred Outflows of Resources | $ 27,638,539 | $33,257,735 | $36,267,128 | $40,287,509 | $41,019,677 |
| **LIABILITIES:** | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable | $ 84,727 | $ 160,475 | $ 136,550 | $ 57,156 | $ 181,143 |
| Payroll Payable | 48,451 | 61,680 | 54,640 | 148,538 | 160,234 |
| Interest Payable | 87,813 | 55,751 | 49,825 | 43,715 | 37,217 |
| Notes Payable | 28,593 | 19,614 | 20,164 | 20,710 | 21,312 |
| Bonds Payable, net of Unamortized Premiums | 346,575 | 432,857 | 438,870 | 444,524 | 449,794 |
| Total Current Liabilities | $ 596,159 | $ 730,377 | $ 700,049 | $ 714,643 | $ 849,700 |
| Noncurrent Liabilities: | | | | | |
| Notes Payable | $ 302,627 | $ 283,013 | $ 262,849 | $ 242,139 | $ 220,827 |
| Bonds Payable, net of Unamortized Premiums | 3,669,393 | 3,191,872 | 2,753,002 | 2,308,478 | 1,858,684 |
| Accrued Compensated Absences Due in More Than One Year | 425,525 | 360,186 | 419,275 | 408,152 | 470,437 |
| OPEB Liability | 2,739,887 | 2,138,420 | 2,200,710 | 1,758,414 | 1,787,425 |
| Net Pension Liability | 25,722,647 | 0 | 23,174,822 | 22,302,396 | 22,222,449 |
| Total Noncurrent Liabilities | $ 32,860,079 | $ 5,973,491 | $28,810,658 | $27,019,579 | $26,559,822 |
| Total Liabilities | $ 33,456,238 | $ 6,703,868 | $29,510,707 | $27,734,222 | $27,409,522 |
| **DEFERRED INFLOWS OF RESOURCES:** | | | | | |
| Deferred Inflows of Pension Resources | $ 3,866,807 | $ 2,819,345 | $ 3,736,693 | $ 3,027,193 | $ 1,670,402 |
| Unearned Grant Revenue | 0 | 0 | 1,146,929 | 133,569 | 0 |
| Other | 0 | 604,624 | 0 | 0 | 0 |
| Deferred Gain on Refunding | 29,583 | 24,037 | 19,002 | 14,498 | 10,546 |
| Unavailable Property Taxes | 750,000 | 737,300 | 750,000 | 734,000 | 1,888,133 |
| Total Deferred Inflows of Resources | $ 4,646,390 | $ 4,185,306 | $ 5,652,624 | $ 3,909,260 | $ 3,569,081 |
| Total Liabilities and Deferred Inflows of Resources | $ 38,102,628 | $10,889,174 | $35,163,331 | $31,643,482 | $30,978,603 |
| **NET POSITION:** | | | | | |
| Invested in Capital Assets, Net of Related Debt | $ 3,796,248 | $ 5,678,135 | $ 5,964,141 | $ 7,817,309 | $10,043,123 |
| Restricted | 2,327,796 | 5,032,125 | (14,689,516 | 14,276,774 | 12,340,561 |
| Unrestricted | (16,588,133) | 11,658,301 | 19,549,860) | (13,450,056) | (12,342,610) |
| Total Net Position | $(10,464,089) | $22,368,561 | $ 1,103,797 | $ 8,644,027 | $10,041,074 |

## Statement of Activities
## Governmental Activities

| | Audited for the Fiscal Year Ended April 30 | | | | |
|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| **NET (EXPENSE) REVENUE:** | | | | | |
| General Government | $ (20,289) | $ 122,590 | $(1,358,775) | $ 74,543 | $ (2,068,428) |
| Public Safety | (4,204,494) | (3,338,495) | (4,000,845) | (3,879,261) | (3,962,424) |
| Public Works and Transportation | 1,459,007 | 1,780,414 | 356,602 | 373,044 | 677,998 |
| Community Development | (114,540) | 167,537 | (119,425) | (7,228) | (166,416) |
| Solid Waste Management | (781,706) | (814,822) | (650,019) | (741,975) | (746,982) |
| Culture and Recreation | (6,176) | 10,331 | 5,585 | 20,302 | 12,598 |
| Debt Service Interest | (245,346) | (32,121) | (43,882) | (38,665) | (33,030) |
| Total Net (Expense) Revenue | $ (3,913,544) | $ (2,104,566) | $ (5,810,759) | $ (4,199,240) | $ (6,286,684) |
| **GENERAL REVENUE:** | | | | | |
| Taxes: | | | | | |
| Property Tax | $ 1,008,857 | $ 1,049,065 | $ 1,034,468 | $ 1,089,733 | $ 1,592,600 |
| Income Tax | 1,146,334 | 1,449,806 | 1,369,942 | 1,481,475 | 1,587,548 |
| Sales and Local Use Tax | 2,262,105 | 3,050,489 | 3,165,456 | 3,243,996 | 3,218,963 |
| Other Taxes | 1,574,010 | 1,955,915 | 2,086,416 | 1,755,350 | 2,327,669 |
| Interest Income | 41,385 | 52,887 | 131,884 | 200,529 | 224,814 |
| Gain on Sale of Capital Assets | 0 | 2,244,120 | 14,000 | 0 | 0 |
| Transfers | 254,835 | 47,567 | 26,279 | (1,844,411) | (1,577,356) |
| Other | 575,838 | 498,011 | 928,412 | 808,515 | 309,493 |
| Total General Revenue | $ 6,863,364 | $10,347,860 | $ 8,756,857 | $ 6,735,187 | $ 7,683,731 |
| Change in Net Position | $ 2,949,820 | $ 8,243,294 | $ 2,946,098 | $ 2,535,947 | $ 1,397,047 |
| Net Position, Beginning | $(13,413,909) | $14,125,267(1) | $ (1,842,301)(1) | $ 6,108,080(1) | $ 8,644,027 |
| Net Position, Ending | $(10,464,089) | $22,368,561 | $ 1,103,797 | $8,644,027 | $10,041,074 |

Note: (1) As restated.

## General Fund
## Balance Sheet

| | Audited as of April 30 | | | | |
|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| **ASSETS:** | | | | | |
| Cash and Investments | $4,257,650 | $12,735,400 | $14,807,004 | $12,699,224 | $11,286,218 |
| Accounts Receivable | 352,783 | 450,981 | 402,255 | 287,183 | 320,891 |
| Property Taxes | 350,000 | 337,300 | 350,000 | 334,000 | 349,001 |
| Other Receivables | 0 | 0 | 10,022 | 11,060 | 18,363 |
| Due from Other Funds | 458,551 | 458,551 | 458,551 | 458,551 | 458,551 |
| Due from Other Governments | 925,727 | 1,247,688 | 1,220,672 | 1,263,286 | 1,203,765 |
| Grant Funds | 5,503 | 0 | 0 | 0 | 0 |
| Prepaid Expenses | 24,124 | 67,965 | 72,872 | 184,792 | 104,749 |
| Total Assets | $6,374,338 | $15,297,885 | $17,321,376 | $15,238,096 | $13,741,538 |
| **LIABILITIES:** | | | | | |
| Accounts Payable | $ 84,528 | $ 107,496 | $ 122,765 | $ 26,441 | $ 124,408 |
| Salaries Payable | 48,451 | 61,680 | 54,640 | 148,538 | 160,234 |
| Due to Other Funds | 0 | 0 | 5,004,283 | 0 | 0 |
| Advances from Other Funds | 0 | 5,004,283 | 0 | 0 | 0 |
| Total Liabilities | $ 132,979 | $ 5,173,459 | $ 5,181,688 | $ 174,979 | $ 284,642 |
| **DEFERRED INFLOWS OF RESOURCES:** | | | | | |
| Unavailable Property Taxes | $ 350,000 | $ 337,300 | $ 350,000 | $ 334,000 | $ 349,001 |
| Other Deferred Revenue | 0 | 604,624 | 1,146,929 | 133,569 | 0 |
| Total Deferred Inflows of Resources | $ 350,000 | $ 941,924 | $ 1,496,929 | $ 467,569 | $ 349,001 |
| **FUND BALANCE:** | | | | | |
| Reserved | $ 24,124 | $ 67,965 | $ 72,872 | $ 184,792 | $ 104,749 |
| Nonspendable | 536,404 | 2,496,667 | 3,360,097 | 1,869,784 | 87,738 |
| Assigned | 165,729 | 182,932 | 206,206 | 4,767,644 | 5,332,891 |
| Unreserved/Unassigned | 5,165,102 | 6,434,938 | 7,003,584 | 7,773,328 | 7,582,517 |
| Total Fund Balance | $5,891,359 | $ 9,182,502 | $10,642,759 | $14,595,548 | $13,107,895 |
| Total Liabilities, Deferred Inflows of Resources & Fund Balance | $6,374,338 | $15,297,885 | $17,321,376 | $15,238,096 | $13,741,538 |

## General Fund
## Revenues and Expenditures

| | Audited Fiscal Year Ending April 30 | | | | |
|---|---|---|---|---|---|
| | 2021 | 2022 | 2023 | 2024 | 2025 |
| **REVENUES:** | | | | | |
| Taxes | $ 386,675 | $ 412,324 | $ 397,235 | $ 422,213 | $ 386,379 |
| Licenses & Permits | 264,691 | 233,845 | 172,376 | 267,277 | 254,307 |
| Intergovernmental | 5,303,116 | 7,186,412 | 6,596,625 | 6,492,353 | 7,518,801 |
| Charges for Services | 0 | 0 | 1,310,272 | 1,373,348 | 1,425,605 |
| Interest | 28,354 | 10,488 | 122,251 | 223,085 | 218,119 |
| Fines | 1,534,555 | 1,492,131 | 281,397 | 175,674 | 182,109 |
| Other | 493,783 | 384,943 | 288,265 | 191,419 | 145,793 |
| Total Revenues | $8,011,174 | $9,720,143 | $ 9,168,421 | $ 9,145,369 | $10,131,113 |
| **EXPENDITURES:** | | | | | |
| General Government | $1,204,859 | $1,138,929 | $ 1,519,874 | $ 1,459,267 | $1,704,431 |
| Public Safety | 3,995,588 | 4,154,230 | 4,456,934 | 4,885,327 | 4,728,677 |
| Public Works | 313,316 | 290,558 | 572,510 | 648,060 | 876,370 |
| Solid Waste Management | 781,706 | 814,822 | 650,019 | 741,975 | 746,982 |
| Community/Economic Development | 159,806 | 126,264 | 140,283 | 124,998 | 189,837 |
| Capital Outlay | 20,160 | 2,107,662 | 330,946 | 648,948 | 788,326 |
| Debt Service: | | | | | |
| Principal | 32,401 | 9,515 | 0 | 0 | 0 |
| Interest | 995 | 279 | 0 | 0 | 0 |
| Total Expenditures | $6,508,831 | $8,642,259 | $ 7,670,566 | $ 8,508,575 | $ 9,034,623 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | $1,502,343 | $1,077,884 | $ 1,497,855 | $ 636,794 | $ 1,096,490 |
| **OTHER FINANCING SOURCES (USES):** | | | | | |
| Operating Transfers In | $1,019,723 | $1,874,539 | $ 870,191 | $ 967,927 | $ 2,084,640 |
| Operating Transfers Out | (979,264) | (1,905,399) | (907,789) | (2,892,127) | (4,668,783) |
| Sale of Property | 0 | 2,244,120 | 0 | 0 | 0 |
| Capital Contributions | 0 | 0 | 0 | 235,912 | 0 |
| Proceeds from Long-Term Debt | 15,050 | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | $ 55,509 | $2,213,260 | $ (37,598) | $ (1,688,288) | $ (2,584,143) |
| Net Change in Fund Balance | $1,557,852 | $3,291,144 | $ 1,460,257 | $ (1,051,494) | $ (1,487,653) |
| Beginning Fund Balance | $4,333,507 | $5,891,359 | $ 9,182,503 | $15,647,042(1) | $14,595,548 |
| Ending Fund Balance | $5,891,359 | $9,182,503 | $10,642,760 | $14,595,548 | $13,107,895 |

Note: (1) As restated.

## General Fund
## Budget Financial Information

| | Budget Twelve Months Ending 4/30/2026 | Preliminary Twelve Months Ending 4/30/2026 | Budget Twelve Months Ending 4/30/2027 |
|---|---|---|---|
| **REVENUES:** | | | |
| Taxes | $ 8,942,185 | $ 9,212,077 | $ 9,483,150 |
| Licenses, Permits and Fees | 1,304,338 | 829,254 | 1,337,567 |
| Fines | 185,900 | 140,945 | 180,700 |
| Reimbursement for Services | 192,633 | 222,539 | 261,103 |
| Rental & Property | 252,563 | 104,659 | 216,400 |
| Revenues from Other Agencies | 610,765 | 1,986,564 | 1,384,520 |
| Cemetery | 4,500 | 35,020 | 4,500 |
| Other Income | 562,722 | 256,448 | 93,415 |
| Total Revenues | $12,055,606 | $12,787,504 | $12,961,355 |
| **EXPENSES:** | | | |
| Municipal Operations | $ 3,685,227 | $ 3,970,497 | $ 3,637,876 |
| IT Support | 169,000 | 166,048 | 186,900 |
| Zoning & Building | 191,917 | 203,526 | 462,917 |
| Solid Waste | 835,588 | 869,359 | 858,309 |
| Boards & Commissions | 7,900 | 3,819 | 7,950 |
| Police Department | 4,120,088 | 4,019,208 | 4,471,738 |
| Fire Department | 3,045,886 | 3,078,719 | 3,335,665 |
| Total Expenses | $12,055,606 | $12,311,175 | $12,961,355 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | $ 0 | $476,330 | $ 0 |

## REGISTRATION, TRANSFER AND EXCHANGE

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

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

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

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

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

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

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

## TAX EXEMPTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## CONTINUING DISCLOSURE

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

For the fiscal years ended April 30, 2021, 2022 and 2023, the City failed to file its audited financial statements on a timely basis. Such filings have since been made. A failure by the City to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See **APPENDIX D** herein. The City must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

## LITIGATION

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

## CERTAIN LEGAL MATTERS

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

## OFFICIAL STATEMENT AUTHORIZATION

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

## INVESTMENT RATING

S&P is expected to assign its 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 Build America Mutual ("BAM"). The Bonds also have an underlying rating of "A-" (Stable Outlook) from S&P. Such ratings reflect 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. Except as may be required by the Undertaking described in **"FORM OF CONTINUING DISCLOSURE UNDERTAKING"**, the form of which is attached hereto as **APPENDIX D**, neither the City nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal.

## DEFEASANCE

The Bonds are subject to legal defeasance by the irrevocable deposit of full faith and credit obligations of the United States of America, obligations the timely payment of which are guaranteed by the United States Treasury, or certificates of participation in a trust comprised solely of full faith and credit obligations of the United States of America (collectively, the "Government Obligations") with a bank or trust company acting as escrow agent. Any such deposit must be of sufficient amount that the receipts from the Government Obligations plus any cash on deposit will be sufficient to pay debt service on the Bonds when due or as called for redemption.

## UNDERWRITING

Raymond James & Associates, Inc., Naperville, Illinois (the "Underwriter") has agreed to purchase all but not less than all of the Bonds at a price of $________ (reflecting the par amount of $_______, plus a net reoffering premium of $________, and less an Underwriter's Discount of $________). It is anticipated that delivery of the Bonds will occur on the date shown on the cover page hereof. The Bonds may be offered and sold to certain dealers (including the Underwriter or other dealers depositing Bonds into investment trusts) at yields other than such public offering yields set forth on the cover of the Final Official Statement, and such public offering yields may be changed, from time to time, by the Underwriter.

## MUNICIPAL ADVISOR

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

## CERTIFICATION

I have examined this Official Statement dated August 13, 2026 for the $18,110,000* General Obligation Bonds, Series 2026, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of my knowledge and belief information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

/s/ ____________________________________

*City Administrator*
CITY OF MONMOUTH
Warren County, Illinois

**Subject to change.*

**APPENDIX A**

**CITY OF MONMOUTH**
**WARREN COUNTY, ILLINOIS**

**FISCAL YEAR 2025 AUDITED FINANCIAL STATEMENTS**

# City of Monmouth, Illinois

Monmouth, Illinois

Financial Report

Year Ended April 30, 2025

WIPFLI

# City of Monmouth, Illinois

Year Ended April 30, 2025

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WIPFLI

## Independent Auditor's Report

Mayor and City Council
City of Monmouth, Illinois
Monmouth, Illinois

***Report on the Audit of the Basic Financial Statements***

***Opinions***

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Monmouth, Illinois (the "City"), as of and for the year ended April 30, 2025, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Monmouth, Illinois as of April 30, 2025, and respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Basic Financial Statements section of our report. We are required to be independent of City of Monmouth, Illinois and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, in 2025 the City adopted new accounting guidance, GASB No. 100, Accounting Changes and Error Corrections, and GASB No. 101, Compensated Absences. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Basic Financial Statements***

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

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

***Auditor's Responsibility for the Audit of the Basic Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards,* we:

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

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

### *Required Supplementary Information*

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

The City of Monmouth, Illinois has omitted a management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Supplementary Information*

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

### *Other Information*

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Monmouth, Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
October 14, 2025

# Basic Financial Statements

# City of Monmouth, Illinois

## Statement of Net Position

| *April 30, 2025* | Primary Government<br>Governmental Activities | <br>Business-type Activities | <br>Total |
|---|---|---|---|
| Assets | | | |
| Cash, deposits, and investments | $ 13,991,494 | $ 789,703 | $ 14,781,197 |
| Receivables, net of allowance: | | | |
| Accounts receivable | 320,891 | 886,914 | 1,207,805 |
| Interest receivable | 18,363 | 21,978 | 40,341 |
| Other receivables | - | 3,260,340 | 3,260,340 |
| Property taxes | 1,888,133 | - | 1,888,133 |
| Due from other governments | 1,235,940 | - | 1,235,940 |
| Prepaid items | 104,749 | 127,261 | 232,010 |
| Internal balances | 458,551 | (458,551) | - |
| Total current assets | 18,018,121 | 4,627,645 | 22,645,766 |
| Noncurrent assets: | | | |
| Net pension asset | 9,096,033 | - | 9,096,033 |
| | 9,096,033 | - | 9,096,033 |
| Capital assets: | | | |
| Capital assets not being depreciated | 3,787,727 | 3,303,869 | 7,091,596 |
| Capital assets, net of depreciation | 8,563,874 | 41,371,501 | 49,935,375 |
| Total capital assets | 12,351,601 | 44,675,370 | 57,026,971 |
| Total noncurrent assets | 21,447,634 | 44,675,370 | 66,123,004 |
| Total assets | 39,465,755 | 49,303,015 | 88,768,770 |
| Deferred outflow of resources | | | |
| Deferred outflows of pension resources | 1,553,922 | - | 1,553,922 |
| Total deferred outflow of resources | 1,553,922 | - | 1,553,922 |
| Liabilities and Deferred Inflows of Resources | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable | 181,143 | 171,067 | 352,210 |
| Payroll and related | 160,234 | - | 160,234 |
| Customer deposits | - | 189,141 | 189,141 |
| Accrued interest payable | 37,217 | 145,792 | 183,009 |
| Current maturities-notes payable | 21,312 | 188,735 | 210,047 |
| Current maturities-bonds payable, net of unamortized premiums | 449,794 | 1,990,828 | 2,440,622 |
| Total current liabilities | 849,700 | 2,685,563 | 3,535,263 |

See Accompanying Notes to Financial Statements.

