SIKICH

City of Dixon, Illinois

Annual Financial Report

For the Year Ended April 30, 2026

CITY OF DIXON, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of Dixon, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Dixon, Illinois (the City) as of and for the year ended April 30, 2026, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Dixon, Illinois, as of April 30, 2026, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The Dixon Public Library, a discretely presented component unit, was not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Dixon, Illinois' ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2026 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 the City's 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.

Sikich CPA LLC

Naperville, Illinois
October 15, 2026

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor
Members of City Council
City of Dixon, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Dixon, Illinois (the City) as of and for the year ended April 30, 2026, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 15, 2026. The financial statements of Dixon Public Library, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Dixon Public Library.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as findings 2026-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich CPA LLC

Naperville, Illinois
October 15, 2026

CITY OF DIXON, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended April 30, 2026

Significant Deficiency

Finding 2026-001 - Grant Reporting

Criteria: The City's internal controls over GAAP financial reporting should include adequately trained personnel with knowledge and experience to prepare and/or thoroughly review GAAP based financial statements to ensure they are free from material misstatements and include all disclosures as required by the Government Accounting Standards Board (GASB).

Condition: During our audit, we noted several material audit adjustments, where grant expenditures and related cost reimbursement revenues were not reported in the correct period.

Cause: The City did not maintain sufficient review controls over year-end grant accrual calculations and grant reporting information received from operating departments due to limited accounting department staffing.

Effect: The lack of financial reconciliations resulted in misstated revenues.

Recommendation: We recommend the City develop a stronger process to ensure proper tracking of grant expenditures and grant reporting. We recommend that the City communicate to necessary personnel within the City the proper procedures and controls for the year-end grant accrual process as grants are a multi-departmental task. Where possible, we recommend that the City consolidate its grant reporting to the Finance Department to have all the information centralized.

Views of Responsible Officials: Management agrees with this finding and see response in the Corrective Action Plan attached to the separately issued Single Audit Report.

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

CITY OF DIXON, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2026

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Dixon Public Library
ASSETS				
Cash and investments	$ 36,293,874	$ 10,661,870	$ 46,955,744	$ 982,922
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	5,966,797	-	5,966,797	658,320
Accounts	2,530,038	2,303,312	4,833,350	287
Intergovernmental	34,164	-	34,164	-
Accrued interest	33,656	10,889	44,545	-
Other	657,347	-	657,347	-
Leases	128,243	214,853	343,096	-
Due from other governments	1,255,781	-	1,255,781	-
Internal balances	869,536	(869,536)	-	-
Prepaid items	418,056	54,235	472,291	6,091
Inventory	44,180	256,502	300,682	-
Net pension asset	2,479,594	1,273,181	3,752,775	262,262
Capital assets				
Not depreciated	18,368,627	5,019,632	23,388,259	90,000
Depreciated (net of accumulated depreciation)	35,495,126	22,089,153	57,584,279	742,330
Total assets	104,575,019	41,014,091	145,589,110	2,742,212
DEFERRED OUTFLOWS OF RESOURCES				
Asset retirement obligation	-	65,800	65,800	-
Pension items - OPEB	819,397	555,198	1,374,595	14,025
Pension items - IMRF	364,166	286,773	650,939	59,073
Pension items - Police Pension	2,539,767	-	2,539,767	-
Pension items - Firefighters' Pension	1,373,178	-	1,373,178	-
Total deferred outflows of resources	5,096,508	907,771	6,004,279	73,098
Total assets and deferred outflows of resources	109,671,527	41,921,862	151,593,389	2,815,310

(This statement is continued on the following page.)