# City of Monmouth, Illinois

## Statement of Net Position (Continued)

| *April 30, 2025* | Primary Government Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| Noncurrent liabilities | | | |
| Compensated absences | $ 470,437 | $ - | $ 470,437 |
| Notes payable | 220,827 | 3,219,094 | 3,439,921 |
| Bonds payable, net of unamortized premiums | 1,858,684 | 29,351,570 | 31,210,254 |
| OPEB liability | 1,787,425 | - | 1,787,425 |
| Net pension liability | 22,222,449 | - | 22,222,449 |
| Total noncurrent liabilities | 26,559,822 | 32,570,664 | 59,130,486 |
| Total liabilities | 27,409,522 | 35,256,227 | 62,665,749 |
| Deferred inflow of resources | | | |
| Deferred refunding on bonds | 10,546 | 43,036 | 53,582 |
| Deferred revenue - property taxes | 1,888,133 | - | 1,888,133 |
| Deferred inflows of pension resources | 1,670,402 | - | 1,670,402 |
| Deferred contractual agreement revenue | - | 3,260,340 | 3,260,340 |
| Total deferred inflow of resources | 3,569,081 | 3,303,376 | 6,872,457 |
| Net position | | | |
| Net investment in capital assets | 10,043,123 | 11,860,110 | 21,903,233 |
| Restricted for: | | | |
| General government | 1,142,955 | - | 1,142,955 |
| Public safety | 87,738 | - | 87,738 |
| Public works | 770,445 | - | 770,445 |
| Debt service | 621,184 | - | 621,184 |
| IMRF pension asset | 9,572,107 | - | 9,572,107 |
| Health reserve | 146,132 | - | 146,132 |
| Unrestricted | (12,342,610) | (1,116,698) | (13,459,308) |
| Total net position | $ 10,041,074 | $ 10,743,412 | $ 20,784,486 |

# City of Monmouth, Illinois

## Statement of Activities

| *Year Ended April 30, 2025* | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Governmental Activities | Net (Expense) Revenue and Changes in Net Position: Business-type Activities | Total |
|---|---|---|---|---|---|---|---|
| Functions/Programs | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | $ 2,491,291 | $ 385,968 | $ 36,895 | $ - | $ (2,068,428) | $ - | $ (2,068,428) |
| Public safety | 4,402,964 | 440,540 | - | - | (3,962,424) | - | (3,962,424) |
| Public works | 1,940,559 | 1,014,529 | 417,406 | 1,186,622 | 677,998 | - | 677,998 |
| Culture and recreation | 37,816 | 50,414 | - | - | 12,598 | - | 12,598 |
| Solid waste management | 746,982 | - | - | - | (746,982) | - | (746,982) |
| Community development | 183,189 | - | - | 16,773 | (166,416) | - | (166,416) |
| Interest | 33,030 | - | - | - | (33,030) | - | (33,030) |
| Total governmental activities | 9,835,831 | 1,891,451 | 454,301 | 1,203,395 | (6,286,684) | - | (6,286,684) |
| Business-type activities: | | | | | | | |
| Water and Sewer | 8,664,867 | 7,603,798 | - | 1,113,381 | - | 52,312 | 52,312 |
| Total business-type activities | 8,664,867 | 7,603,798 | - | 1,113,381 | - | 52,312 | 52,312 |
| Total primary government | 18,500,698 | 9,495,249 | 454,301 | 2,316,776 | (6,286,684) | 52,312 | (6,234,372) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | 1,592,600 | - | 1,592,600 |
| Other taxes | | | | | 2,327,669 | - | 2,327,669 |
| Sales tax | | | | | 3,218,963 | - | 3,218,963 |
| State income tax | | | | | 1,587,548 | - | 1,587,548 |
| Unrestricted investment earnings | | | | | 224,814 | 171,621 | 396,435 |
| Miscellaneous | | | | | 309,493 | - | 309,493 |
| Transfers | | | | | (1,577,356) | 1,577,356 | - |
| Total general revenues | | | | | 7,683,731 | 1,748,977 | 9,432,708 |
| Change in net position | | | | | 1,397,047 | 1,801,289 | 3,198,336 |
| Net position, beginning of year | | | | | 8,644,027 | 8,942,123 | 17,586,150 |
| Net position, beginning of year (restated) | | | | | 8,644,027 | 8,942,123 | 17,586,150 |
| Net position, ending | | | | | $ 10,041,074 | $ 10,743,412 | $ 20,784,486 |

# City of Monmouth, Illinois
## Balance Sheet - Governmental Funds

| *April 30, 2025* | General Fund | TIF Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| Assets | | | | |
| Cash, deposits, and investments | $ 11,286,218 | $ 651,585 | $ 1,907,399 | $ 13,845,202 |
| Receivables, net of allowance: | | | | |
| Accounts receivable | 320,891 | - | - | 320,891 |
| Property taxes | 349,001 | 326,288 | 1,212,844 | 1,888,133 |
| Due from other governments | 1,203,765 | - | 32,175 | 1,235,940 |
| Interest receivable | 18,363 | - | - | 18,363 |
| Prepaid items | 104,749 | - | - | 104,749 |
| Due from other funds | 458,551 | - | - | 458,551 |
| Total assets | 13,741,538 | 977,873 | 3,152,418 | 17,871,829 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts payable | 124,408 | 56,575 | - | 180,983 |
| Payroll and related | 160,234 | - | - | 160,234 |
| Total liabilities | 284,642 | 56,575 | - | 341,217 |
| Deferred inflow of resources | | | | |
| Unavailable property taxes | 349,001 | 326,288 | 1,212,844 | 1,888,133 |
| Total deferred inflow of resources | 349,001 | 326,288 | 1,212,844 | 1,888,133 |
| Fund balances | | | | |
| Non-spendable | 104,749 | - | - | 104,749 |
| Restricted for: | | - | | |
| General government | - | 595,010 | 547,945 | 1,142,955 |
| Public works | - | - | 770,445 | 770,445 |
| Public safety | 87,738 | - | - | 87,738 |
| Debt service | - | - | 621,184 | 621,184 |
| Assigned | 5,332,891 | - | - | 5,332,891 |
| Unassigned | 7,582,517 | - | - | 7,582,517 |
| Total fund balances | 13,107,895 | 595,010 | 1,939,574 | 15,642,479 |
| Total liabilities, deferred inflows of resources and fund balances | $ 13,741,538 | $ 977,873 | $ 3,152,418 | $ 17,871,829 |

# City of Monmouth, Illinois

## Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

## April 30, 2025

| | |
|---|---|
| Total fund balances - governmental funds | $ 15,642,479 |
| 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. | 12,351,601 |
| An internal service fund is used to account for self insurance of medical claims. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. | 146,132 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | |
| Accrued compensated absences | (470,437) |
| Notes payable | (242,139) |
| Bonds payable | (2,308,478) |
| Deferred gain on refunding | (10,546) |
| Accrued net pension liability and related deferred resources | (13,242,896) |
| Accrued other post employment benefits liability and related deferred resources | (1,787,425) |
| Interest payable on debt is not reported in the governmental funds if payments are due subsequent to reporting date | (37,217) |
| Total net position - governmental activities | $ 10,041,074 |

See Accompanying Notes to Financial Statements.

# City of Monmouth, Illinois

## Statement of Revenues, Expenditures and Changes In Fund Balance - Governmental Funds

| *Year Ended April 30, 2025* | **General Fund** | **TIF Fund** | **Nonmajor Governmental Funds** | **Total Governmental Funds** |
|---|---|---|---|---|
| Revenues | | | | |
| Property taxes | $ 386,379 | $ 225,297 | $ 980,924 | $ 1,592,600 |
| Intergovernmental revenues | 7,518,801 | 665,327 | 590,975 | 8,775,103 |
| Charges for services | 1,425,605 | 1,600 | - | 1,427,205 |
| Licenses and permits | 254,307 | - | - | 254,307 |
| Fines and forfeitures | 182,109 | - | - | 182,109 |
| Interest | 218,119 | 2,312 | 3,443 | 223,874 |
| Miscellaneous | 145,793 | 14,000 | 27,000 | 186,793 |
| Total revenues | 10,131,113 | 908,536 | 1,602,342 | 12,641,991 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 1,704,431 | 154,401 | 170,218 | 2,029,050 |
| Public safety | 4,728,677 | - | - | 4,728,677 |
| Public works | 876,370 | - | 639,936 | 1,516,306 |
| Solid waste management | 746,982 | - | - | 746,982 |
| Community development | 189,837 | - | - | 189,837 |
| Debt service | | | | |
| Principal payments | - | 20,710 | 380,000 | 400,710 |
| Interest payments | - | 7,204 | 100,800 | 108,004 |
| Capital outlay | 788,326 | 1,752,596 | 277,528 | 2,818,450 |
| Total expenditures | 9,034,623 | 1,934,911 | 1,568,482 | 12,538,016 |
| Excess (deficiency) of revenues over expenditures | 1,096,490 | (1,026,375) | 33,860 | 103,975 |
| Other financing sources (uses) | | | | |
| Transfers in | 2,084,640 | 1,236,328 | 2,829,489 | 6,150,457 |
| Transfers out | (4,668,783) | - | (3,059,030) | (7,727,813) |
| Total other financing sources (uses) | (2,584,143) | 1,236,328 | (229,541) | (1,577,356) |
| Net change in fund balance | (1,487,653) | 209,953 | (195,681) | (1,473,381) |
| Fund balances, beginning of year, as previously reported | 14,595,548 | - | 2,520,312 | 17,115,860 |
| Change in accounting principle (nonmajor to major fund) | - | 385,057 | (385,057) | - |
| Fund balances, beginning of year, as restated | 14,595,548 | 385,057 | 2,135,255 | 17,115,860 |
| Fund balances, end of year | $ 13,107,895 | $ 595,010 | $ 1,939,574 | $ 15,642,479 |

# City of Monmouth, Illinois

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

## For the Year Ended April 30, 2025

| | | |
|---|---|---|
| Net change in fund balance - governmental funds | $ | (1,473,381) |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| An internal service fund is used to account for self insurance of medical claims. The net revenue of the internal service fund is reported with governmental activities. | | (202,046) |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. Donated capital assets are only reported in the statement of activities. This is the amount by which capital outlay is (less than)/more than depreciation expense. | | 2,014,292 |
| The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures, but are recorded as long-term liabilities on the government-wide statements | | |
| Bond payable and note payable principal repayment | | |
| Bond principal repayment | | 380,000 |
| Note payable repayment | | 20,710 |
| Some expenses reported in the statement of activities do not require use of current financial resources and, therefore, are not reported as expenditures in governmental funds: | | |
| Change in net pension asset and deferred pension resources | | 673,794 |
| Change in net OPEB and deferred OPEB resources | | (29,011) |
| Change in deferred gain on refunding | | 3,952 |
| Change in accrued interest payable | | 6,498 |
| Bond premium amortization | | 64,524 |
| Compensated absences not due and payable from current resources are not reported in the governmental funds. | | (62,285) |
| Change in net position of governmental activities | $ | 1,397,047 |

# City of Monmouth, Illinois

## Statement of Net Position - Proprietary Funds

| *April 30, 2025* | Water and Sewer | Governmental Activities<br>Health Reserve Fund |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash, deposits, and investments | $ 789,703 | $ 146,292 |
| Accounts receivable, net | 886,914 | - |
| Interest receivable | 21,978 | - |
| Other receivables | 3,260,340 | - |
| Prepaid items | 127,261 | - |
| Total current assets | 5,086,196 | 146,292 |
| Noncurrent assets | | |
| Capital assets: | | |
| Capital assets not being depreciated and nondepreciable assets | 3,303,869 | - |
| Depreciable property and equipment, net of depreciation | 41,371,501 | - |
| Total noncurrent assets | 44,675,370 | - |
| Total assets | 49,761,566 | 146,292 |
| Total assets and deferred outflow of resources | 49,761,566 | - |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable | 171,067 | 160 |
| Due to other funds | 458,551 | - |
| Customer deposits | 189,141 | - |
| Accrued interest payable | 145,792 | - |
| Notes payable | 188,735 | - |
| Bonds payable, net of unamortized premiums | 1,990,828 | - |
| Total current liabilities | 3,144,114 | 160 |

# City of Monmouth, Illinois

## Statement of Net Position - Proprietary Funds (Continued)

| *April 30, 2025* | Water and Sewer | Governmental Activities<br>Health Reserve Fund |
|---|---|---|
| Noncurrent liabilities | | |
| Notes payable | $ 3,219,094 | $ - |
| Bonds payable, net of unamortized premiums | 29,351,570 | - |
| Total noncurrent liabilities | 32,570,664 | - |
| Total liabilities | 35,714,778 | $ 160 |
| Deferred inflow of resources | | |
| Deferred refunding on bonds | 43,036 | - |
| Deferred contractual agreement revenue | 3,260,340 | - |
| Total deferred inflow of resources | 3,303,376 | - |
| Total liabilities and deferred inflow of resources | 39,018,154 | - |
| Net position | | |
| Net investment in capital assets | 11,860,110 | - |
| Unrestricted | (1,116,698) | 146,132 |
| Total net position | $ 10,743,412 | $ 146,132 |

# City of Monmouth, Illinois

## Statement of Revenues, Expenses and Changes In Net Position - Proprietary Funds

| *Year Ended April 30, 2025* | Water and Sewer | Governmental Activities<br>Health Reserve Fund |
|---|---|---|
| Operating revenues | | |
| Charges for services | $ 6,518,788 | $ 868,634 |
| Servicing fee | 1,085,010 | - |
| Total operating revenues | 7,603,798 | 868,634 |
| Operating expenses | | |
| Contractual | 2,636,770 | - |
| Professional services | 162,958 | - |
| Service charges | 624,534 | - |
| Other | 1,912,493 | - |
| Depreciation and amortization | 2,735,439 | - |
| Benefit payments | - | 1,071,620 |
| Total operating expenses | 8,072,194 | 1,071,620 |
| Operating income (loss) | (468,396) | (202,986) |
| Non-operating revenues (expenses) | | |
| Interest income | 171,621 | 940 |
| Interest expense and other debt service | (592,673) | - |
| Water projects grant | 816,192 | - |
| Capital Contributions | 297,189 | - |
| Total non-operating revenues (expenses) | 692,329 | 940 |
| Income (loss) before transfers | 223,933 | (202,046) |
| Transfers | | |
| Transfers in | 5,630,596 | - |
| Transfers out | (4,053,240) | - |
| Total transfers | 1,577,356 | - |
| Changes in net position | 1,801,289 | (202,046) |
| Net position, beginning of year | 8,942,123 | 348,178 |
| Net position, end of year | $ 10,743,412 | $ 146,132 |

# City of Monmouth, Illinois

## Statement of Cash Flows - Proprietary Funds

| *Year Ended April 30, 2025* | **Water and Sewer** | **Governmental Activities Health Reserve Fund** |
|---|---|---|
| Cash flows from operating activities | | |
| Cash received from customers and users | $ 7,506,070 | $ 868,634 |
| Payments to suppliers | (5,437,986) | (39) |
| Payments for health fund | - | (1,071,620) |
| Net cash flows from operating activities | 2,068,084 | (203,025) |
| Cash flows from non-capital financing activities | | |
| Transfers to other funds | (4,053,240) | - |
| Transfers from other funds | 5,630,596 | - |
| Proceeds from grants | 816,192 | - |
| Net cash flows from non-capital financing activities | 2,393,548 | - |
| Cash flows from capital and related financing activities | | |
| Principal payments on bonds | (1,845,000) | - |
| Principal payments on notes payable | (150,408) | - |
| Bond proceeds | 1,269,582 | - |
| Purchase of capital assets | (3,184,225) | - |
| Premium/discount amortization | (80,034) | - |
| Interest paid on bonds payable and other long-term obligations | (614,426) | - |
| Capital contribution | 297,189 | - |
| Net cash flows from capital and related financing activities | (4,307,322) | - |
| Cash flows from investing activities | | |
| Interest received | 171,639 | - |
| Proceeds from maturities of investment securities | 1,569,861 | 940 |
| Purchases of investment securities | (2,023,980) | - |
| Net cash flows from investing activities | (282,480) | 940 |
| Net change in cash and cash equivalents | (128,170) | (202,085) |
| Cash and cash equivalents, beginning of year | (1,560,874) | 348,377 |
| Cash and cash equivalents, end of year | $ (1,689,044) | $ 146,292 |

# City of Monmouth, Illinois

## Statement of Cash Flows - Proprietary Funds (Continued)

| *Year Ended April 30, 2025* | | **Water and Sewer** | | **Health Reserve Fund** |
|---|---|---|---|---|
| Reconciliation of cash and cash equivalents | | | | |
| Cash, cash equivalents, and restricted cash | $ | (1,689,044) | $ | 146,292 |
| Investments | | 2,478,747 | | - |
| Totals | $ | 789,703 | $ | 146,292 |
| Reconciliation of operating income (loss) to net cash provided by operating activities | | | | |
| Operating (loss) | $ | (468,396) | $ | (202,986) |
| Adjustment to reconcile operating (loss) to net cash flows for operating activities: | | | | |
| Depreciation and amortization | | 2,735,439 | | - |
| Change in assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable | | (69,795) | | - |
| (Increase) decrease in prepaid expenses | | (27,933) | | - |
| (Increase) decrease in accounts payable | | (103,715) | | (39) |
| Increase (decrease) in customer deposits | | 2,484 | | - |
| Net cash (used) by operating activities | $ | 2,068,084 | $ | (203,025) |

# City of Monmouth, Illinois

## Statement of Fiduciary Net Position

| *April 30, 2025* | **Pension Trust Funds** |
|---|---|
| Assets | |
| Cash and cash equivalents | $ 3,004,629 |
| Investments | 18,119,906 |
| Property tax receivables | 2,100,014 |
| Prepaid items | 6,989 |
| Total assets | 23,231,538 |
| Liabilities | |
| Accounts payable | 1,555 |
| Deferred revenue - property taxes | 2,100,014 |
| Total liabilities | 2,101,569 |
| Net Position | |
| Held in trust for - restricted for pension benefits | $ 21,129,969 |

# City of Monmouth, Illinois

## Statement of Changes in Fiduciary Net Position

| *Year Ended April 30, 2025* | **Pension Trust Funds** |
|---|---|
| Additions | |
| Employer contributions (property tax) | $ 1,971,778 |
| Employee contributions | 233,952 |
| Total contributions | 2,205,730 |
| Investment income | |
| Interest on investments | 232,619 |
| Dividends | 44,598 |
| Net appreciation (depreciation) in fair value of investments | 1,372,534 |
| Less investment expenses | (20,814) |
| Total investment income | 1,628,937 |
| Total additions | 3,834,667 |
| Deductions | |
| Pension benefits and refunds | 1,733,437 |
| Accounting and auditing services | 28,310 |
| Legal fees | 19,735 |
| Clerk pay | 10,210 |
| Meetings, training and travel | 2,346 |
| Medical | 975 |
| Filing fees | 9,475 |
| Dues | 888 |
| Other | 6,282 |
| Total deductions | 1,811,658 |
| Change in net position | 2,023,009 |
| Net position, beginning of year | 19,106,960 |
| Net position, end of year | $ 21,129,969 |

## Note 1: Summary of Significant Accounting Policies

**Introduction**

The City of Monmouth, Illinois (the "City") operates on a mayor-council form of government and provides a broad range of services to citizens, including general control and administration, public safety, public works, community development, culture and recreation, and public improvements. It also operates the water and sewer utilities.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below.

**Description of Government-wide Financial Statements**

The government-wide basic financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**Financial Reporting Entity**

The accompanying basic financial statements present the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials are financially accountable or whose exclusion would render the financial statements misleading because of nature and significance of their relationship.

Police Pension Fund

The City police employees participate in the Police Pension Fund, a fiduciary component unit of the City. The Police Pension fund functions for the benefit of these employed. The City is obligated to fund all Police Pension Fund costs not funded by the Police Pension Fund participants based upon actuarial valuations, which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the Police Pension Fund being fiscally dependent upon the City. The Police Pension Fund is reported as a pension trust fund. Separate financial statements can be obtained by contacting the City Hall at 100 East Broadway, Monmouth, Illinois 61462.

## Note 1: Summary of Significant Accounting Policies (Continued)

### Financial Reporting Entity (Continued)

Fire Pension Fund

The City fire employees participate in the Fire Pension Fund, a fiduciary component unit of the City. The Fire Pension fund functions for the benefit of these employed. The City is obligated to fund all Fire Pension Fund costs not funded by the Fire Pension Fund participants based upon actuarial valuations, which creates a financial burden on the City. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the Fire Pension Fund being fiscally dependent upon the City. The Fire Pension Fund is reported as a pension trust fund. Separate financial statements can be obtained by contacting the City Hall at 100 East Broadway, Monmouth, Illinois 61462.

### Basis of Presentation

### Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

While separate government-wide and fund basic financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate basic financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide basic financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the City, except for the fiduciary funds. The fiduciary funds are only reported in the statement of fiduciary net position at the fund financial statement level. The governmental activities column incorporates data from governmental funds and internal service funds. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

## Note 1: Summary of Significant Accounting Policies (Continued)

### Basis of Presentation (Continued)

#### Fund Financial Statements

The fund statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund basic financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund basic financial statements.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund. The General Fund consists of the following sub-funds: General Fund, Cemetery Fund, Capital Reserve Fund, Downtown Façade Fund, Homestead Fund, and Public Safety Expenses Fund.

**General Fund** – The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Many of the more important activities of the City, including operation of the City's general service departments; street and highway maintenance; culture and recreation; and public safety are accounted for in this fund.

**Cemetery Fund** – This fund was created by the City to account for the revenues and expenses relating to the City-owned Cemetery.

**Capital Reserve Fund** – This fund was created by the City to allocate funding for the future capital purchase.

**Homestead Fund** – This fund was created by the City for Community Development to account for revenues and expenses relating to the Community Development Block Grant - CDAP Housing Rehabilitation Grant.

**Downtown Façade Fund** – This fund was created by the City to account for loans receivable and grant revenues and expenses relating to the restoration of buildings in the downtown district

**Public Safety Expenses Fund –** This fund was created by the City to account for foreign fire tax, DUI, drug enforcement, and special equipment accounts.

**TIF Fund** – The TIF Fund is used to support public infrastructure and redevelopment projects within a designated district by allocating future increases in property tax revenue toward eligible improvements that meet statutory and financial compliance requirements.

**Water and Sewer Fund** – The Water and Sewer Fund accounts for the operation of the City's water and sewer activities. It is financed by outside sources and operates in a manner similar to a private business.

## Note 1: Summary of Significant Accounting Policies (Continued)

### Basis of Presentation (Continued)

**Internal Service Fund** – The Internal Service Fund is used to account for the employee and City medical premiums.

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

Trust funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The City reports Pension Trust Funds and they are accounted for in essentially the same manner as proprietary funds, since capital management is critical.

### Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund basic financial statements are reported using the economic resources measurement focus. The government-wide, proprietary, and fiduciary fund basic financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. For this purpose, the City generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City has elected to take exception to this assumption for revenue remitted by the State. Due to the State being late with payments, the City considers those amounts applicable to the current fiscal year to be available as it is vouchered by the State and will be paid after the 60 day period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases obligations are reported as other financing sources.

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

## Note 1: Summary of Significant Accounting Policies (Continued)

**Use of Estimates**

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

**Budgetary Basis of Accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Appropriations in all budgeted funds lapse at the end of the fiscal year.

### Cash and Deposits

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Investments**

The City invests in accordance with Illinois Compiled Statutes 30 ILCS 235 under the Public Funds Investment Act.

The investments are governed by three separate investment policies: one policy for the Police Pension Fund and Firefighters' Pension Fund approved by their respective boards.

Investments are reported at fair value which is determined using selected bases. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Level 1 inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or inputs other than quoted prices that are observable for the asset or liability. Level 3 inputs are unobservable and significant to the fair value measurement.

## Note 1: Summary of Significant Accounting Policies (Continued)

**Accounts Receivable**

Receivables in the government, fiduciary, and the proprietary funds are reported net of allowances for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectable based upon past collection history. As of April 30, 2025, the General Fund and Water and Sewer Fund had allowances for doubtful accounts of $5,774 and $48,877, respectively.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

### Interfund Receivables/Payable

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

### Interfund Transactions

Interfund service transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund service transactions and reimbursements, are reported as transfers.

**Capital Assets**

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations and whether they are reported in the government wide or fund financial statements. In the government wide financial statements, capital assets are accounted for as capital assets. Capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Donated capital assets are recorded at their acquisition value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to April 30, 2004. Assets are capitalized and updated for additions and reductions during the year based on the capitalization policy, which sets the minimum capitalization amounts as follows:

| | |
|---|---|
| Infrastructure assets (roads, bridges, culverts, curbs, sidewalks, lighting systems, gutters, and drainage systems) | $ 10,000 |
| Buildings and improvements | 10,000 |
| Individual furniture and equipment | 5,000 |

## Note 1: Summary of Significant Accounting Policies (Continued)

### Capital Assets (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

| | |
|---|---|
| Buildings | 40 years |
| Buildings improvements | 20 years |
| Bridges | 20 years |
| Water and sewer system | 20 years |
| Roads | 10 years |
| Sidewalks | 10 years |
| Vehicles | 5 years |
| Machinery equipment | 7 years |
| Computer equipment | 5 years |
| Infrastructure | 40-50 years |

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

### Deferred Outflows/Inflows of Resources

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

## Note 1: Summary of Significant Accounting Policies (Continued)

**Compensated Absences**

*Vacation*

Each City department follows a different policy based upon union agreements. Administrative and zoning personnel vacation leave must be used by within a year of the date earned. Vacation time is not allowed to be rolled over into a following year. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Police and fire personnel union agreements accrue at the current rate of pay and are paid out upon termination. The current portion to be used within a year is recorded with current liabilities in the government-wide financial statements. The accrued portion to be used over a year is recorded as a long-term liability in the government-wide financial statements.

*Sick Leave*

The union agreements for Police and Fire personnel allows sick time to be paid out at a specified rate after 12 and 10 years of service, respectively. Other City personnel do not accrue sick time to be paid out in accordance with union agreements. Sick time accrued and not paid out can be rolled into retirement service credit. The liability relating to sick time is accrued and recorded as a long-liability in the government-wide financial statements.

### Long Term Obligation

In the government-wide financial statements and proprietary fund types in the fund 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. Bonds payable are reported net of applicable bond premium or discount.

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 are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF), Police Pension, and Fire Pension. Additions to/deductions pensions' fiduciary net position have been determined on the same basis as they are reported by IMRF and pension trust funds. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## Note 1: Summary of Significant Accounting Policies (Continued)

**Other Post-Employment ("OPEB")**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB expense, information about the fiduciary net position of the City's OPEB plan and additions to/deductions from this fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, OPEB payments (including refunds of employee contributions) are recognized when due and payable in accordance with the OPEB terms. Investments are reported at fair value.

### Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first.

### Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance:* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance:* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the City Council– the City's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action that imposed the original commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

## Note 1: Summary of Significant Accounting Policies (Continued)

### Fund Balances (Continued)

*Assigned fund balance:* This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but the amounts are neither restricted nor committed. The City Council has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance:* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

### Property Taxes

The City's property tax is levied each year on all taxable real property located in the City. Since the 2024 property tax levy is levied to finance the operations of fiscal year 2026, the 2024 property tax is recorded as a receivable and the 2024 property tax revenue is shown as unavailable revenue. The 2023 property tax levy is recorded as revenue by the City in accordance with the applicable measurement focus and basis of accounting for fiscal year 2025. The City must file its tax levy by the last Tuesday of December each year. The 2023 levy was approved on December 18, 2023. The 2024 levy was approved on December 2, 2024.

Taxes levied in 2023 became due and payable in two installments, generally in June 2024 and September 2024. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year.

### Recently Adopted Accounting Pronouncement

During the fiscal year ended April 30, 2025, the City implemented the following GASB Pronouncement:

GASB Statement No. 100: *Accounting for Changes and Error Corrections*: As of May 1, 2024, the City implemented GASB Statement No. 100. The statement enhances accounting and financial reporting requirements for accounting changes and error correction to provide more understandable, reliable, relevant, consistent, and comparable information. The City adopted this guidance retroactively for the year beginning May 1, 2024.

GASB Statement No. 101: *Compensated Absences*: As of May 1, 2024, the City implemented GASB Statement No. 101. The statement updates the accounting rules for how state and local governments recognize and measure liabilities for employee absences like vacation, sick leave, and paid time off. The statement focuses on recognizing liabilities for both used but unpaid leave and unused leave that is likely to be used or paid out. It also provides guidance on measuring these liabilities, including the impact of salary-related payments. The City adopted this guidance retroactively for the year beginning May 1, 2024.

## Note 2: Stewardship, Compliance and Accountability

**Deficit Fund Equity**

At April 30, 2025, there were no funds with a deficit fund balance.

## Note 3: Cash Deposits with Financial Institutions

*Custodial credit risk*-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of April 30, 2025, the City's bank balance was $11,028,031 which was fully collateralized.

*Police Pension*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Police Pension's deposits may not be returned to them. The Police Pension's investment policy requires all bank balances to be covered by federal depository insurance or secured by some form of collateral. The Police Pension has the following depository accounts as of April 30, 2025:

| Institution | Account Type | Carrying Balance | Institution Balance | Uninsured Balance |
|---|---|---|---|---|
| Midwest Bank of Western Illinois | Checking | $ 1,077,212 | $ 1,077,212 | $ - |
| Charles Schwab & Co, Inc | Money Market | 1,239 | 1,239 | - |
| TD Ameritrade Institutional | Cash | 237,555 | 237,555 | - |
| BMO | Checking | 186,275 | 186,275 | - |
| | | $ 1,502,281 | $ 1,502,281 | $ - |

As of April 30, 2025, the Police Pension's bank balance was $1,502,281 and the entire balance was insured and collateralized with securities in the Pension's name.

*Fire Pension*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fire Pension's investment policy requires all bank balances to be covered by federal depository insurance or secured by some form of collateral. The Firefighters' Pension has the following depository accounts as of April 30, 2025:

| Institution | Account Type | Carrying Balance | Institution Balance | Uninsured Balance |
|---|---|---|---|---|
| | | $ - | $ - | $ - |
| Midwest Bank of Western Illinois | Checking | 964,797 | 964,797 | - |
| BMO Harris Bank | Checking | 14,963 | 14,963 | - |
| Fiserv | CD | 522,588 | 522,588 | - |
| | | $ 1,502,348 | $ 1,502,348 | $ - |

As of April 30, 2025, the Fire Pension's bank balance was $1,502,348 and the entire balance was insured and collateralized with securities in the Pension's name.

## Note 4: Investments

*City – Interest Rate Risk, Credit Risk, Concentration of Credit Risk, Custodial Credit Risk and Foreign Current Risk*

As of April 30, 2025, the City had the following investments:

| | Fair Value |
|---|---|
| Governmental activities: | |
| US Treasury note | $ 2,003,036 |
| Total | 2,003,036 |
| Business-type activities: | |
| US Treasury note | 2,478,747 |
| Total | $ 2,478,747 |

The City reports its participating interest-earning certificates of deposit at fair value within the government-wide and proprietary fund financial statements as investments. Nonparticipating certificates of deposit are reported at cost within the government-wide and proprietary fund financial statements as investments.

Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has no specific policy on the interest rate risk at year-end.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investment by maturity:

| | | Investment Maturities (in Years) | | | |
|---|---|---|---|---|---|
| **Investment Type** | **Fair Value** | **0-1** | **1-5** | **5-10** | **More than 10** |
| Governmental activities | | | | | |
| US Treasury note | $ 2,003,036 | $ 1,599,829 | $ 403,207 | $ - | $ - |
| Total governmental activities | 2,003,036 | 1,599,829 | 403,207 | - | - |
| Business-type activities | | | | | |
| US Treasury note | 2,478,747 | 1,974,738 | 504,009 | - | - |
| Total business-type activities | $ 2,478,747 | $ 1,974,738 | $ 504,009 | $ - | $ - |

## Note 4: Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in U.S. Government obligations are not considered to be of any credit risk since they carry the full obligation and guarantee of the U.S. Government. Presented below is the actual rating as of year-end for each investment type:

| Investment Type | Fair Value | AAAm | Aa | Unrated |
|---|---|---|---|---|
| Governmental activities | $ - | $ - | $ - | $ - |
| US Treasury note | 2,003,036 | - | - | 2,003,036 |
| Total governmental activities | 2,003,036 | - | - | 2,003,036 |
| Business-type activities | - | - | - | - |
| US Treasury note | 2,478,747 | - | - | 2,478,747 |
| Total business-type activities | $ 2,478,747 | $ - | $ - | $ 2,478,747 |

The following table presents the City's approximate fair value hierarchy for the assets measured at fair value on a recurring basis as of April 30, 2025:

| | | Fair Value Measurements at Reporting Date Using | | |
|---|---|---|---|---|
| Investment Type | Total | Level 1 | Level 2 | Level 3 |
| Governmental activities | | | | |
| US Treasury note | $ 2,003,036 | $ - | $ 2,003,036 | $ - |
| Total governmental activities | 2,003,036 | - | 2,003,036 | - |
| Business-type activities | | | | |
| US Treasury note | 2,478,747 | - | 2,478,747 | - |
| Total business-type activities | $ 2,478,747 | $ - | $ 2,478,747 | $ - |

## Note 4: Investments (Continued)

*Concentration of credit risk.* The City's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the City's total investments.

*Custodial credit risk-investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of April 30, 2025, there are no investments with custodial credit risk in that all of its investments are insured.

*Foreign Currency Risk.* The City has no foreign currency risk for investments at year end.

## Note 5: Capital Assets

The governmental activities capital asset activity for the year ended April 30, 2025, is as follows:

| Governmental activities: | Balance 5/1/2024 | Increases | Decreases and Transfers | Balance 04/30/25 |
|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | |
| Land and improvements | $ 944,170 | $ - | $ - | $ 944,170 |
| Construction in progress | 823,200 | 2,302,515 | (282,158) | 2,843,557 |
| Total capital assets, not being depreciated: | 1,767,370 | 2,302,515 | (282,158) | 3,787,727 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 5,540,495 | 82,075 | - | 5,622,570 |
| Equipment | 4,202,087 | 229,318 | - | 4,431,405 |
| Infrastructure | 8,342,685 | 204,542 | 282,158 | 8,829,385 |
| Total capital assets, being depreciated: | 18,085,267 | 515,935 | 282,158 | 18,883,360 |
| Accumulated depreciation: | | | | |
| Buildings and improvements | (2,599,245) | (127,731) | - | (2,726,976) |
| Equipment | (3,157,688) | (167,064) | - | (3,324,752) |
| Infrastructure | (3,758,395) | (509,363) | - | (4,267,758) |
| Total accumulated depreciation | (9,515,328) | (804,158) | - | (10,319,486) |
| Total capital assets, being depreciated, net | 8,569,939 | (288,223) | 282,158 | 8,563,874 |
| Governmental activities capital assets, net | $ 10,337,309 | $ 2,014,292 | $ - | $ 12,351,601 |

## Note 5: Capital Assets (Continued)

The business-type activities capital asset activity for the year ended April 30, 2025 is as follows:

| Business-Type activities: | Balance 5/1/2024 | Increases | Decreases and Transfers | Balance 04/30/25 |
|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | |
| Land | $ 303,387 | $ - | $ - | $ 303,387 |
| Construction in progress | 2,014,325 | 1,957,070 | (970,913) | 3,000,482 |
| Total capital assets, not being depreciated | 2,317,712 | 1,957,070 | (970,913) | 3,303,869 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 10,369,313 | - | - | 10,369,313 |
| Equipment | 2,177,173 | 79,756 | - | 2,256,929 |
| Infrastructure | 72,366,092 | 1,147,399 | 970,913 | 74,484,404 |
| Total capital assets, being depreciated | 84,912,578 | 1,227,155 | 970,913 | 87,110,646 |
| Accumulated depreciation: | | | | |
| Buildings and improvements | (698,461) | (509,466) | - | (1,207,927) |
| Equipment | (556,871) | (96,672) | - | (653,543) |
| Infrastructure | (41,748,374) | (2,129,301) | - | (43,877,675) |
| Total accumulated depreciation | (43,003,706) | (2,735,439) | - | (45,739,145) |
| Total capital assets, being depreciated, net | 41,908,872 | (1,508,284) | 970,913 | 41,371,501 |
| Business-type activities capital assets, net | $ 44,226,584 | $ 448,786 | $ - | $ 44,675,370 |

Depreciation expense was charged to governmental functions as follows:

| Governmental activities: | Amount |
|---|---|
| General government | $ 109,686 |
| Public safety | 227,436 |
| Public works | 424,253 |
| Community development | 4,967 |
| Culture and recreation | 37,816 |
| Total depreciation expense, governmental activities | 804,158 |
| **Business-type activities:** | |
| Water and Sewer | 2,735,439 |
| Total depreciation expense, business-type activities | 3,539,597 |

## Note 6: Retirement Plans

**Illinois Municipal Retirement Fund (IMRF)**

*Plan Description and Benefits*

**Plan description** – The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at https://www.imrf.org.

**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).

All three IMRF benefit plans have two tiers. 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 12/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired ***on or after*** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 12/3% 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.

## **Note 6: Retirement Plans** (Continued)

*Regular Plan*

**Employees Covered by the Benefit Terms -** At the December 31, 2024 valuation date, the following employees were covered by the benefit terms:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 85 |
| Inactive plan member entitled to but not yet receiving benefits | 62 |
| Active employees | 17 |
| Total | 164 |

**Contributions** - As set by statute, the City'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 City's annual contribution rate for calendar year 2024 was 0.89%. For the fiscal year ended April 30, 2025, the City contributed $6,955 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability** - The City's Net Pension Liability was measured as of December 31, 2024, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

**Actuarial assumptions** – The following are the methods and assumptions used to determine total pension liability at December 31, 2024:

| | |
|---|---|
| Actuarial cost method | Entry Age Normal |
| Asset valuation method | Fair Value of Assets |
| Inflation | 2.25% |
| Salary increases | 2.85% to 13.75%, including inflation |
| Investment rate of return | 7.25% |
| Retirement age | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2023 valuation according to an experience study from years 2020 to 2022. |
| Mortality | For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. |

## **Note 6: Retirement Plans** (Continued)

*Regular Personnel (Non-SLEP)* (Continued)

The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2024:

| | | | Projected Returns/Risk | |
|---|---|---|---|---|
| **Asset Class** | **Portfolio Target Percentage** | **Return 12/31/2024** | **One Year Arithmetic** | **Ten Year Geometric** |
| Equities | 33.5 % | 19.02 % | 5.70 % | 4.35 % |
| International equity | 18.0 % | 6.35 % | 7.10 % | 5.40 % |
| Fixed income | 24.5 % | 3.14 % | 5.30 % | 5.20 % |
| Real estate | 10.5 % | 2.25 % | 7.30 % | 6.40 % |
| Alternatives | 12.5 % | 6.72 % | | |
| Private equity | | N/A | 10.00 % | 6.25 % |
| Hedge funds | | N/A | N/A | N/A |
| Commodities | | N/A | 6.05 % | 4.85 % |
| Cash equivalents | 1.0 % | 5.57 % | 3.60 % | 3.60 % |

**Single Discount Rate**

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

## **Note 6: Retirement Plans** (Continued)

*Regular Personnel (Non-SLEP)* (Continued)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%.