CITY OF DIXON, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2026

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Dixon Public Library
LIABILITIES				
Accounts payable	$ 727,194	$ 947,472	$ 1,674,666	$ 1,928
Accrued payroll	103,425	25,583	129,008	7,372
Accrued interest payable	472,631	11,603	484,234	-
Customer deposits	3,416	492,172	495,588	-
Unearned revenue	227,888	-	227,888	-
Long-term liabilities				
Due within one year	1,875,407	1,234,866	3,110,273	23,378
Due in more than one year	24,520,597	5,411,132	29,931,729	33,184
Total liabilities	27,930,558	8,122,828	36,053,386	65,862
DEFERRED INFLOWS OF RESOURCES				
Deferred property taxes	5,966,797	-	5,966,797	658,320
Leases	115,602	192,336	307,938	-
OPEB items	2,455,655	1,663,881	4,119,536	42,032
Pension items - IMRF	776,600	611,558	1,388,158	125,976
Pension items - Police Pension	5,480,728	-	5,480,728	-
Pension items - Firefighters' Pension	3,387,429	-	3,387,429	-
Total deferred inflows of resources	18,182,811	2,467,775	20,650,586	826,328
Total liabilities and deferred inflows of resources	46,113,369	10,590,603	56,703,972	892,190
NET POSITION				
Net investment in capital assets	53,349,056	21,414,999	74,764,055	832,330
Restricted for				
Highways and streets	5,281,479	-	5,281,479	-
Retirement	1,096,271	-	1,096,271	-
Public safety	204,126	-	204,126	-
Culture and recreation	67,051	-	67,051	828,528
Airport	540,768	-	540,768	-
Grants	49,738	-	49,738	-
Police and fire pension	3,284,069	-	3,284,069	-
Economic development	596,030	-	596,030	-
Cemetery endowment	855,816	-	855,816	-
Working cash	690,000	-	690,000	-
Net pension asset	2,479,594	1,273,181	3,752,775	262,262
Unrestricted (deficit)	(4,935,840)	8,643,079	3,707,239	-
TOTAL NET POSITION	$ 63,558,158	$ 31,331,259	$ 94,889,417	$ 1,923,120

See accompanying notes to financial statements.

CITY OF DIXON, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2026

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	$ 6,166,405	$ 1,301,806	$ 88,500	$ 613,039
Public safety	7,630,793	1,101,370	1,000	-
Highways and streets	4,407,503	-	700,608	-
Traffic development	51,709	-	-	-
Culture and recreation	57,578	-	-	16,000
Airport	288,470	87,090	-	232,217
Cemetery	-	52,060	-	-
Interest on long-term debt	1,153,628	-	-	-
Total governmental activities	19,756,086	2,542,326	790,108	861,256
Business-Type Activities				
Sewerage	2,532,246	3,615,246	155,566	3,977,900
Water department	4,151,321	4,322,968	-	-
Total business-type activities	6,683,567	7,938,214	155,566	3,977,900
TOTAL PRIMARY GOVERNMENT	$ 26,439,653	$ 10,480,540	$ 945,674	$ 4,839,156
COMPONENT UNIT				
Dixon Public Library	$ 866,513	$ 23,805	$ 22,529	$ -

	Net (Expense) Revenue and Change in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Dixon Public Library
	$ (4,163,060)	$ -	$ (4,163,060)	$ -
	(6,528,423)	-	(6,528,423)	-
	(3,706,895)	-	(3,706,895)	-
	(51,709)	-	(51,709)	-
	(41,578)	-	(41,578)	-
	30,837	-	30,837	-
	52,060	-	52,060	-
	(1,153,628)	-	(1,153,628)	-
	(15,562,396)	-	(15,562,396)	-
	-	5,216,466	5,216,466	-
	-	171,647	171,647	-
	-	5,388,113	5,388,113	-
	(15,562,396)	5,388,113	(10,174,283)	-
	-	-	-	(820,179)
General Revenues				
Taxes				
Property	5,249,074	-	5,249,074	641,260
Telecommunications	32,040	-	32,040	-
Hotel/motel	258,281	-	258,281	-
Video gaming	598,528	-	598,528	-
Foreign fire	51,547	-	51,547	-
Utility	717,449	-	717,449	-
Intergovernmental				
Shared income tax	2,800,602	-	2,800,602	-
Sales and use tax	6,565,268	-	6,565,268	-
Replacement tax	945,659	-	945,659	78,608
Investment income	1,568,595	382,433	1,951,028	46,862
Miscellaneous	443,549	-	443,549	1,628
Gain on sale of capital assets	26,795	-	26,795	-
Total	19,257,387	382,433	19,639,820	768,358
CHANGE IN NET POSITION	3,694,991	5,770,546	9,465,537	(51,821)
NET POSITION, MAY 1	59,863,167	25,560,713	85,423,880	1,974,941
NET POSITION, APRIL 30	$ 63,558,158	$ 31,331,259	$ 94,889,417	$ 1,923,120

See accompanying notes to financial statements.