**Changes in Net Pension Liability**

| | Total Pension Liability (A) | Plan Net Position (B) | Net Pension Liability (Asset) (A) - (B) |
|---|---|---|---|
| Balances at January 1, 2024 | $ 10,378,689 | $ 18,867,660 | $ (8,488,971) |
| Changes for the year: | | | |
| Service cost | 63,845 | - | 63,845 |
| Interest on the total pension liability | 723,095 | - | 723,095 |
| Differences between expected and actual experience of the total pension liability | 120,412 | - | 120,412 |
| Contributions - employer | - | 7,196 | (7,196) |
| Contributions - employees | - | 36,388 | (36,388) |
| Net investment income | - | 1,952,532 | (1,952,532) |
| Benefit payments, including refunds of employee contributions | (873,788) | (873,788) | - |
| Other (net transfer) | - | (481,702) | 481,702 |
| Net changes | 33,564 | 640,626 | (607,062) |
| Balances at December 31, 2024 | $ 10,412,253 | $ 19,508,286 | $ (9,096,033) |

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate -** The following presents the plan's net pension liability, calculated using the single discount rate of 7.25 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

| | 1% Lower (6.25%) | Current Discount (7.25%) | 1% Higher (8.25%) |
|---|---|---|---|
| Net pension liability (asset) | $ (8,259,928) | $ (9,096,033) | $ 9,785,207 |

## **Note 6: Retirement Plans** (Continued)

*Regular Personnel (Non-SLEP)* (Continued)

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions -** For year ended April 30, 2025, the City recognized pension expense (income) of $(26,455). At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflow of Resources |
|---|---|---|
| *Deferred amounts to be recognized in pension expense in future periods:* | | |
| Difference between expected and actual experience | $ 6,267 | $ - |
| Net difference between projected and actual earnings on pension plan investments | 467,513 | - |
| Total deferred amounts to be recognized in pension expense in future periods | 473,780 | - |
| Pension contributions subsequent to the measurement date | 2,294 | - |
| Total deferred amounts related to pensions | $ 476,074 | $ - |

The City reported $2,294 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the measurement period ending April 30, 2026.

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:

| Year Ending April 30 | Net Deferred Outflows (Inflows) of Resources |
|---|---|
| 2026 | $ 234,557 |
| 2027 | 640,761 |
| 2028 | (275,103) |
| 2029 | (126,435) |
| Total | $ 473,780 |

## **Note 6: Retirement Plans** (Continued)

*Police Pension Fund*

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

*Deposits.* Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled $1,502,281 and the bank balances totaled $1,502,281.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Pension Fund's investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

*Investments.* At year-end the Fund has $10,690,534 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year-end. The fund may redeem shares with a seven-calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven-calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

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

*Investment Rate of Return.* For the fiscal year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.68%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## Note 6: Retirement Plans (Continued)

*Police Pension Fund* (Continued)

**Plan Administration**

Police sworn personnel are covered by the Police Pension Plan ("Police") which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40-Article 5/3) and may be amended only by the Illinois legislature.

The Fund is governed by a five-member Board of Trustees. Two members of the Board are appointed by the City's mayor, one member is elected by pension beneficiaries, and two members are elected by active police employees.

**Plan Membership -** At April 30, 2025, Police membership consisted of:

| | |
|---|---|
| Inactive plan members or beneficiaries currently receiving benefits | 19 |
| Inactive plan members entitled to but not yet receiving benefits | 5 |
| Active plan members | 19 |
| Total | 43 |

**Benefits Provided** - The Police provides retirement benefits as well as death and disability benefits in two tiers depending on when a participant enters the plan. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to 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% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service. The monthly benefit of a police officer who retired with 20 or more of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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

## **Note 6: Retirement Plans** (Continued)

*Police Pension Fund* (Continued)

Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit. Employees disable in the line of duty receive 65% of final salary.

**Contributions** - Employees are required by ILCS to contribute 9.91% of their base salary to the Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Fund, as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City 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, 2025, the City's contribution was 75.79% of covered payroll.

**Net Pension Liability** - The components of the net pension liability of the Police Pension Fund as of April 30, 2025 calculated in accordance with GASB Statement No. 67 were as follows:

| | |
|---|---|
| Total pension liability | $ 23,732,166 |
| Plan fiduciary net position | 12,198,354 |
| Employer's net pension liability | 11,533,812 |
| Plan fiduciary net position as a percentage of the total pension liability | 51 % |

## **Note 6: Retirement Plans** (Continued)

*Police Pension Fund* (Continued)

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Police Pension Fund.

**Actuarial assumptions -** The total pension liability above was determined by an actuarial valuation performed as of April 30, 2025 using the following actuarial methods and assumptions.

| | |
|---|---|
| Measurement date | April 30, 2025 |
| Valuation date | May 1, 2024 |
| Assumptions | |
| Discount rate | 6.00% |
| Long-term rate of return | 6.00% |
| Cost Method | Entry Age Normal |
| Mortality | |
| Active Lives | PubS-2010 Employee mortality, unadjusted, with generational improvements with most recent projection scale (currently Scale MP-2021). 10% of active deaths are assumed to be in the line of duty. |
| Inactive Lives | PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.15 for male retirees and unadjusted for female retirees, with generational improvements with most recent projection scale (currently Scale MP-2021). |
| Beneficiaries | PubS-2010 Survivor mortality, unadjusted for male beneficiaries and adjusted by a factor of 1.15 for female beneficiaries, with generational improvements with most recent projection scale (currently Scale MP-2021). |
| Disabled Lives | PubS-2010 Disabled mortality, adjusted by a factor of 1.08 for male disabled members and unadjusted for female disabled members, with generational improvements with most recent projection scale (currently Scale MP-2021). |
| Mortality Improvement | The mortality assumptions sufficiently accommodate anticipated future mortality improvements. |
| Retirement Age | This is based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund. |
| Disability Rate | 60% of the disabilities are assumed to be in the line of duty. This is based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund. |
| Termination Rate | This is based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund. |
| Salary increases | Service-based rates |
| Inflation | 2.50% |

## **Note 6: Retirement Plans** (Continued)

*Police Pension Fund* (Continued)

| | |
|---|---|
| Cost-of-Living Adjustment | Tier 1: 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Tier 2: 1.25% per year after the later of attainment of age 60 or first anniversary of re. rement. |
| Marital Status | 80% of Members are assumed to be married. |
| Spouse's Age | Males are assumed to be three years older than females. |
| Latest Experience Study Date | 2022 |

### Discount Rate

The discount rate used to measure the total pension liability was 6.00%. 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 City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan assets of 6.00% was blended with the index rate of 4.64% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2025 to arrive at a discount rate of 6.00% used to determine the total pension liability.

Projected benefit payments are determined during the actuarial process based on the assumptions. More details on the assumptions are in the prior section. The expected contributions are based on the funding policy of the plan.

## **Note 6: Retirement Plans** (Continued)

*Police Pension Fund* (Continued)

**Changes in Net Pension Liability**

| | Total Pension Liability (A) | Plan Net Position (B) | Net Pension Liability (Asset) (A) - (B) |
|---|---|---|---|
| Balances at April 30, 2024 | $ 22,587,577 | $ 11,131,045 | $ 11,456,532 |
| Changes for the year: | | | |
| Service cost | 385,414 | - | 385,414 |
| Interest on the total pension liability | 1,350,960 | - | 1,350,960 |
| Differences between expected and actual experience of the total pension liability | 322,199 | - | 322,199 |
| Contributions - employer | - | 985,889 | (985,889) |
| Contributions - employees | - | 128,918 | (128,918) |
| Net investment income | - | 900,652 | (900,652) |
| Benefit payments, including refunds of employee contributions | (913,984) | (913,984) | - |
| Other (net transfer) | - | (34,166) | 34,166 |
| Net changes | 1,144,589 | 1,067,309 | 77,280 |
| Balances at April 30, 2025 | $ 23,732,166 | $ 12,198,354 | $ 11,533,812 |

**Discount Rate Sensitivity -** The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5%) or 1 percentage point higher (7%) than the current rate:

| | 1% Lower (5.00%) | Current Discount (6.00%) | 1% Higher (7.00%) |
|---|---|---|---|
| Net pension liability | $ 15,089,748 | $ 11,533,812 | $ 8,653,646 |

## **Note 6: Retirement Plans** (Continued)

*Police Pension Fund* (Continued)

**Pension Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions -** For the year ended April 30, 2025, the City recognized pension expense of $516,055. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflow of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 331,874 | $ 104,494 |
| Changes in assumptions | 492,779 | 949,661 |
| Net difference between projected and actual earnings on pension plan investments | - | 35,008 |
| Total | $ 824,653 | $ 1,089,163 |

* Contributions subsequent to the measurement date may be recognized as a reduction to the net pension liability.

Subsequent to the measurement date, the following amounts will be recognized in pension expense in the upcoming years:

| *Year Ended April 30:* | |
|---|---|
| 2026 | $ (351,782) |
| 2027 | 69,776 |
| 2028 | (1,394) |
| 2029 | 18,890 |
| Total | $ (264,510) |

## **Note 6: Retirement Plans** (Continued)

*Firefighters' Pension Fund*

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the plan are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2024. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org

*Deposits.* Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled $1,502,348 and the bank balances totaled $1,502,348.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Pension Fund's investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

*Investments.* At year-end the Fund has $7,348,786 invested in IFPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year-end. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF. The Firefighters' Pension Fund also carries $73 of governmental national mortgage investments and $80,513 of insurance annuities – both of which are level 2 investments.

*Investment Policy.* IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by ILCS. The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

*Investment Rate of Return.* For the fiscal year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## Note 6: Retirement Plans (Continued)

*Firefighters' Pension Fund* (Continued)

**Plan Administration**

Fire sworn personnel are covered by the Firefighters' Pension Plan ("Firefighters'"), a single-employer defined benefit pension plan sponsored by the City. The defined benefits and employee and minimum employer contributions levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature.

The Fund is governed by a five-member Board of Trustees. Two members of the Board are appointed by the City's mayor, one member is elected by pension beneficiaries, and two members are elected by active firefighter employees.

**Plan Membership -** At April 30, 2025, the Firefighters' membership consisted of:

| | |
|---|---|
| Inactive plan members or beneficiaries currently receiving benefits | 20 |
| Inactive plan members entitled to but not yet receiving benefits | 1 |
| Active plan members | 17 |
| Total | 38 |

**Benefits Provided** - The following is a summary of benefits of the plan as provided for in ILCS:

The Firefighters' provides retirement benefits as well as death and disability benefits in two tiers depending on when a participant enters a plan. Tier I employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 10 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 firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of credible service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter 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. Firefighters' salary for pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter 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 3.00% of ½ of the change in the Consumer Price Index for the proceeding calendar year.

## **Note 6: Retirement Plans** (Continued)

*Firefighters' Pension Fund* (Continued)

**Contributions** - Employees are required by ILCS to contribute 9.455% of their base salary to the Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Fund, as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City 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, 2025, the City's contribution was 88.75% of covered payroll.

**Net Pension Liability** - The components of the net pension liability of the Fire Pension Fund as of April 30, 2025 calculated in accordance with GASB Statement No. 67 were as follows:

| | |
|---|---|
| Total pension liability | $ 19,620,251 |
| Plan fiduciary net position | 8,931,614 |
| Employer's net pension liability | 10,688,637 |
| Plan fiduciary net position as a percentage of the total pension liability | 46 % |

## **Note 6: Retirement Plans** (Continued)

*Firefighters' Pension Fund* (Continued)

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fire Pension Fund.

**Actuarial assumptions -** The total pension liability above was determined by an actuarial valuation performed as of April 30, 2025 using the following actuarial methods and assumptions.

| | |
|---|---|
| Measurement date | April 30, 2025 |
| Valuation date | May 1, 2024 |
| Assumptions | |
| Discount rate | 6.00% |
| Long-term rate of return | 6.00% |
| Cost Method | Entry Age Normal |
| Mortality | |
| Active Lives | PubS-2010 Employee mortality, unadjusted, with generational improvements with the most recent projection scale (currently Scale MP-2021). 20% of active deaths are assumed to be in the line of duty. |
| Inactive Lives | PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.081 for male retirees and unadjusted for female retirees, with generational improvements with the most recent projection scale (currently Scale MP-2021). |
| Beneficiaries | PubS-2010 Survivor mortality, unadjusted for male beneficiaries and adjusted by a factor of 1.098 for female beneficiaries, with generational improvements with the most recent projection scale (currently Scale MP-2021). |
| Disabled Lives | PubS-2010 Disabled mortality, adjusted by a factor of 1.178 for male disabled members and unadjusted for female disabled members, with generational improvements with the most recent projection scale (currently Scale MP-2021). |
| Mortality Improvement | The mortality assumptions sufficiently accommodate anticipated future mortality improvements. |
| Retirement Age | This is based on a 2021 experience study performed for the Illinois Firefighters' Pension Investment Fund. |
| Disability Rate | 80% of the disabilities are assumed to be in the line of duty. This is based on a 2021 experience study performed for the Illinois Firefighters' Pension Investment Fund. |
| Termination Rate | This is based on a 2021 experience study performed for the Illinois Firefighters' Pension Investment Fund. |
| Salary increases | Service-based rates |
| Inflation | 2.50% |

## **Note 6: Retirement Plans** (Continued)

*Firefighters' Pension Fund* (Continued)

| | |
|---|---|
| Cost-of-Living Adjustment | Tier 1: 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Tier 2: 1.25% per year a er the later of a ainment of age 60 or first anniversary of retirement. |
| Marital Status | 80% of Members are assumed to be married. |
| Spouse’s Age | Males are assumed to be three years older than females. |
| Latest Experience Study Date | 2021 |

**Discount Rate**

The discount rate used to measure the total pension liability was 6.00%. 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 City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.00% was blended with the index rate of 4.64% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2025 to arrive at a discount rate of 6.00% used to determine the total pension liability.

Projected benefit payments are determined during the actuarial process based on the assumptions. More details on the assumptions are in the prior section. The expected contributions are based on the funding policy of the plan.

## **Note 6: Retirement Plans** (Continued)

*Firefighters' Pension Fund* (Continued)

**Changes in Net Pension Liability**

| | Total Pension Liability (A) | Plan Net Position (B) | Net Pension Liability (Asset) (A) - (B) |
|---|---|---|---|
| Balances at April 30, 2024 | $ 18,820,503 | $ 7,974,639 | $ 10,845,864 |
| Changes for the year: | | | |
| Service cost | 391,490 | - | 391,490 |
| Interest on the total pension liability | 1,128,135 | - | 1,128,135 |
| Differences between expected and actual experience of the total pension liability | 99,576 | - | 99,576 |
| Contributions - employer | - | 985,889 | (985,889) |
| Contributions - employees | - | 105,033 | (105,033) |
| Net investment income | - | 728,217 | (728,217) |
| Benefit payments, including refunds of employee contributions | (819,453) | (819,453) | - |
| Other (net transfer) | - | (42,711) | 42,711 |
| Net changes | 799,748 | 956,975 | (157,227) |
| Balances at April 30, 2025 | $ 19,620,251 | $ 8,931,614 | $ 10,688,637 |

**Discount Rate Sensitivity -** The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.00% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.00%) or 1 percentage point higher (7.00%) than the current rate:

| | 1% Lower (5.00%) | Current Discount (6.00%) | 1% Higher (7.00%) |
|---|---|---|---|
| Net pension liability | $ 13,672,636 | $ 10,688,637 | $ 8,281,530 |

## Note 6: Retirement Plans (Continued)

*Firefighters' Pension Fund* (Continued)

**Pension Expenses, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions -** For the year ended April 30, 2025, the City recognized pension expense of $815,536. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflow of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 142,023 | $ 569,059 |
| Changes in assumptions | 69,928 | 12,180 |
| Net difference between projected and actual earnings on pension plan investments | 41,244 | - |
| Total | $ 253,195 | $ 581,239 |

* Contributions subsequent to the measurement date may be recognized as a reduction to the net pension liability.

Subsequent to the measurement date, the following amounts will be recognized in pension expense in the upcoming years:

| *Year Ended April 30:* | |
|---|---|
| 2026 | $ (8,080) |
| 2027 | (104,055) |
| 2028 | (200,525) |
| 2029 | (31,980) |
| 2030 | 16,596 |
| Total | $ (328,044) |

**Aggregate Pension Amounts** - At April 30, 2025, the City reported the following from all pension plans:

| | IMRF-Regular | Police | Firefighters | All Pension Plans |
|---|---|---|---|---|
| Net pension liability/(asset) | $ (9,096,033) | $ 11,533,812 | $ 10,688,637 | $ 13,126,416 |
| Deferred outflows of resources | 476,074 | 824,653 | 253,195 | 1,553,922 |
| Deferred inflows of resources | - | 1,089,163 | 581,239 | 1,670,402 |
| Pension expense (income) | (26,455) | 516,055 | 815,536 | 1,305,136 |

## Note 7: Other Postemployment Benefits

*Plan Description.* The City administers a single-employer defined benefit health care plan. The plan provides medical insurance benefits to eligible retirees and their spouses through the City's group medical insurance plan, which covers both active and retired members. The eligibility requirements are based on the minimum requirements of the Illinois Municipal Retirement Fund. If eligible, the retiree may receive medical insurance benefits until the retiree stops paying the medical insurance premiums. The plan does not issue a standalone report.

*Benefits Provided.* The City does not pay any portion of the health insurance premiums for retirees; however, the retired employee receives an implicit benefit of a lower health care premium, which is spread among the cost of active employee premiums. Because the State prohibits local governments from separately rating active employees and retirees, the City charges both groups an equal, blended premium rate. Although both groups are charged the same rate, GAAP requires the actuarial amounts to be calculated using age adjusted premiums that approximate costs for retirees separately from those for active employees. The use of age adjusted premiums results in the inclusion of an implicit rate subsidy in the actuarial accrued liability. However, the City's contributions to the plan are based on actuarial valuations prepared using the blended rate premium that is actually charged.

*Employees Covered by the Benefit Terms*. At April 30, 2025 (most recent actuarial study), the following employees were covered by the benefit terms:

| | |
|---|---|
| Active employees | 47 |
| Inactive employees currently receiving benefits | - |
| Retirees, beneficiaries, and disabled members | 30 |
| Total | 77 |

***Total OPEB Liability***

At April 30, 2025, the City's total OPEB Liability of $1,787,425; the City's total OPEB liability was measured as of April 30, 2024 and was determined by an actuarial valuation as of April 30, 2024.

*Actuarial Methods and Assumptions.* Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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 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:

## Note 7: Other Postemployment Benefits (Continued)

### Actuarial Assumptions

| | |
|---|---|
| Mortality Rate | |
| Police & Fire | PubS-2010 Mortality Tables projected 5 years past the valuation date using MP-2021. |
| IMRF | PubG-2010 Mortality Tables projected using MP-2020. |
| Inflation | 2.50% per year. |
| Salary Increase Rate | 3.00% per year. |
| Marital Status | 100% assumed married, with male spouses 3 years older than female spouses. |
| Health Care Participation | 30% participation assumed for those with active coverage. 10% assumed for those without active coverage.<br><br>50% assumed to elect spouse coverage.<br><br>100% assumed to lapse coverage upon attainment of age 65. |
| Health Care Inflation | Initial rate of 6.75% in fiscal 2024, grading down to the ultimate trend rate of 4.00% in fiscal 2074. Sample rates below: |

| Fiscal Year | Rate |
|---|---|
| 2024 | 6.75% |
| 2025 | 6.50% |
| 2026 | 6.25% |
| 2027 | 6.00% |
| 2028 | 5.75% |
| 2029 | 5.50% |
| 2030-2051 | 5.25% |
| 2052-2059 | 5.00% |
| 2060-2066 | 4.75% |
| 2067-2070 | 4.50% |
| 2071-2073 | 4.25% |
| 2074+ | 4.00% |

## Note 7: Other Postemployment Benefits (Continued)

Termination Rates

| | Age | Rate |
|---|---|---|
| Police | 25 | 0.080 |
| | 30 | 0.034 |
| | 35 | 0.028 |
| | 40 | 0.022 |
| | 45 | 0.016 |
| | 50 | 0.005 |
| Fire | 25 | 0.070 |
| | 30 | 0.041 |
| | 35 | 0.024 |
| | 40 | 0.012 |
| | 45 | 0.004 |
| | 50 | 0.000 |

IMRF See tables below.

Disability Rates

| | Age | Rate |
|---|---|---|
| Police | 25 | 0.0000 |
| | 30 | 0.0006 |
| | 35 | 0.0018 |
| | 40 | 0.0038 |
| | 45 | 0.0053 |
| | 50 | 0.0048 |
| Fire | 25 | 0.0007 |
| | 30 | 0.0009 |
| | 35 | 0.0027 |
| | 40 | 0.0054 |
| | 45 | 0.0075 |

## Note 7: Other Postemployment Benefits (Continued)

| | | |
|---|---|---|
| | 50 | 0.0097 |
| IMRF Regular | Age | Male, Female |
| | 25 | 0.00%, 0.00% |
| | 30 | 0.00%, 0.00% |
| | 35 | 0.01%, 0.00% |
| | 40 | 0.02%, 0.01% |
| | 45 | 0.03%, 0.01% |
| | 50 | 0.04%, 0.02% |
| | 55 | 0.07%, 0.03% |
| | 60 | 0.08%, 0.05% |
| | 65 | 0.09%, 0.06% |
| | 70 | 0.08%, 0.05% |
| | 75 | 0.05%, 0.04% |
| | 80 | 0.05%, 0.03% |

| | |
|---|---|
| GASB 75 Measurement Method | Alternative Measurement Method, as described in Governmental Accounting Standards Board No. 75 for plans with fewer than 100 covered members. |
| Funding Method | Entry Age Cost Method (Level % of Pay) |

Retirement Rates — IMRF Employees: Rates from the December 31, 2020 IMRF Actuarial Valuation Report

Regular IMRF Normal Retirement Rates - Tier 1

| Age | Male | Female | Age | Male | Female |
|---|---|---|---|---|---|
| 50 | 7.00% | 6.05% | 70 | 26.00% | 25.50% |
| 55 | 33.00% | 29.50% | 75 | 23.00% | 24.00% |
| 60 | 13.00% | 11.50% | 80 | 100.00% | 100.00% |
| 65 | 26.00% | 27.00% | | | |

Regular IMRF Normal Retirement Rates - Tier 2, Males

| Age | <30 | 30-35 | >35 | Age | <30 | 30-35 | >35 |
|---|---|---|---|---|---|---|---|
| 50 | 0% | 0% | -% | 70 | 20% | 50% | 75% |
| 55 | 0% | 0% | -% | 75 | 18% | 50% | 75% |
| 60 | 0% | 0% | -% | 80 | 100% | 100% | 100% |
| 65 | 15% | 15% | 75% | | -% | -% | -% |

Regular IMRF Normal Retirement Rates - Tier 2, Females

| Age | <30 | 30-35 | >35 | Age | <30 | 30-35 | >35 |
|---|---|---|---|---|---|---|---|
| 50 | 0% | 0% | -% | 70 | 18% | 50% | 75% |
| 55 | 0% | 0% | -% | 75 | 18% | 50% | 75% |
| 60 | 0% | 0% | -% | 80 | 100% | 100% | 100% |
| 65 | 13% | 13% | 75% | | | | |

## Note 7: Other Postemployment Benefits (Continued)

Regular IMRF Termination Rates

| Age | Male Ultimate Rate | Male Select Rate | Years of Service | Female Ultimate Rate | Female Select Rate |
|---|---|---|---|---|---|
| 30 | 4.8% | 24.8% | 0 | 7.7% | 27.7% |
| 35 | 3.8% | 19.8% | 1 | 5.9% | 22.0% |
| 40 | 3.0% | 15.3% | 2 | 4.6% | 17.8% |
| 45 | 2.5% | 13.3% | 3 | 3.8% | 14.5% |
| 50 | 2.1% | 10.7% | 4 | 3.2% | 12.0% |
| | | 8.8% | 5 | | 10.5% |
| | | 7.7% | 6 | | 9.2% |
| | | 7.7% | 7 | | 8.8% |

| | |
|---|---|
| Credited Service | Total completed years of employment with the City. |
| Eligibility for Insurance Coverage | Must meet the eligibility requirements for Normal Retirement under the applicable Retirement Plan. |
| **IMRF** | |
| Tier 1 (hired before 1/1/2011) | Age 55 with 8 years of service. |
| Tier 2 (hired on or after 1/1/2022) | Age 62 with 10 years of service. |
| **Police** | |
| Tier 1 (hired before 1/1/2011) | Age 50 with 20 years of service. |
| Tier 2 (hired on or after 1/1/2022) | Age 55 with 10 years of service. |
| **Fire** | |
| Tier 1 (hired before 1/1/2011) | Age 50 with 20 years of service. |
| Tier 2 (hired on or after 1/1/2022) | Age 55 with 10 years of service. |
| Health Contributions | |
| Employee | Remaining amount necessary for payment of claims. |
| City | The City will also contribute $150 per month towards the cost of the premium for such coverage or coverage under another plan if the employee elects to leave the City plan. |

## Note 7: Other Postemployment Benefits (Continued)

***Changes to Net OPEB Liability***

| | Total OPEB Liability (A) | Plan Fiduciary Net Position (B) | Net OPEB Liability (A) - (B) |
|---|---|---|---|
| Balances at April 30, 2024 | $ 1,758,414 | $ - | $ 1,758,414 |
| Changes for the year: | | | |
| Service cost | 48,848 | - | 48,848 |
| Interest | 78,635 | - | 78,635 |
| Differences between expected and actual experience | - | - | - |
| Changes of assumptions and other inputs | (41,496) | - | (41,496) |
| Benefit payments | (56,976) | - | (56,976) |
| Net changes | 29,011 | - | 29,011 |
| Balances at April 30, 2025 | $ 1,787,425 | $ - | $ 1,787,425 |

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate of described in the actuarial assumptions and the net OPEB liability that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

| | 1% Increase | Current Discount Rate | 1% Decrease |
|---|---|---|---|
| Net OPEB liability | $ 1,614,583 | $ 1,787,425 | $ 1,987,493 |

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates described in the actuarial assumptions as well what the plan’s net OPEB liability would be if it were calculated using a healthcare trend rate that is 1% lower or 1% higher:

| | 1% Increase | Healthcare Cost Trend Rates | 1% Decrease |
|---|---|---|---|
| Net OPEB liability | $ 1,892,668 | $ 1,787,425 | $ 1,696,836 |

## Note 7: Other Postemployment Benefits (Continued)

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB -** For year ended April 30, 2025, the City recognized OPEB expense of $89,187. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources **:**

| | Deferred Outflows of Resources | Deferred Inflow of Resources |
|---|---|---|
| Difference between expected and actual experience | $ - | $ - |
| Changes in assumptions | - | - |
| Net difference between projected and actual earnings on OPEB plan investments | - | - |
| Total deferred amounts to be recognized in OPEB expense in future periods | - | - |

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

| Year Ending April 30 | |
|---|---|
| 2026 | $ - |
| 2027 | - |
| 2028 | - |
| 2029 | - |
| 2030 | - |
| Thereafter | - |
| Total | $ - |

## Note 8: Construction and Other Significant Commitments

*Construction commitments*. The City has an active construction commitment as of April 30, 2025.

In June 2024, the City entered a contract with Porter Brothers Construction for the construction portion of the Downtown Square project. As of April 30, 2025, the remaining amount on the contract was $2,518,247.

In May 2024, the City entered a contract with Woodard & Curran Construction for the construction portion of the West Harlem Water Treatment Plant project. As of April 30, 2025, the remaining amount on the contract was $324,500.

## Note 9: Risk Management

The City is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers compensation and public official liability. To limit exposure to these risks, the City participates in the Illinois Municipal League Risk Management Association. The City is liable for up to $5,000 a year deductible for all years it participates in the plan. The City's policy is to record any related expenditures in the year in which they are notified and pay the assessment. Potentially, the City could be assessed additional premiums for its share of any losses of the pool. The City is not aware of any additional assessments owed as of April 30, 2025.

During the year ended April 30, 2025, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

## Note 10: Long-Term Debt

***General Obligation Bonds***

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are generally paid by sources other than property taxes. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year. General obligation bonds outstanding at April 30, 2024, are as follows.

| General Obligation Bonds | Sale Date | Original Borrowing | Interest Rates to Maturity | Final Maturity | Outstanding 04/30/25 |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Series 2020A - Refunding | 9/9/2020 | $ 3,550,000 | 4.00 % | 12/1/2029 | $ 2,140,000 |
| **Business-Type Activities:** | | | | | |
| Series 2014 – Refunding | 12/22/2014 | 8,335,000 | 3.00 - 4.00% | 12/1/2028 | $ 3,710,000 |
| Series 2015A – Capital Appreciation | 5/5/2015 | 7,240,861 | 4.35 - 5.00% | 12/1/2044 | 7,240,861 |
| Series 2015B – Refunding | 5/5/2015 | 4,060,000 | 3.00 - 3.25% | 12/1/2029 | 2,015,000 |
| Series 2020 – Taxable | 6/23/2020 | 7,680,000 | 3.00 - 4.00% | 4/30/2035 | 5,515,000 |
| Series 2021A – Capital Appreciation | 9/2/2021 | 8,221,750 | 1.71 - 2.50% | 12/1/2036 | 8,211,750 |
| Series 2021B – Taxable | 9/2/2021 | 4,740,000 | 2.00 - 4.00% | 12/1/2041 | 4,250,000 |
| **Total Business-Type Activities** | | | | | $ 30,942,611 |

*Governmental Activities*

The general obligation refunding bonds, Series 2020A, bear interest at 4.00 percent, which is due June 1 and December 1 of each year, while principal amounts mature serially on December 1 of each year, with final maturity on December 1, 2029. The original issue was $3,550,000. The proceeds were used to refund the Series 2010C bonds, which were used to refund the Series 2001 bonds. The bond will be repaid from the City's Debt Service Fund.

## Note 10: Long-Term Debt (Continued)

*Business-Type Activities*

The general obligation refunding bonds, Series 2014, bear interest at 3.00 to 4.00 percent, which is due June 1 and December 1 of each year, while principal amounts mature serially on December 1 of each year, with final maturity on December 1, 2028. The original issue was $8,335,000. The bond proceeds were used to partially refund the Series 2006 bonds. The bonds will be repaid by net revenues from the City's water and sewer system.

The general obligation capital appreciation bonds, Series 2015A, bear interest at 4.35 to 5.00 percent, which is due on December 1 of each year, while principal amounts mature serially on December 1 of each year, with final maturity on December 1, 2044. The original issue was $7,240,861. The bond proceeds were used to finance improvements to the wastewater treatment system. The bonds will be repaid by net revenues from the City's water and sewer system.

The general obligation refunding bonds, Series 2015B, bear interest at 3.00 to 3.25 percent, which is due June 1 and December 1 of each year, while principal amounts mature serially on December 1 of each year, with final maturity on December 1, 2029. The original issue was $4,060,000. The bond proceeds were used to refund the Series 2012 bonds and partially refund the Series 2007 bonds. The bonds will be repaid by net revenues from the City's water and sewer system.

The general obligation taxable bonds, Series 2020, bear interest at 3.00 to 4.00 percent, which is due April 30 and October 30 of each year, while principal amounts mature serially on April 30 of each year, with final maturity on April 30, 2035. The original issue was $7,680,000. The bond proceeds were used to finance improvements for the North Plant Treatment system. The bonds will be repaid by net revenues from the City's water and sewer system.

The general obligation (capital appreciation) refunding bonds, Series 2021A, bear interest at 1.71 to 2.50 percent, which is due December 1 of each year, while principal amounts mature serially on December 1 of each year, with final maturity on December 1, 2036. The original issue was $8,211,750. The bond proceeds were used to refund the Series 2006 bond. The bonds will be repaid by net revenues from the City's water and sewer system.

The general obligation taxable bonds, Series 2021B, bear interest at 2.00 to 4.00 percent, which is due June 1 and December 1 of each year, while principal amounts mature serially on December 1 of each year, with final maturity on December 1, 2041. The original issue was $4,740,000. The bond proceeds were used to finance capital improvements, including the West Harlem water main replacement project, ultraviolet disinfection system at the municipal wastewater treatment facility, construction of the Monmouth Downtown Public Streetscape and Beautification Project, replacement of the East Broadway Avenue water main and roadway surface, construction and realignment of 4th street interceptor sewer, reconstruction of the North 6th street roadway, and replacement of the SCADA system. The bonds will be repaid by net revenues from the City's water and sewer system.

**Governmental activities**

| | Date | Original Borrowing | Interest Rates to Maturity | Final Maturity | Outstanding 04/30/25 |
|---|---|---|---|---|---|
| **Notes Payable** | | | | | |
| TIF Line of Credit | 1/31/2020 | $ 340,646 | 2.750% | 1/15/2035 | $ 242,139 |

## Note 10: Long-Term Debt (Continued)

**TIF Line of Credit Note Payable 2020/2022**

The City obtained a $573,609 line of credit from Midwest Bank of Western Illinois with an interest rate of 2.750% payable in semi-annual installments of $33,122 through July 2020 and one balloon payment of $340,285 on January 31, 2022. The City refinanced the line of credit on January 31, 2022. With the refinance, the City obtained a $340,646 line of credit from Midwest Bank of Western Illinois with an interest rate of 2.750% payable in semi-annual installments of $13,957 through January 2035. The note payable will be repaid from the City's TIF Fund.

**Business Type Activities**

| | Date | Original Borrowing | Interest Rates to Maturity | Final Maturity | Outstanding 04/30/25 |
|---|---|---|---|---|---|
| **Notes Payable** | | | | | |
| Midwest Bank Loan - Sewer | 9/21/2017 | $ 3,000,000 | 4.50% | 9/1/2027 | $ 2,162,017 |
| IEPA Note Payable | 4/25/2025 | 1,269,582 | 1.36% | 10/24/2044 | 1,245,812 |
| **Total Business-Type Activities** | | - | | | $ 3,407,829 |

**Midwest Bank Loan**

The City obtained a note payable with Midwest Bank in the principal amount of $3,000,000. The loan has an interest rate of 4.5% payable in monthly installments of $19,037 beginning in October 2017 and ending in September 2027. The loan was obtained to fund ongoing sewer projects and repaid from the City's Water and Sewer Fund.

**Illinois Environmental Protection Agency (IEPA) Loan**

The City obtained a note payable with the IEPA in the principal amount of $1,269,582. The loan has an interest rate of 1.36% payable in semi-annual installments of $36,475 beginning in April 2025 and ending in October 2044. The loan was obtained to fund ongoing sewer projects and repaid from the City's Water and Sewer Fund.

Debt service requirements to maturity are as follows:

**Governmental activities**

| | Notes Payable | | Bonds Payable | |
|---|---|---|---|---|
| **Year ending April 30:** | **Principal** | **Interest** | **Principal** | **Interest** |
| 2026 | $ 21,312 | $ 6,602 | $ 395,000 | $ 85,600 |
| 2027 | 21,910 | 6,004 | 415,000 | 69,800 |
| 2028 | 22,526 | 5,388 | 425,000 | 53,200 |
| 2029 | 23,144 | 4,780 | 445,000 | 36,200 |
| 2030 | 23,807 | 4,107 | 460,000 | 18,400 |
| 2031 - 2035 | 129,440 | 10,129 | - | - |
| Totals | $ 242,139 | $ 37,010 | $ 2,140,000 | $ 263,200 |

## Note 10: Long-Term Debt (Continued)

**Business-type activities**

| | Notes Payable | | Bonds Payable | |
|---|---|---|---|---|
| **Year ending April 30:** | **Principal** | **Interest** | **Principal** | **Interest** |
| 2026 | $ 188,735 | $ 112,658 | $ 1,920,000 | $ 514,225 |
| 2027 | 195,674 | 105,719 | 1,985,000 | 443,599 |
| 2028 | 1,948,508 | 50,909 | 2,060,000 | 370,550 |
| 2029 | 58,529 | 14,420 | 2,135,000 | 294,200 |
| 2030 | 59,327 | 13,622 | 1,967,737 | 334,425 |
| 2031 - 2035 | 309,002 | 55,743 | 11,246,020 | 3,721,742 |
| 2036 - 2040 | 330,671 | 34,074 | 5,880,814 | 6,648,485 |
| 2041 - 2045 | 317,383 | 10,888 | 3,748,040 | 9,114,360 |
| Totals | $ 3,407,829 | $ 398,033 | $ 30,942,611 | $ 21,441,586 |

Long-term debt activity for the year ended April 30, 2025 are as follows:

| | Beginning Balance | Increase | Decrease | Ending Balance | Amounts Due Within One Year |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | $ 2,520,000 | $ - | $ (380,000) | $ 2,140,000 | $ 395,000 |
| Plus premium on bonds | 233,002 | - | (64,524) | 168,478 | 54,794 |
| Notes payable | 262,849 | - | (20,710) | 242,139 | 21,312 |
| Accrued compensated absences | 408,152 | 62,285 | - | 470,437 | - |
| Total governmental activity long-term liabilities | $ 3,424,003 | $ 62,285 | $ (465,234) | $ 3,021,054 | $ 471,106 |

| | Beginning Balance | Increase | Decrease | Ending Balance | Amounts Due Within One Year |
|---|---|---|---|---|---|
| **Business-type activities:** | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | $ 32,787,611 | $ - | $ (1,845,000) | $ 30,942,611 | $ 1,920,000 |
| Plus premium on bonds | 479,821 | - | (80,034) | 399,787 | 70,828 |
| Notes payable | 2,288,655 | 1,269,582 | (150,408) | 3,407,829 | 188,735 |
| Total business-type activity Long-term liabilities | $ 35,556,087 | $ 1,269,582 | $ (2,075,442) | $ 34,750,227 | $ 2,179,563 |

## Note 11: Interfund Receivables and Payables

Below are the advances to/from as of April 30, 2025.

| | Receivable fund | Payable fund |
|---|---|---|
| Major funds: | | |
| General fund | $ 458,551 | $ - |
| Water and Sewer fund | - | 458,551 |
| Total all funds | $ 458,551 | $ 458,551 |

The outstanding balanced between funds is from the Water & Sewer department losing out on some revenues during the COVID-19 pandemic, and the General Fund had to cover some of the Water & Sewer department expenses. This loan is to be repaid as soon as possible.