CITY OF DIXON, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2026

	General	Fargo Creek TIF	Riverfront Project TIF
ASSETS			
Cash and investments	$ 14,279,302	$ 205,887	$ 962,921
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	4,477,284	681,545	518,568
Accounts	280,949	-	-
Intergovernmental	-	-	-
Accrued interest	19,016	-	-
Other	307,822	-	-
Leases	10,905	-	-
Due from other governments	1,199,397	-	-
Advances to other funds	4,799,335	-	-
Prepaid items	410,884	-	-
Inventory	19,254	-	-
TOTAL ASSETS	$ 25,804,148	$ 887,432	$ 1,481,489
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 211,132	$ -	$ -
Accrued payroll	95,222	-	-
Customer deposits	-	-	-
Unearned revenue	64,031	-	-
Advances from other funds	-	3,929,741	376,235
Total liabilities	370,385	3,929,741	376,235
DEFERRED INFLOWS OF RESOURCES			
Leases	10,443	-	-
Unavailable grant revenue	276,910	-	-
Unavailable property taxes	4,477,284	681,545	518,568
Total deferred inflows of resources	4,764,637	681,545	518,568
Total liabilities and deferred inflows of resources	5,135,022	4,611,286	894,803
FUND BALANCES			
Nonspendable for			
Prepaid expense	410,884	-	-
Advances to other funds	4,799,335	-	-
Inventory	19,254	-	-
Restricted for			
Highways and streets	-	-	-
Retirement	-	-	-
Public safety	-	-	-
Culture and recreation	-	-	-
Airport	-	-	-
Grants	-	-	-
Police and fire pension	3,284,069	-	-
Economic development	-	-	586,686
Cemetery endowment	-	-	-
Working cash	-	-	-
Assigned for			
Working cash	-	-	-
Public safety	-	-	-
Capital projects	-	-	-
Unassigned (deficit)	12,155,584	(3,723,854)	-
Total fund balances (deficit)	20,669,126	(3,723,854)	586,686
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 25,804,148	$ 887,432	$ 1,481,489

Infrastructure	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
$ 5,286,178	$ 9,395,412	$ 5,860,954	$ 35,990,654
-	-	289,400	5,966,797
-	-	2,249,089	2,530,038
34,164	-	-	34,164
-	4,744	9,896	33,656
349,525	-	-	657,347
-	-	117,338	128,243
-	-	56,384	1,255,781
-	376,235	-	5,175,570
-	-	7,172	418,056
-	-	24,926	44,180
$ 5,669,867	$ 9,776,391	$ 8,615,159	$ 52,234,486
$ 115,963	$ 301,956	$ 98,143	$ 727,194
-	-	8,203	103,425
-	-	3,416	3,416
34,164	-	129,693	227,888
-	-	58	4,306,034
150,127	301,956	239,513	5,367,957
-	-	105,159	115,602
-	-	-	276,910
-	-	289,400	5,966,797
-	-	394,559	6,359,309
150,127	301,956	634,072	11,727,266
-	-	7,172	418,056
-	-	-	4,799,335
-	-	24,926	44,180
4,219,740	-	1,061,739	5,281,479
-	-	1,096,271	1,096,271
-	-	204,126	204,126
-	-	67,051	67,051
-	-	540,768	540,768
-	-	49,738	49,738
-	-	-	3,284,069
-	-	9,344	596,030
-	-	855,816	855,816
-	-	690,000	690,000
-	-	185,719	185,719
-	-	3,188,417	3,188,417
1,300,000	9,474,435	-	10,774,435
-	-	-	8,431,730
5,519,740	9,474,435	7,981,087	40,507,220
$ 5,669,867	$ 9,776,391	$ 8,615,159	$ 52,234,486

See accompanying notes to financial statements.

CITY OF DIXON, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

April 30, 2026

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 40,507,220
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds, net of accumulated depreciation	53,863,753
Revenues in the statement of activities that do not provide current financial resources are unavailable in the funds	276,910
Differences between expected and actual experiences, assumption changes and net difference between projected and actual earnings are recognized as deferred outflows and inflows of resources on the statement of net position	
IMRF	(412,434)
OPEB	(1,636,258)
Police Pension	(2,940,961)
Firefighters' Pension	(2,014,251)
Net pension assets and (liabilities) are not financial resources and, therefore, are not reported in the fund financial statements	
IMRF	1,616,774
Police Pension	(1,000,161)
Firefighters' Pension	862,820
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(21,915,000)
Bond premium	(109,430)
Installment contract	(50,150)
Compensated absences payable	(1,091,475)
Subscriptions payable	(191,356)
Total other postemployment benefit liability	(2,038,432)
Accrued interest payable	(472,631)
The net position of the internal service fund are included in the governmental activities in the statement of net position	303,220
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 63,558,158

See accompanying notes to financial statements.

CITY OF DIXON, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2026

	General	Fargo Creek TIF	Riverfront Project TIF
REVENUES			
Taxes	$ 6,121,177	$ 218,734	$ 509,600
Intergovernmental	8,990,510	289,890	16,000
Licenses and permits	412,555	-	-
Fines and fees	175,177	-	-
Charges for services	404,604	-	-
Landfill revenue	510,938	-	-
Rental income	-	12,754	-
Investment income	690,455	865	23,655
Miscellaneous	359,356	-	-
Total revenues	17,664,772	522,243	549,255
EXPENDITURES			
Current			
General government	5,184,216	-	17,268
Public safety	6,702,603	-	-
Highways and streets	1,419,396	-	-
Traffic development	51,709	-	-
Culture and recreation	-	-	-
Airport operations	-	-	-
Capital outlay	-	241,319	-
Debt service			
Principal retirement	425,434	-	-
Interest and fiscal charges	1,165,312	-	-
Total expenditures	14,948,670	241,319	17,268
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,716,102	280,924	531,987
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	(3,145,130)	-	-
SBITA issuance	112,226	-	-
Installment contract issuance	-	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	(3,032,904)	-	-
NET CHANGE IN FUND BALANCES	(316,802)	280,924	531,987
FUND BALANCES (DEFICIT), MAY 1	20,985,928	(4,004,778)	54,699
FUND BALANCES (DEFICIT), APRIL 30	$ 20,669,126	$ (3,723,854)	$ 586,686

Infrastructure	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 57,408	$ 6,906,919
1,489,352	1,000	932,825	11,719,577
-	-	-	412,555
-	-	13,580	188,757
-	-	952,413	1,357,017
-	-	-	510,938
-	-	60,305	73,059
234,766	387,121	219,631	1,556,493
-	35,131	49,062	443,549
1,724,118	423,252	2,285,224	23,168,864
-	622,170	33,600	5,857,254
-	-	1,098,676	7,801,279
-	-	36,399	1,455,795
-	-	-	51,709
-	-	57,578	57,578
-	-	196,963	196,963
2,206,878	1,962,999	974,412	5,385,608
-	31,903	-	457,337
-	2,521	-	1,167,833
2,206,878	2,619,593	2,397,628	22,431,356
(482,760)	(2,196,341)	(112,404)	737,508
1,300,000	1,745,630	99,500	3,145,130
-	-	-	(3,145,130)
-	-	-	112,226
-	-	50,150	50,150
-	26,795	-	26,795
1,300,000	1,772,425	149,650	189,171
817,240	(423,916)	37,246	926,679
4,702,500	9,898,351	7,943,841	39,580,541
$ 5,519,740	$ 9,474,435	$ 7,981,087	$ 40,507,220

See accompanying notes to financial statements.

CITY OF DIXON, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2026

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 926,679
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	5,602,189
Depreciation and amortization expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	
Depreciation	(3,425,907)
Amortization	(92,100)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds until available	243,316
The change in interest payable is reported as interest expense on the statement of activities	6,910
The issuance of long-term debt provides current financial resources to governmental funds	
Issuance of subscriptions payable	(112,226)
Issuance of installment contract	(50,150)
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(58,728)
The change in the Police Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of financial resources	311,843
The change in the Firefighters' Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	37,870
The change in the total other postemployment benefit liability and deferred outflows/inflows of resources is not a source or use of a financial resource	5,143
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal on the government-wide statement of activities	457,337
Governmental funds report the effects of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	
Bond premium	7,295
Some expenses in the statement of activities do not required the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Change in compensated absences	(176,582)
The addition in net position of certain activities of internal service funds is included in governmental funds	12,102
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 3,694,991

See accompanying notes to financial statements.