## Note 12: Interfund Transfers

Below are the interfund transfers as of April 30, 2025:

| Transfer From | Transfers In | Transfers Out |
|---|---|---|
| Major funds: | | |
| General fund | $ 2,084,640 | $ 4,668,783 |
| Water and Sewer fund | 5,630,596 | 4,053,240 |
| TIF fund | 1,236,328 | - |
| Nonmajor funds | 2,829,489 | 3,059,030 |
| Total all funds | $ 11,781,053 | $ 11,781,053 |

The purpose of the significant transfers to/from other funds are as follows:

a) $3,358,262 was transferred from Capital Reserve Fund to the Water and Sewer Fund for capital funding.

b) $2,656,631 was transferred from Debt Service Fund to the Water and Sewer Fund for debt service requirements.

c) $2,745,096 was transferred from the Water and Sewer Fund and General Fund to the Debt Service Fund to pay debt service requirements.

## Note 13: Contingencies

From time to time, the City is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the City's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

## Note 14: Woodard and Curran and Smithfield Foods, Inc. Agreements

On April 15, 2013, the City entered into an agreement with Woodard and Curran (W&C). W&C agrees to operate, maintain, and manage the water facilities and water wells; the water production facilities; the water distribution system; the wastewater collection system; the street system; the lawn maintenance program; the solid waste/transfer station/compost facility; the trash collection program; the utility billing and collection system' normal vehicle maintenance' and sludge management and removal. The City shall pay W&C an annual amount with monthly payments due no later than the 10th of each month with the annual compensation amount subject to adjustment (based on the agreement) on April 30, of each year of the contract term. The term of the agreement is for May 1, 2013 to April 30, 2023. The City entered into a year-to-year agreement with W&C in 2024. This agreement may be terminated upon thirty days written notice given by the City to W&C for default by W&C. In the event that the City terminates this agreement prior to the full term, the City shall owe W&C all invoiced fees through the date of the termination plus one year's fixed fee based on the most recent negotiated annual fee and the prorated balance remaining on the original transition costs. For fiscal year 2025, the contract budget was $3,616,915 and the actual amount paid to W&C was $3,616,915.

The City entered into a servicing agreement on April 21, 2010 with Smithfield Foods, Inc. (formerly Farmland Foods, Inc.) to provide wastewater treatment at the North Plant. Smithfield Foods shall pay the City $49,500 ($594,000 annually) the 1st of each month with the annual compensation amount subject to adjust annually each year of the contract term. Additionally, Smithfield Foods, Inc. will pay the City a set water rate for usage with annual rates subject to adjustment annually each year of the contract term. Finally, Smithfield Foods, Inc. will pay the City the cost of debt service payments for the cost of capital improvements completed at the North Pretreatment plant. Monthly payments are due on the 10th of each month in the amount of $15,886 with Smithfield responsible for the remaining principle and interest owed on the bond issuance for capital improvements in the event of company closing before the bonds are paid in full. The term of the agreement is for July 1, 2010 to June 30, 2020 with an option renewal at the end of the tenth year. In September 2017, the City amended its agreement with Smithfield Foods, Inc. The City obtained a loan for $3,000,000 on behalf of Smithfield Foods, Inc. for funding of necessary sewer upgrades. The amendment increases monthly payments by $18,179 for the period January 1, 2019 through December 1, 2020, and $18,979 for the period beginning January 1, 2021 through December 1, 2027. In January 2020, the City amended its agreement with Smithfield Foods, Inc. The City is performing upgrades to the North Pre-Treatment Plant on behalf of Smithfield Foods, Inc, estimated to cost $7,680,000. The amendment increases monthly payments by $58,761 for the period January 1, 2021 through December 1, 2029.

The balance in unearned revenue of $3,260,340 is comprised of cash or receivables recorded for which the related revenue is not yet earned. The unearned revenue balance is recorded at net present value using a discount rate of 5%. The unearned revenue consists of $528,238 for the 2018 North Pretreatment Capital Improvements and $2,732,102 for the 2020 Pre-Treatment Capital Improvements.

## Note 15: Major Customers

Information regarding the City's major customers are as follows:

| | 2025 | |
|---|---|---|
| *Year Ended April 30, 2025* | **Accounts Receivable** | **Sales** |
| Smithfield Foods, Inc. | $ 3,260,340 | $ 2,238,325 |

The accounts receivable balance mostly consists of the unearned revenue balance of $3,260,340 which is for related revenue that is not yet earned. The remaining accounts receivable balance is for Smithfield charges for services that the City is expecting to be paid.

## Note 16: Tax Abatements

The City had property tax abatements for bond totaling $18,823,680 for the tax year 2023 funding fiscal year 2025 operations. A large portion of this is related to the Enterprise Zone. Property tax abatements related to this were $12,426,044 for fiscal year 2025. The City agrees to abate the property tax assessed on the subject property in the amount of $6,028,407 commencing with the tax year 2023. Upon abatement of $6,028,407 being reached, the property tax shall again be assessed against the subject property.

## Note 17: Asset Retirement Obligations

The Governmental Accounting Standards Board (GASB) issued Statement No. 83, *Certain Asset Retirement Obligations*, which addresses accounting and financial reporting for legally enforceable liabilities associated with the retirement of tangible capital assets. The City has evaluated the applicability of this standard to its operations.

As of the fiscal year ended April 30, 2025, the City does not have any legally enforceable asset retirement obligations that meet the criteria outlined in GASB Statement No. 83. Specifically, the City does not operate facilities or hold assets that require retirement activities under federal, state, or local laws, regulations, or contracts. Accordingly, no liability or related deferred outflows of resources have been recognized in the accompanying financial statements.

Management will continue to monitor the City’s operations and regulatory environment for any future developments that may result in the recognition of asset retirement obligations under this standard.

## Note 18: Accounting Changes and Error Corrections

During fiscal year 2025, the City implemented GASB Statement No. 100 related to Accounting Changes and Error Corrections. The City also implemented GASB Statement No. 101 related to Compensated Absences. The beginning balances of the TIF Fund and Nonmajor Governmental Funds were restated due to the change of a fund from nonmajor to major.

| | TIF Fund | Nonmajor Governmental Funds |
|---|---|---|
| 4/30/2024 balance, as previously reported | $ - | $ 2,520,312 |
| Change within financial reporting entity (nonmajor to major fund) | 385,057 | (385,057) |
| 4/30/2024 balance, as restated | $ 385,057 | $ 2,135,255 |

## Note 19: Impact of Pending Accounting Principles

GASB Statement No. 102, Certain Risk Disclosures, requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. The City has not determined the effect of this Statement.

GASB Statement No. 103, Financial Reporting Model Improvements, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The City has not determined the effect of this Statement.

GASB Statement No. 104, Disclosures in Certain Capital Assets, mandates the disclosure of specific types of capital assets, including lease, intangible, subscription, and assets held for sale, in the capital asset note disclosures. This aims to enhance consistency and comparability in financial reporting among governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The City has not determined the effect of this Statement.

## Note 20: Subsequent Events

Subsequent events have been evaluated through October 14, 2025, which is the date the financial statements were available to be issued.

# Required Supplementary Information

# City of Monmouth, Illinois

## Budgetary Comparison Schedule

| | General Fund | | |
|---|---|---|---|
| Year Ended April 30, 2025 | Final Budget | Actual | Variance with Final Budget |
| Revenues: | | | |
| Property taxes | $ 389,000 | $ 386,379 | $ (2,621) |
| Intergovernmental revenues | 6,358,811 | 7,518,801 | 1,159,990 |
| Licenses and permits | 248,600 | 254,307 | 5,707 |
| Fines and forfeitures | 160,100 | 182,109 | 22,009 |
| Charges for services | 1,355,299 | 1,369,777 | 14,478 |
| Interest | 60,000 | 148,808 | 88,808 |
| Miscellaneous | 71,700 | 145,793 | 74,093 |
| Total revenues | 8,643,510 | 10,005,974 | 1,362,464 |
| Expenditures | | | |
| General government | 1,769,568 | 1,704,431 | 65,137 |
| Community development | 151,294 | 170,617 | (19,323) |
| Public safety | 5,013,435 | 4,679,581 | 333,854 |
| Public works | 754,341 | 876,370 | (122,029) |
| Solid waste management | 771,340 | 746,982 | 24,358 |
| Capital outlay | - | 788,326 | (788,326) |
| Total expenditures | 8,459,978 | 8,966,307 | (506,329) |
| Excess (deficiency) of revenues over expenditures | 183,532 | 1,039,667 | 856,135 |
| Other financing sources (uses) | | | |
| Transfers in | 119,800 | - | (119,800) |
| Transfers out | (309,831) | (1,310,521) | (1,000,690) |
| Excess (deficiency) of revenues and other financing sources (uses) over expenditures | $ (6,499) | (270,854) | $ (264,355) |
| Fund balance at beginning of year | | 7,957,664 | |
| Fund balance at end of year | | $ 7,686,810 | |
| GAAP fund balances for General Revenue Funds: | | | |
| General Fund | | $ 7,686,810 | |
| Cemetery Fund | | 152,167 | |
| Capital Reserve Fund | | 5,132,769 | |
| Downtown Facade Funds | | 48,411 | |
| Public Safety Expenses Fund | | 87,738 | |
| GAAP fund balances for General Revenue Funds | | $ 13,107,895 | |

See Notes to Required Supplementary Information.

# City of Monmouth, Illinois

## Budgetary Comparison Schedule

| Year Ended April 30, 2025 | Tax Increment Financing District Fund<br>Original and Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|
| Revenues: | | | |
| Property taxes | $ 260,000 | $ 225,297 | $ (34,703) |
| Intergovernmental revenues | 3,000,000 | 665,327 | (2,334,673) |
| Charges for services | - | 1,600 | 1,600 |
| Interest | 1,000 | 2,312 | 1,312 |
| Miscellaneous | 14,400 | 14,000 | (400) |
| Total revenues | 3,275,400 | 908,536 | (2,366,864) |
| Expenditures | | | |
| General government | 447,486 | 154,401 | 293,085 |
| Community development | 3,500,000 | - | 3,500,000 |
| Capital outlay | - | 1,752,596 | (1,752,596) |
| Principal payments | 20,710 | 20,710 | - |
| Interest payments | 7,204 | 7,204 | - |
| Total expenditures | 3,975,400 | 1,934,911 | 2,040,489 |
| Excess (deficiency) of revenues over expenditures | (700,000) | (1,026,375) | (326,375) |
| Other financing sources (uses) | | | |
| Transfers in | 700,000 | 1,236,328 | 536,328 |
| Excess (deficiency) of revenues and other financing sources (uses) over expenditures | $ - | 209,953 | $ 209,953 |
| Fund balance at beginning of year | | 385,057 | |
| Fund balance at end of year | | $ 595,010 | |

# City of Monmouth, Illinois

## Multiyear Schedule of Changes in the Net Pension Liability and Related Ratios

## Illinois Municipal Retirement Fund

Last Ten Calendar Years

| ***IMRF Regular Plan*** | **2024** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** |
|---|---|---|---|---|---|---|---|---|---|---|
| Calendar year ending December 31 | | | | | | | | | | |
| Total pension liability: | | | | | | | | | | |
| Service cost | $ 63,845 | $ 62,306 | $ 60,841 | $ 65,795 | $ 83,216 | $ 81,604 | $ 78,896 | $ 102,078 | $ 103,987 | $ 99,634 |
| Interest on total pension liability | 723,095 | 714,914 | 704,890 | 704,372 | 733,360 | 732,116 | 734,247 | 768,607 | 765,549 | 763,940 |
| Benefit changes | - | - | - | - | - | - | | | | |
| Differences between expected and actual experience of the total pension liability | 120,412 | 211,152 | 213,625 | 60,726 | (229,433) | 85,815 | 113,495 | (105,612) | 18,274 | (16,934) |
| Changes of assumption | - | (11,202) | - | - | (102,023) | - | 217,488 | (367,109) | | |
| Benefit payments, including refunds of employee contributions | (873,788) | (856,431) | (827,199) | (815,350) | (937,150) | (829,218) | (845,361) | (843,629) | (848,548) | (806,175) |
| Net change in total pension liability | 33,564 | 120,739 | 152,157 | 15,543 | (452,030) | 70,317 | 298,765 | (445,665) | 39,262 | 40,465 |
| Total pension liability, beginning | 10,378,689 | 10,257,950 | 10,105,793 | 10,090,250 | 10,542,280 | 10,471,963 | 10,173,198 | 10,618,863 | 10,579,601 | 10,539,136 |
| Total pension liability, ending (a) | 10,412,253 | 10,378,689 | 10,257,950 | 10,105,793 | 10,090,250 | 10,542,280 | 10,471,963 | 10,173,198 | 10,618,863 | 10,579,601 |
| Plan fiduciary net position: | | | | | | | | | | |
| Contributions - employer | 7,196 | 6,692 | 5,919 | 6,772 | 7,035 | 7,183 | 8,137 | 9,932 | 10,797 | 12,128 |
| Contributions - employees | 36,388 | 33,841 | 31,335 | 30,782 | 34,792 | 38,482 | 49,283 | 72,098 | 44,571 | 46,252 |
| Net investment income | 1,952,532 | 1,977,036 | (3,080,188) | 3,383,077 | 2,606,487 | 3,061,018 | (1,186,653) | 2,878,228 | 980,423 | 75,734 |
| Benefit payments, including refunds of employee contributions | (873,788) | (856,431) | (827,199) | (815,350) | (937,150) | (829,218) | (845,361) | (843,629) | (848,548) | (806,175) |
| Other (net transfers) | (481,702) | 564,089 | (120,239) | (156,955) | (94,091) | 14,221 | 280,249 | (459,784) | 217,793 | (440,432) |
| Net change in plan fiduciary net position | 640,626 | 1,725,227 | (3,990,372) | 2,448,326 | 1,617,073 | 2,291,686 | (1,694,345) | 1,656,845 | 405,036 | (1,112,493) |
| Plan net position, beginning | 18,867,660 | 17,142,433 | 21,132,805 | 18,684,479 | 17,067,406 | 14,775,720 | 16,470,065 | 14,813,220 | 14,408,184 | 15,520,677 |
| Plan net position, ending (b) | $ 19,508,286 | $ 18,867,660 | $ 17,142,433 | $ 21,132,805 | $ 18,684,479 | $ 17,067,406 | $ 14,775,720 | $ 16,470,065 | $ 14,813,220 | $ 14,408,184 |
| Net pension liability (asset) - Ending (a) - (b) | $ (9,096,033) | $ (8,488,971) | $ (6,884,483) | $(11,027,012) | $ (8,594,229) | $ (6,525,126) | $ (4,303,757) | $ (6,296,867) | $ (4,194,357) | $ (3,828,583) |
| Plan fiduciary net position as a percentage of the total pension liability | 187.36 % | 181.79 % | 167.11 % | 209.12 % | 185.17 % | 161.89 % | 141.10 % | 161.90 % | 139.50 % | 136.19 % |
| Covered valuation payroll | 808,627 | 752,031 | 696,336 | 684,051 | 773,156 | 855,140 | 856,476 | 928,247 | 990,470 | 1,027,834 |
| Net pension liability as a percentage of covered valuation payroll | (1,124.87)% | (1,128.81)% | (988.67)% | (1,612.02)% | (1,111.58)% | (763.05)% | (502.50)% | (678.36)% | (423.47)% | (372.49)% |

# City of Monmouth, Illinois

## Multiyear Schedule of IMRF Contributions

## Illinois Municipal Retirement Fund

Last Ten Fiscal Years

**Regular Plan**

| Fiscal Year Ending April 30 | Actuarially Determined Contribution* | Actual Contribution | Contribution Deficiency (Excess) | Covered Valuation Payroll | Actual Contributions as a Percentage of Covered Valuation Payroll |
|---|---|---|---|---|---|
| 2025 | $ 6,955 | $ 6,955 | $ - | $ 810,474 | 0.86 % |
| 2024 | 7,131 | 7,131 | - | 801,266 | 0.89 % |
| 2023 | 6,018 | 6,018 | - | 696,951 | 0.86 % |
| 2022 | 6,358 | 6,358 | - | 675,502 | 0.94 % |
| 2021 | 7,030 | 7,030 | - | 751,090 | 0.94 % |
| 2020 | 7,438 | 7,438 | - | 863,299 | 0.86 % |
| 2019 | 7,856 | 7,856 | - | 856,801 | 0.92 % |
| 2018 | 9,066 | 9,066 | - | 876,151 | 1.03 % |
| 2017 | 10,920 | 10,920 | - | 1,007,537 | 1.08 % |
| 2016 | 10,667 | 10,667 | - | 920,683 | 1.16 % |

* Estimated based on 0.80% 2025 calendar year contribution rate, 0.89% 2024 calendar year contribution rate, and covered valuation payroll of $810,474.

# City of Monmouth, Illinois Police Pension Fund

Required Supplementary Information

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Fiscal Years

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total pension liability: | | | | | | | | | | |
| Service cost | $385,414 | $389,980 | $388,329 | $554,931 | $523,558 | $497,120 | $456,220 | $444,141 | $421,186 | $382,915 |
| Interest on the total pension liability | 1,350,960 | 1,298,116 | 1,251,089 | 1,174,576 | 1,121,055 | 1,064,338 | 1,011,366 | 964,923 | 971,885 | 900,918 |
| Benefit changes | 0 | 0 | 0 | 0 | 0 | 31,916 | 0 | 0 | 0 | 0 |
| Difference between expected and actual experience | 322,199 | 114,242 | 13,927 | (322,718) | (220,400) | (1,410) | 254,217 | 157,110 | 114,797 | 0 |
| Assumption changes | 0 | 0 | 0 | (4,748,307) | 1,482,084 | 1,514,206 | 496,363 | (87,194) | (945,430) | 0 |
| Benefit payments and refunds | (913,984) | (920,100) | (822,331) | (761,511) | (710,113) | (662,692) | (672,134) | (784,650) | (595,718) | (561,877) |
| Net change in total pension liability | 1,144,589 | 882,238 | 831,014 | (4,103,029) | 2,196,184 | 2,443,478 | 1,546,032 | 694,330 | (33,280) | 721,956 |
| Total pension liability - beginning | 22,587,577 | 21,705,339 | 20,874,325 | 24,977,354 | 22,781,170 | 20,337,692 | 18,791,660 | 18,097,330 | 18,130,610 | 17,408,654 |
| Total pension liability - ending (a) | 23,732,166 | 22,587,577 | 21,705,339 | 20,874,325 | 24,977,354 | 22,781,170 | 20,337,692 | 18,791,660 | 18,097,330 | 18,130,610 |
| Plan fiduciary net position: | | | | | | | | | | |
| Employer contributions | 985,889 | 943,841 | 863,476 | 811,588 | 754,987 | 719,136 | 656,756 | 515,164 | 491,413 | 491,232 |
| Employee contributions | 128,918 | 121,430 | 119,029 | 114,479 | 121,150 | 119,864 | 129,179 | 168,109 | 110,723 | 110,094 |
| Pension plan net investment income | 900,652 | 830,498 | 399,176 | (412,237) | 1,523,106 | 208,431 | 434,925 | 365,650 | 472,304 | (35,577) |
| Benefit payments and refunds | (913,984) | (920,100) | (822,331) | (761,511) | (710,113) | (662,692) | (672,134) | (784,650) | (595,718) | (561,877) |
| Administrative expense | (35,445) | (38,746) | (37,856) | (28,232) | (18,407) | (19,538) | (20,034) | (20,385) | (12,210) | (24,819) |
| Net change in plan fiduciary net position | 1,066,030 | 936,923 | 521,494 | (275,913) | 1,670,723 | 365,201 | 528,692 | 243,888 | 466,512 | (20,947) |
| Adjustment to beginning of year | 1279 | | | 327 | | | | | | |
| Plan fiduciary net position - beginning | 11,131,045 | 10,194,122 | 9,672,628 | 9,948,214 | 8,277,491 | 7,912,290 | 7,383,598 | 7,139,710 | 6,673,198 | 6,694,145 |
| Plan fiduciary net position - ending (b) | $12,198,354 | $11,131,045 | $10,194,122 | $9,672,628 | $9,948,214 | $8,277,491 | $7,912,290 | $7,383,598 | $7,139,710 | $6,673,198 |
| Employer net pension liability (asset) - Ending (a) - (b) | $11,533,812 | $11,456,532 | $11,511,217 | $11,201,697 | $15,029,140 | $14,503,679 | $12,425,402 | $11,408,062 | $10,957,620 | $11,457,412 |
| Plan fiduciary net positions as a percentage of total pension liability | 51.40% | 49.28% | 46.97% | 46.34% | 39.83% | 36.33% | 38.90% | 39.29% | 39.45% | 36.81% |
| Covered-employee payroll | 1,300,888 | 1,225,328 | 1,201,100 | 1,155,187 | 1,249,107 | 1,223,728 | 1,321,309 | 1,123,676 | 1,088,306 | 1,108,984 |
| Net pension liability as a percentage of covered-employee payroll | 886.61% | 934.98% | 958.39% | 969.69% | 1203.19% | 1185.20% | 940.39% | 1015.24% | 1006.85% | 1033.14% |

See Notes to the Contributions.

# City of Monmouth, Illinois Police Pension Fund

## Required Supplementary Information
## Multiyear Schedule of Contributions
## Last 10 Fiscal Years

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $1,190,122 | $1,131,056 | $932,972 | $901,202 | $818,080 | $767,440 | $643,773 | $535,698 | $508,693 | $490,728 |
| Contributions in relation to the actuarially determined contribution | 985,889 | 943,841 | 863,476 | 811,588 | 754,987 | 719,136 | 656,756 | 515,164 | 491,413 | 491,232 |
| Contribution deficiency (excess) | $204,233 | $187,215 | $69,496 | $89,614 | $63,093 | $48,304 | ($12,983) | $20,534 | $17,280 | ($504) |
| Covered-employee payroll | $1,300,888 | $1,225,328 | $1,201,100 | $1,155,187 | $1,249,107 | $1,223,728 | $1,321,309 | $1,123,676 | $1,088,306 | $1,108,984 |
| Contributions as a percentage of covered-employee payroll | 75.79% | 77.03% | 71.89% | 70.26% | 60.44% | 58.77% | 49.70% | 45.85% | 45.15% | 44.30% |

**Notes to the Contributions**

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending April 30, 2025:

| | |
|---|---|
| Calculation Timing | The Actuarially Determined Contribution is calculated using a May 1, 2023 valuation date. |
| Interest Rate | 6.00% |
| Mortality Rates | Active Lives: PubS-2010 Employee mortality, unadjusted, with generalation improvements with most recent projection scale (currently Scale MP-2021). 10% of active deaths are assumed to be in the line of duty.<br>Inactive Lives: PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.15 for male retirees and unadjusted for female retirees, with generational improvements with most recent projection scale (currently Scale MP-2021).<br>Beneficiaries: PubS-2010 Survivor mortality, unadjusted for male beneficiaries and adjusted by a factor of 1.15 for female beneficiaries, with generational improvements with most recent projection sale (currently Scale MP-2021).<br>Disabled Lives: PubS-2010 Disabled mortality, adjusted by a factor of 1.08 for male disabled members and unadjusted for female disabled members, with generational improvements with most recent projection scale (currently Scale MP-2021). |
| Assumptions | All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the May 1, 2023 Actuarial Valuation Report for the City of Monmouth Police Pension Fund prepared by Foster & Foster Actuaries and Consultants. |

# City of Monmouth, Illinois Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

Last 10 Fiscal Years

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Annual money - weighted rate of return, net of investment expense | 9.68% | 1.42% | 5.23% | -4.13% | 19.19% | 2.64% | 5.91% | 5.20% | 7.21% | -0.57% |

See Notes to the Contributions.

# City of Monmouth, Illinois Fire Pension Fund

Required Supplementary Information

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Fiscal Years

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total pension liability: | | | | | | | | | | |
| Service cost | $391,490 | $352,312 | $342,463 | $318,398 | $327,611 | $364,356 | $350,450 | $350,890 | $331,968 | $312,472 |
| Interest on the total pension liability | 1,128,135 | 1,126,367 | 1,080,675 | 1,064,355 | 1,010,091 | 925,947 | 894,663 | 865,133 | 893,361 | 822,027 |
| Benefit changes | 0 | 0 | 0 | 0 | 0 | 34,726 | 0 | 0 | 0 | 0 |
| Difference between expected and actual experience | 99,576 | (696,416) | 101,636 | (756,050) | 176,060 | 24,608 | 56,786 | 6,980 | (123,604) | 0 |
| Assumption changes | 0 | 0 | 0 | 349,638 | 0 | (316,794) | 142,861 | (23,049) | (902,644) | 0 |
| Contributions - Buy Back | 0 | 0 | 0 | 44,872 | 0 | 0 | 0 | 0 | 0 | 0 |
| Benefit payments and refunds | (819,453) | (764,446) | (781,744) | (764,815) | (765,180) | (733,235) | (716,107) | (702,610) | (686,017) | (682,439) |
| Net change in total pension liability | 799,748 | 17,817 | 743,030 | 256,398 | 748,582 | 299,608 | 728,653 | 497,344 | (486,936) | 452,060 |
| Total pension liability - beginning | 18,820,503 | 18,802,686 | 18,059,656 | 17,803,258 | 17,054,676 | 16,755,068 | 16,026,415 | 15,529,071 | 16,016,007 | 15,563,947 |
| Total pension liability - ending (a) | 19,620,251 | 18,820,503 | 18,802,686 | 18,059,656 | 17,803,258 | 17,054,676 | 16,755,068 | 16,026,415 | 15,529,071 | 16,016,007 |
| Plan fiduciary net position: | | | | | | | | | | |
| Employer contributions | 985,889 | 957,133 | 903,175 | 864,375 | 810,785 | 743,576 | 726,411 | 634,884 | 700,649 | 627,273 |
| Employee contributions | 105,033 | 101,912 | 95,813 | 89,837 | 90,359 | 85,623 | 87,289 | 85,388 | 83,213 | 79,047 |
| Contributions - Buy Back | 0 | 0 | 0 | 44,872 | | | | | | |
| Pension plan net investment income | 728,217 | 582,443 | 39,295 | (422,258) | 1,069,608 | 111,280 | 295,382 | 258,634 | 302,746 | (8,174) |
| Benefit payments and refunds | (819,453) | (764,446) | (781,744) | (764,815) | (765,180) | (733,235) | (716,107) | (702,610) | (686,017) | (682,439) |
| Administrative expense | (42,711) | (47,977) | (18,022) | (21,293) | (24,334) | (27,022) | (13,742) | (19,627) | (7,246) | (13,147) |
| Net change in plan fiduciary net position | 956,975 | 829,065 | 238,517 | (209,282) | 1,181,238 | 180,222 | 379,233 | 256,669 | 393,345 | 2,560 |
| Adjustment to beginning of year | 0 | 6,493 | | 95 | | | | | | |
| Plan fiduciary net position - beginning | 7,974,639 | 7,139,081 | 6,900,564 | 7,109,751 | 5,928,513 | 5,748,291 | 5,369,058 | 5,112,389 | 4,719,044 | 4,716,484 |
| Plan fiduciary net position - ending (b) | $8,931,614 | $7,974,639 | $7,139,081 | $6,900,564 | $7,109,751 | $5,928,513 | $5,748,291 | $5,369,058 | $5,112,389 | $4,719,044 |
| Net pension liability (asset) - ending (a) - (b) | $10,688,637 | $10,845,864 | $11,663,605 | $11,159,092 | $10,693,507 | $11,126,163 | $11,006,777 | $10,657,357 | $10,416,682 | $11,296,963 |
| Plan fiduciary net positions as a percentage of total pension liability | 45.52% | 42.37% | 37.97% | 38.21% | 39.94% | 34.76% | 34.31% | 33.50% | 32.92% | 29.46% |
| Covered-employee payroll | 1,110,873 | 1,077,864 | 1,013,358 | 950,153 | 957,519 | 961,224 | 1,140,094 | 914,192 | 885,416 | 836,019 |
| Net pension liability as a percentage of covered-employee payroll | 962.18% | 1006.24% | 1150.99% | 1174.45% | 1116.79% | 1157.50% | 965.43% | 1165.77% | 1176.47% | 1351.28% |

See Notes to the Contributions.

# City of Monmouth, Illinois Fire Pension Fund

## Required Supplementary Information
## Multiyear Schedule of Employer Contributions
## Last 10 Fiscal Years

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $1,159,248 | $1,101,456 | $893,570 | $823,923 | $784,555 | $725,851 | $653,784 | $589,775 | $556,468 | $546,533 |
| Contributions in relation to the actuarially determined contribution | 985,889 | 957,133 | 903,175 | 864,375 | 810,785 | 743,576 | 726,411 | 634,884 | 700,649 | 627,273 |
| CONTRIBUTION DEFICIENCY (EXCESS) | $173,359 | $144,323 | ($9,605) | ($40,452) | ($26,230) | ($17,725) | ($72,627) | ($45,109) | ($144,181) | ($80,740) |
| Covered-employee payroll | $1,110,873 | $1,077,864 | $1,013,358 | $950,153 | $957,519 | $961,224 | $1,140,094 | $914,192 | $885,416 | $836,019 |
| Contributions as a percentage of covered-employee payroll | 88.75% | 88.80% | 89.13% | 90.97% | 84.68% | 77.36% | 63.72% | 69.45% | 79.13% | 75.03% |

**Notes to the Contributions**

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending April 30, 2025:

| | |
|---|---|
| Calculation Timing | The Actuarially Determined Contribution is calculated using a May 1, 2023 valuation date. |
| Interest Rate | 6.00% |
| Mortality Rates | Active Lives: PubS-2010 Employee mortality, unadjusted, with generalation improvements with most recent projection scale (currently Scale MP-2021). 20% of active deaths are assumed to be in the line of duty.<br>Inactive Lives: PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.081 for male retirees and unadjusted for female retirees, with generational improvements with most recent projection scale (currently Scale MP-2021).<br>Beneficiaries: PubS-2010 Survivor mortality, unadjusted for male beneficiaries and adjusted by a factor of 1.098 for female beneficiaries, with generational improvements with most recent projection sale (currently Scale MP-2021).<br>Disabled Lives: PubS-2010 Disabled mortality, adjusted by a factor of 1.178 for male disabled members and unadjusted for female disabled members, with generational improvements with most recent projection scale (currently Scale MP-2021). |
| Assumptions | All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the May 1, 2023 Actuarial Valuation Report for the City of Monmouth Firefighters' Pension Fund prepared by Foster & Foster Actuaries and Consultants. |

# City of Monmouth, Illinois Fire Pension Fund

Required Supplementary Information

Schedule of Investment Returns

Last 10 Fiscal Years

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Annual money - weighted rate of return, net of investment expense | 10.60% | 1.75% | 6.20% | -5.89% | 19.22% | 2.49% | 5.84% | 5.36% | 6.68% | -0.27% |

See Notes to the Contributions.

# City of Monmouth, Illinois

## Multiyear Schedule of Changes in OPEB Liability and Related Ratios

Last Ten Fiscal Years

(schedule to be built prospectively from 2019)

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal year ending Apri 30: | | | | | | | | | | |
| Total OPEB liability: | | | | | | | | | | |
| Service cost | $ 48,848 | $ 69,323 | $ 69,990 | $ 78,397 | 76,114 | 59,571 | 55,584 | | | |
| Interest | 78,635 | 92,911 | 86,937 | 63,339 | 70,038 | 82,582 | 81,197 | | | |
| Changes of benefit changes | - | - | - | | | | | | | |
| Differences between expected and actual experience | - | (143,976) | - | 1,977 | (294,240) | | | | | |
| Changes of assumptions or other inputs | (41,496) | (408,413) | (46,021) | (688,803) | 183,514 | 472,006 | 49,707 | | | |
| Benefit payments | (56,976) | (52,141) | (48,616) | (56,377) | (62,831) | (51,949) | (53,384) | | | |
| Net change in total OPEB liability | 29,011 | (442,296) | 62,290 | (601,467) | (27,405) | 562,210 | 133,104 | | | |
| Total OPEB liability, beginning | 1,758,414 | 2,200,710 | 2,138,420 | 2,739,887 | 2,767,292 | 2,205,082 | 2,071,978 | | | |
| Total OPEB liability, ending (a) | 1,787,425 | 1,758,414 | 2,200,710 | 2,138,420 | 2,739,887 | 2,767,292 | 2,205,082 | | | |
| Plan fiduciary net position: | | | | | | | | | | |
| Contributions - employer | 56,976 | 52,141 | 48,616 | 56,377 | 62,831 | 51,949 | 53,384 | | | |
| Benefit payments, including refunds of employee contributions | (56,976) | (52,141) | (48,616) | (56,377) | (62,831) | (51,949) | (53,384) | | | |
| Plan fiduciary net position, ending (b) | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | | | | |
| Net OPEB liability - Ending (a) - (b) | $ 1,787,425 | $ 1,758,414 | $ 2,200,710 | $ 2,138,420 | $ 2,739,887 | $ 2,767,292 | 2,205,082 | | | |
| Plan fiduciary net position as a percentage of total OPEB liability | 0.00 % | 0.00 % | 0.00 % | 0.00 % | | | | | | |
| Covered-employee payroll | 3,433,617 | 3,333,609 | 2,718,215 | 2,639,044 | 2,771,802 | 2,980,995 | $ 3,077,158 | | | |
| Net OPEB liability as a percentage of covered-employee payroll | 52.06 % | 52.75 % | 80.96 % | 81.03 % | 98.85 % | 92.83 % | 71.66 % | | | |

The City implemented GASB Statement No. 75 in April 30, 2019.

See Multiyear Schedule of Contributions - OPEB for Notes.

# City of Monmouth, Illinois

## Multiyear Schedule of Contributions - OPEB

Last Ten Calendar Years
(schedule to be built prospectively from 2019)

| Fiscal Year | Actuarially Determined Contribution* | Actual Contribution | Contribution Deficiency (Excess) | Covered Valuation Payroll | Actual Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|
| 2025 | $ 0 | $ 0 | $ 0 | $ 3,433,617 | 0.00 % |
| 2024 | 0 | 0 | 0 | 3,333,609 | 0.00 % |
| 2023 | 0 | 0 | 0 | 2,718,215 | 0.00 % |
| 2022 | 0 | 0 | 0 | 2,639,044 | 0.00 % |
| 2021 | 0 | 0 | 0 | 2,771,802 | 0.00 % |
| 2020 | 0 | 0 | 0 | 2,980,995 | 0.00 % |
| 2019 | 0 | 0 | 0 | 3,077,158 | 0.00 % |

* There is no Actuarially Determined Contribution or Actual Contribution as there is no Trust that exists for funding the OPEB liability. However, the City did make contributions from other City resources in the current year in the amount of $56,976.

The City implemented GASB Statement No. 75 in April 30, 2019.

## Note 1: Basis of Accounting

Annual budgets are adopted for all governmental funds using the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

## Note 2: Excess of Disbursements Over Appropriations

The City's General Fund had expenditures exceeding appropriations for fiscal year 2025.

## Note 3: Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2024 Contribution Rate for IMRF*

| | |
|---|---|
| **Valuation date:** | |
| Notes: | Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported. |
| **Methods and assumptions used to determine 2024 contribution rates:** | |
| Actuarial cost method | Aggregate entry age normal |
| Amortization method | Level percent of payroll, closed |
| Remaining amortization period | Non Taxing bodies: 10-year rolling period.<br>Taxing bodies (Regular, SLEP and ECO groups): 19 year closed period until remaining period.<br>Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.<br>SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 14 years for most employers (five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20; three employers were financed over 23 years; four employers were financed over 24 years and one employer were financed over 25 years). |
| Asset valuation method | 5-year smoothed market; 20% corridor |
| Wage growth | 2.75% |
| Inflation | 2.25% |
| Salary increases | 2.75% to 13.75%, including inflation |
| Investment rate of return | 7.25% |
| Retirement age | Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 - 2019. |
| Mortality | For non-disabled retirees, the Pub-2010, Amount-Weighted, below median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. |
| **Other Information:** | |
| Notes: | There were no benefit changes during the year. |

** Based on Valuation Assumptions used in the December 31, 2022 actuarial valuation.*

# Supplementary Information

# City of Monmouth, Illinois

## Combining Balance Sheet - General Fund

| *April 30, 2025* | General Fund | Cemetery Fund | Capital Reserve Fund | Homestead Fund | Downtown Facade Fund | Public Safety Expenses Fund | Total |
|---|---|---|---|---|---|---|---|
| Assets | | | | | | | |
| Cash, deposits, and investments | $ 5,864,622 | $ 151,090 | $ 5,132,769 | $ - | $ 48,411 | $ 89,326 | $ 11,286,218 |
| Receivables, net of allowance: | | | | | | | |
| Accounts receivable | 320,891 | - | - | - | - | - | 320,891 |
| Property taxes | 349,001 | - | - | - | - | - | 349,001 |
| Due from other governments | 1,203,765 | - | - | - | - | - | 1,203,765 |
| Interest receivable | 17,742 | 621 | - | - | - | - | 18,363 |
| Prepaid items | 104,293 | 456 | - | - | - | - | 104,749 |
| Due from other funds | 458,551 | - | - | - | - | - | 458,551 |
| Total assets | 8,318,865 | 152,167 | 5,132,769 | - | 48,411 | 89,326 | 13,741,538 |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | 122,820 | - | - | - | - | 1,588 | 124,408 |
| Payroll and related | 160,234 | - | - | - | - | - | 160,234 |
| Total liabilities | 283,054 | - | - | - | - | 1,588 | 284,642 |
| Deferred inflow of resources | | | | | | | |
| Unavailable property taxes | 349,001 | - | - | - | - | - | 349,001 |
| Total deferred inflow of resources | 349,001 | - | - | - | - | - | 349,001 |
| Total liabilities and deferred inflow of resources | 632,055 | - | - | - | - | 1,588 | 633,643 |
| Fund balances | | | | | | | |
| Non-spendable | 104,293 | 456 | - | - | - | - | 104,749 |
| Restricted for: | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | 87,738 | 87,738 |
| Assigned | - | 151,711 | 5,132,769 | - | 48,411 | - | 5,332,891 |
| Unassigned | 7,582,517 | - | - | - | - | - | 7,582,517 |
| Total fund balances | 7,686,810 | 152,167 | 5,132,769 | - | 48,411 | 87,738 | 13,107,895 |
| Total liabilities, deferred inflows of resources and fund balances | $ 8,318,865 | $ 152,167 | $ 5,132,769 | $ - | $ 48,411 | $ 89,326 | $ 13,741,538 |

# City of Monmouth, Illinois

## Combining Statement of Revenues, Expenditures and Changes In Fund Balance - General Fund

| *Year Ended April 30, 2025* | General Fund | Cemetery Fund | Capital Reserve Fund | Homestead Fund | Downtown Facade Fund | Public Safety Expenses Fund | Total |
|---|---|---|---|---|---|---|---|
| Revenues | | | | | | | |
| Property taxes | $ 386,379 | $ - | $ - | $ - | $ - | $ - | $ 386,379 |
| Intergovernmental revenues | 7,518,801 | - | - | - | - | - | 7,518,801 |
| Charges for services | 1,369,777 | 1,200 | - | - | - | 54,628 | 1,425,605 |
| Licenses and permits | 254,307 | - | - | - | - | - | 254,307 |
| Fines and forfeitures | 182,109 | - | - | - | - | - | 182,109 |
| Interest | 148,808 | 5,427 | 63,769 | 4 | 111 | - | 218,119 |
| Miscellaneous | 145,793 | - | - | - | - | - | 145,793 |
| Total revenues | 10,005,974 | 6,627 | 63,769 | 4 | 111 | 54,628 | 10,131,113 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General government | 1,704,431 | - | - | - | - | - | 1,704,431 |
| Public safety | 4,679,581 | - | - | - | - | 49,096 | 4,728,677 |
| Public works | 876,370 | - | - | - | - | - | 876,370 |
| Solid waste management | 746,982 | - | - | - | - | - | 746,982 |
| Community development | 170,617 | - | - | 19,220 | - | - | 189,837 |
| Capital outlay | 788,326 | - | - | - | - | - | 788,326 |
| Total expenses | 8,966,307 | - | - | 19,220 | - | 49,096 | 9,034,623 |
| Excess (deficiency) of revenues over expenditures | 1,039,667 | 6,627 | 63,769 | (19,216) | 111 | 5,532 | 1,096,490 |
| Other financing sources (uses) | | | | | | | |
| Transfers in | - | - | 2,049,843 | - | - | 34,797 | 2,084,640 |
| Transfers out | (1,310,521) | - | (3,358,262) | - | - | - | (4,668,783) |
| Total other financing sources (uses) | (1,310,521) | - | (1,308,419) | - | - | 34,797 | (2,584,143) |
| Net change in fund balance | (270,854) | 6,627 | (1,244,650) | (19,216) | 111 | 40,329 | (1,487,653) |
| Fund balances, beginning of year | 7,957,664 | 145,540 | 6,377,419 | 19,216 | 48,300 | 47,409 | 14,595,548 |
| Fund balances, end of year | $ 7,686,810 | $ 152,167 | $ 5,132,769 | $ - | $ 48,411 | $ 87,738 | $13,107,895 |

# City of Monmouth, Illinois

## Combining Balance Sheet - Nonmajor Governmental Funds

| *April 30, 2025* | MFT Fund | Local Fuel Tax Fund | TIF Fund | TIF #2 Fund |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash, deposits, and investments | $ 702,052 | $ 36,218 | $ - | $ 25,019 |
| Receivables, net of allowance | | | | |
| Accounts receivable | - | - | - | - |
| Property taxes | - | - | - | 109,890 |
| Due from other governments | 32,175 | - | - | - |
| Total assets | 734,227 | 36,218 | - | 134,909 |
| **Liabilities, Deferred Inflows of Resources and Fund Balances** | | | | |
| Deferred inflows of resources | | | | |
| Unavailable property taxes | - | - | - | 109,890 |
| Total deferred inflows of resources | - | - | - | 109,890 |
| Fund balances | | | | |
| Restricted for: | | | | |
| General government | - | - | - | 25,019 |
| Public works | 734,227 | 36,218 | - | - |
| Debt service | - | - | - | - |
| Total fund balances | 734,227 | 36,218 | - | 25,019 |
| Total liabilities, deferred inflows of resources and fund balances | $ 734,227 | $ 36,218 | $ - | $ 134,909 |

# City of Monmouth, Illinois

## Combining Balance Sheet - Nonmajor Governmental Funds (Continued)

| *April 30, 2025* | TIF #3 Fund | Debt Service Fund | Total |
|---|---|---|---|
| Assets | | | |
| Cash, deposits, and investments | $ 522,926 | $ 621,184 | $ 1,907,399 |
| Receivables, net of allowance | | | |
| Accounts receivable | - | - | - |
| Property taxes | 698,940 | 404,014 | 1,212,844 |
| Due from other governments | - | - | 32,175 |
| Total assets | 1,221,866 | 1,025,198 | 3,152,418 |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | |
| Deferred inflows of resources | | | |
| Unavailable property taxes | 698,940 | 404,014 | 1,212,844 |
| Total deferred inflows of resources | 698,940 | 404,014 | 1,212,844 |
| Fund balances | | | |
| Restricted for: | | | |
| General government | 522,926 | - | 547,945 |
| Public works | - | - | 770,445 |
| Debt service | - | 621,184 | 621,184 |
| Total fund balances | 522,926 | 621,184 | 1,939,574 |
| Total liabilities, deferred inflows of resources and fund balances | $ 1,221,866 | $ 1,025,198 | $ 3,152,418 |

# City of Monmouth, Illinois

## Combining Statement of Revenues, Expenditures and Changes In Fund Balance - Nonmajor Governmental Funds

| *Year Ended April 30, 2025* | **MFT Fund** | **Local Fuel Tax Fund** | **TIF Fund** | **TIF #2 Fund** |
|---|---|---|---|---|
| Revenues | | | | |
| Property taxes | $ - | $ - | $ - | $ 103,055 |
| Intergovernmental revenues | 402,358 | 188,617 | - | - |
| Interest | 1,044 | - | - | 55 |
| Miscellaneous | - | - | - | - |
| Total revenues | 403,402 | 188,617 | - | 103,110 |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | - | 94,812 |
| Public works | 623,717 | 13,352 | - | - |
| Debt service | | | | |
| Principal payments | - | - | - | - |
| Interest payments | - | - | - | - |
| Capital outlay | 33,681 | 243,847 | - | - |
| Total expenditures | 657,398 | 257,199 | - | 94,812 |
| Excess (deficiency) of revenues over expenditures | (253,996) | (68,582) | - | 8,298 |
| Other financing sources (uses) | | | | |
| Transfers in | - | 84,393 | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | 84,393 | - | - |
| Net change in fund balance | (253,996) | 15,811 | - | 8,298 |
| Fund balance, beginning of year, as previously reported | 988,223 | 20,407 | 385,057 | 16,721 |
| Change in reporting entity (nonmajor to major fund) | - | - | (385,057) | - |
| Fund balance, beginning of year, as restated | 988,223 | 20,407 | - | 16,721 |
| Fund balance, end of year | $ 734,227 | $ 36,218 | $ - | $ 25,019 |

# City of Monmouth, Illinois

## Combining Statement of Revenues, Expenditures and Changes In Fund Balance - Nonmajor Governmental Funds (Continued)

| *Year Ended April 30, 2025* | **TIF #3 Fund** | **Debt Service Fund** | **Total** |
|---|---|---|---|
| Revenues | | | |
| Property taxes | $ 479,566 | $ 398,303 | $ 980,924 |
| Intergovernmental revenues | - | - | 590,975 |
| Interest | 1,477 | 867 | 3,443 |
| Miscellaneous | 27,000 | - | 27,000 |
| Total revenues | 508,043 | 399,170 | 1,602,342 |
| Expenditures | | | |
| Current | | | |
| General government | 75,406 | - | 170,218 |
| Public works | - | 2,867 | 639,936 |
| Debt service | | | |
| Principal payments | - | 380,000 | 380,000 |
| Interest payments | - | 100,800 | 100,800 |
| Capital outlay | - | - | 277,528 |
| Total expenditures | 75,406 | 483,667 | 1,568,482 |
| Excess (deficiency) of revenues over expenditures | 432,637 | (84,497) | 33,860 |
| Other financing sources (uses) | | | |
| Transfers in | - | 2,745,096 | 2,829,489 |
| Transfers out | (402,399) | (2,656,631) | (3,059,030) |
| Total other financing sources (uses) | (402,399) | 88,465 | (229,541) |
| Net change in fund balance | 30,238 | 3,968 | (195,681) |
| Fund balance, beginning of year, as previously reported | 492,688 | 617,216 | 2,520,312 |
| Change in reporting entity (nonmajor to major fund) | - | - | (385,057) |
| Fund balance, beginning of year, as restated | 492,688 | 617,216 | 2,135,255 |
| Fund balance, end of year | $ 522,926 | $ 621,184 | $ 1,939,574 |

# City of Monmouth, Illinois

## Combining Statement of Fiduciary Net Position

| *April 30, 2025* | **Police Pension** | **Fire Pension** | **Total** |
|---|---|---|---|
| Assets | | | |
| Cash and cash equivalents | $ 1,502,281 | $ 1,502,348 | $ 3,004,629 |
| Investments | 10,690,534 | 7,429,372 | 18,119,906 |
| Property tax receivables | 1,050,007 | 1,050,007 | 2,100,014 |
| Prepaid items | 6,506 | 483 | 6,989 |
| Total assets | 13,249,328 | 9,982,210 | 23,231,538 |
| Liabilities | | | |
| Accounts payable | 965 | 590 | 1,555 |
| Deferred revenue | 1,050,007 | 1,050,007 | 2,100,014 |
| Total liabilities | 1,050,972 | 1,050,597 | 2,101,569 |
| Net Position | | | |
| Held in trust - restricted for pension benefits | $ 12,198,356 | $ 8,931,613 | $ 21,129,969 |

# City of Monmouth, Illinois

## Combining Statement of Changes in Fiduciary Net Position

| *Year Ended April 30, 2025* | **Police Pension** | **Fire Pension** | **Total** |
|---|---|---|---|
| Additions | | | |
| Employer contributions (property tax) | $ 985,889 | $ 985,889 | $ 1,971,778 |
| Employee contributions | 128,918 | 105,034 | 233,952 |
| Total contributions | 1,114,807 | 1,090,923 | 2,205,730 |
| Investment income | - | - | - |
| Interest on investments | 103,195 | 129,424 | 232,619 |
| Dividends | 2,028 | 42,570 | 44,598 |
| Net appreciation (depreciation) in fair value of investments | 804,068 | 568,466 | 1,372,534 |
| Less investment expenses | (9,160) | (11,654) | (20,814) |
| Total investment income | 900,131 | 728,806 | 1,628,937 |
| Total additions | 2,014,938 | 1,819,729 | 3,834,667 |
| Deductions | | | |
| Pension benefits and refunds | 913,984 | 819,453 | 1,733,437 |
| Accounting and auditing services | 14,380 | 13,930 | 28,310 |
| Legal fees | 3,854 | 15,881 | 19,735 |
| Clerk pay | - | 10,210 | 10,210 |
| Meetings, training and travel | 1,773 | 573 | 2,346 |
| Medical | - | 975 | 975 |
| Filing fees | 8,475 | 1,000 | 9,475 |
| Dues | 805 | 83 | 888 |
| Other | 5,633 | 649 | 6,282 |
| Total deductions | 948,904 | 862,754 | 1,811,658 |
| Change in net position | 1,066,034 | 956,975 | 2,023,009 |
| Net position, beginning of year | 11,132,322 | 7,974,638 | 19,106,960 |
| Net position, end of year | $ 12,198,356 | $ 8,931,613 | $ 21,129,969 |

# Other Information

# City of Monmouth, Illinois

## Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

| | Tax Year 2024 | | Tax Year 2023 | | Tax Year 2022 | |
|---|---|---|---|---|---|---|
| **Assessed valuations** | $ 94,508,374 | | $ 89,366,158 | | $ 86,107,960 | |
| | | | | | | |
| Property tax rates (per $100) and extensions | **Rate** | **Amount** | **Rate** | **Amount** | **Rate** | **Amount** |
| General | 0.36928 | 349,001 | 0.37375 | 334,006 | 0.40647 | 350,003 |
| Policemen's pension | 1.11102 | 1,050,007 | 1.11900 | 1,000,007 | 0.46453 | 930,000 |
| Firemen's pension | 1.11102 | 1,050,007 | 1.11900 | 1,000,007 | 1.09525 | 943,097 |
| Bond and interest | 0.42749 | 404,014 | 0.45208 | 404,007 | 1.08004 | 399,997 |
| Road and bridge | - | 59,578 | - | 57,900 | - | 66,243 |
| TIF #1 | - | 326,288 | - | 290,803 | - | 258,412 |
| TIF #2 | - | 109,890 | - | 103,055 | - | 100,287 |
| TIF #3 | - | 698,940 | - | 485,033 | - | 319,165 |
| | 3.01881 | $ 4,047,725 | 3.06383 | $ 3,674,818 | 3.04629 | $ 3,367,204 |
| | | | | | | |
| Tax collections | | | | | | |
| General | | $ - | | $ 329,291 | | $ 355,184 |
| Policemen's pension | | - | | 985,889 | | 943,841 |
| Firemen's pension | | - | | 985,889 | | 957,133 |
| Bond and interest | | - | | 398,303 | | 405,927 |
| Road and bridge | | - | | 57,088 | | 67,030 |
| TIF #1 | | - | | 225,297 | | 261,593 |
| TIF #2 | | - | | 103,432 | | 101,523 |
| TIF #3 | | - | | 479,566 | | 323,099 |
| | | - | | 3,564,755 | | 3,415,330 |
| | | | | | | |
| Percentage collected | | - % | | 97.00 % | | 101.43 % |

WIPFLI

## Independent Accountant's Report on Compliance with State of Illinois Public Act 85-1142

Mayor and City Council
City of Monmouth, Illinois
Monmouth, Illinois

We have examined management's assertion that the City of Monmouth, Illinois (the "City"), complied with the provisions of subsection (q) of the Illinois Compiled Statutes 65 (ILCS) 5/11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2025, for the Tax Increment Financing District Funds (TIF I, TIF II, and TIF III). The City's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about where management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depends on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

Our examination disclosed no material noncompliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) applicable to the City during the year ended April 30, 2025 for the Tax increment Financing District Funds.

In our opinion the City of Monmouth, Illinois, complied, in all material respects, with the provisions of subsection (q) of the Illinois Compiled Statutes (ILCS) 5/11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2025.

This report is intended solely for the information and use of the Mayor and Members of the City Council, management of the City, the Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

Wipfli LLP

Wipfli LLP

Sterling, Illinois
October 14, 2025

## APPENDIX B

## DESCRIBING BOOK-ENTRY ONLY ISSUANCE

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

1. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

2. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

3. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

4. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the bond registrar and request that copies of notices be provided directly to them.

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

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

7. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

8. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

**APPENDIX C**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**[LETTERHEAD OF CHAPMAN AND CUTLER LLP]**

**[TO BE DATED CLOSING DATE]**

City of Monmouth
Warren County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the *“Proceedings”*) of the City Council of the City of Monmouth, Warren County, Illinois (the *City”*), passed preliminary to the issue by the City of its fully registered General Obligation Bonds, Series 2026 (the *“Bonds”*), to the amount of $__________, dated the date hereof, due serially on December 1 of the years and in the amounts and bearing interest as follows:

| | | |
|---|---|---|
| 20__ | $ | % |
| 20__ | | % |
| 20__ | | % |
| 20__ | | % |
| 20__ | | % |
| 20__ | | % |
| 20__ | | % |
| 20__ | | % |
| 20__ | | % |
| 20__ | | % |
| 20__ | | % |
| 20__ | | % |
| 20__ | | % |
| 20__ | | % |
| 20__ | | % |
| 20__ | | % |
| 20__ | | % |

the Bonds due on or after December 1, 20__, being subject to redemption prior to maturity at the option of the City as a whole or in part in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on after December 1, 20___, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the City and is payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the City's compliance with certain covenants, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the *"Code"*). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such City covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

# APPENDIX D

# FORM OF CONTINUING DISCLOSURE UNDERTAKING

**CONTINUING DISCLOSURE UNDERTAKING**
**FOR THE PURPOSE OF PROVIDING**
**CONTINUING DISCLOSURE INFORMATION**
**UNDER SECTION (b)(5) OF RULE 15c2-12**

This Continuing Disclosure Undertaking (this *"Agreement"*) is executed and delivered by the City of Monmouth, Warren County, Illinois (the *"City"*), in connection with the issuance of $___________ General Obligation Bonds, Series 2026 (the *"Bonds"*). The Bonds are being issued pursuant to an ordinance adopted by the City Council of the City on the 3rd day of August, 2026 (as supplemented by a notification of sale, the *"Ordinance"*).

In consideration of the issuance of the Bonds by the City and the purchase of such Bonds by the beneficial owners thereof, the City covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* means information of the type contained under the following headings and subheadings of, and in the following exhibits to, the Official Statement:

1. The table under the heading "SOCIOECONOMIC INFORMATION - Retail Activity" and entitled: "Retailers' Occupation, Service Occupation and Use Tax" within the Official Statement;

2. All of the tables under the heading "PROPERTY ASSESSMENT AND TAX INFORMATION" within the Official Statement;

3. All of the tables under the heading "DEBT INFORMATION" within the Official Statement; and

4. All of the tables under the heading "FINANCIAL INFORMATION" (excluding Budget Financial Information) within the Official Statement.

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the City prepared pursuant to the principles and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent's successors and assigns.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Financial Obligation* of the City means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; *provided* that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Final Official Statement dated ____________, 2026, and relating to the Bonds.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*Reportable Event* means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 5.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*State* means the State of Illinois.

*Undertaking* means the obligations of the City pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the City will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the City remains legally liable for the payment of such Bonds; *provided, however,* that the City will not be required to make such filings under new CUSIP Numbers

unless the City has been notified in writing by the Participating Underwriter or the City's financial advisor that new CUSIP Numbers have been assigned to the Bonds. The City will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the City hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the City hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to "material" in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

6. CONSEQUENCES OF FAILURE OF THE CITY TO PROVIDE INFORMATION. The City shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Agreement. A default under this

Agreement shall not be deemed a default under the Ordinance, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the City by ordinance or resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the City, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the City shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the City shall be terminated hereunder if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance.

9. FUTURE CHANGES TO THE RULE. As set forth in Section 1 of this Agreement, the City has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the City shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the City shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. DISSEMINATION AGENT. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may

discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the City chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

12. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. RECORDKEEPING. The City shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The City shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the City under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

CITY OF MONMOUTH, WARREN COUNTY, ILLINOIS

By______________________________________
Mayor

Date: ______________, 2026

## EXHIBIT I
## ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 270 days after the last day of the City's fiscal year (currently April 30), beginning with the fiscal year ended April 30, 2026. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the City.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the City will disseminate a notice of such change as required by Section 4.

## EXHIBIT II
## EVENTS WITH RESPECT TO THE BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the City*
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City 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 City, 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 City.

## EXHIBIT III
## CUSIP NUMBERS

| YEAR OF MATURITY | CUSIP NUMBER (609592) |
|---|---|
| 20__ | |
| 20__ | |
| 20__ | |
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| 20__ | |

# APPENDIX E

## BOND INSURANCE AND SPECIMEN MUNICIPAL BOND INSURANCE POLICY

# BOND INSURANCE

## BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("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 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 to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by 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: 28 Liberty Street, 59th Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.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 https://www.spglobal.com/en/. The rating of BAM should be evaluated independently. The rating reflects 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 March 31, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $493.3 million, $277.6 million and $215.7 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.bambonds.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 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 heading **APPENDIX E - "BOND INSURANCE AND SPECIMEN MUNICIPAL 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 https://bambonds.com/insights/#video. (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 https://bambonds.com/credit-profiles. 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.

# 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
Address:
28 Liberty Street, 59th Floor
New York, New York 10005
Telecopy:
212-962-1524 (attention: Claims)