CITY OF DIXON, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2026

	Business-Type Activities			Governmental Activities
	Sewerage Fund	Water Department Fund	Total	Internal Service
CURRENT ASSETS				
Cash and investments	$ 8,692,553	$ 1,969,317	$ 10,661,870	$ 303,220
Receivables				
Accounts	1,808,089	495,223	2,303,312	-
Accrued interest	9,446	1,443	10,889	-
Prepaid items	23,775	30,460	54,235	-
Inventory	-	256,502	256,502	-
Total current assets	10,533,863	2,752,945	13,286,808	303,220
NONCURRENT ASSETS				
Lease receivable	-	214,853	214,853	-
Net pension asset	490,800	782,381	1,273,181	-
Total noncurrent assets	490,800	997,234	1,488,034	-
CAPITAL ASSETS				
Nondepreciable	4,415,806	603,826	5,019,632	-
Depreciable	38,178,475	37,343,658	75,522,133	-
Accumulated depreciation	(33,330,081)	(20,102,899)	(53,432,980)	-
Net capital assets	9,264,200	17,844,585	27,108,785	-
Total assets	20,288,863	21,594,764	41,883,627	303,220
DEFERRED OUTFLOWS OF RESOURCES				
Asset retirement obligation	-	65,800	65,800	-
OPEB items	214,024	341,174	555,198	-
Pension items - IMRF	110,548	176,225	286,773	-
Total deferred outflows of resources	324,572	583,199	907,771	-
Total assets and deferred outflows of resources	20,613,435	22,177,963	42,791,398	303,220

(This statement is continued on the following page.)

CITY OF DIXON, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

April 30, 2026

	Business-Type Activities			Governmental Activities
	Sewerage Fund	Water Department Fund	Total	Internal Service
CURRENT LIABILITIES				
Accounts payable	$ 896,323	$ 51,149	$ 947,472	$ -
Accrued payroll	11,177	14,406	25,583	-
Accrued interest payable	-	11,603	11,603	-
Compensated absences, current	130,671	185,289	315,960	-
Total other postemployment benefit liability, current	26,332	41,186	67,518	-
IEPA loans payable, current	-	851,388	851,388	-
Total current liabilities	1,064,503	1,155,021	2,219,524	-
LONG-TERM LIABILITIES				
Refundable customer deposits	-	492,172	492,172	-
Advance from other funds	292,721	576,815	869,536	-
Total other postemployment benefit liability, noncurrent	506,102	807,562	1,313,664	-
Asset retirement obligation	-	70,000	70,000	-
IEPA loans payable, noncurrent	-	4,027,468	4,027,468	-
Total long-term liabilities	798,823	5,974,017	6,772,840	-
Total liabilities	1,863,326	7,129,038	8,992,364	-
DEFERRED INFLOWS OF RESOURCES				
Leases	-	192,336	192,336	-
OPEB items	641,412	1,022,469	1,663,881	-
Pension items - IMRF	235,750	375,808	611,558	-
Total deferred inflows of resources	877,162	1,590,613	2,467,775	-
Total liabilities and deferred inflows of resources	2,740,488	8,719,651	11,460,139	-
NET POSITION				
Net investment in capital assets	8,449,270	12,965,729	21,414,999	-
Restricted - net pension asset	490,800	782,381	1,273,181	-
Unrestricted (deficit)	8,932,877	(289,798)	8,643,079	303,220
TOTAL NET POSITION	$ 17,872,947	$ 13,458,312	$ 31,331,259	$ 303,220

See accompanying notes to financial statements.

CITY OF DIXON, ILLINOIS

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

For the Year Ended April 30, 2026

	Business-Type Activities			Governmental Activities
	Sewerage Fund	Water Department Fund	Total	Internal Service
OPERATING REVENUES				
User fees	$ 3,581,069	$ 4,201,136	$ 7,782,205	$ -
Penalties collected	34,177	84,816	118,993	-
Labor and merchandise	-	4,541	4,541	-
Other fees	-	32,475	32,475	-
Total operating revenues	3,615,246	4,322,968	7,938,214	-
OPERATING EXPENSES				
Salaries	814,710	897,420	1,712,130	-
Employee benefits	93,140	124,507	217,647	-
Maintenance of site and buildings	128,943	177,851	306,794	-
Supplies and services	124,451	274,663	399,114	-
Electricity	390,882	370,629	761,511	-
Fuel, gas and oil	39,080	49,086	88,166	-
Professional service and fees	332,773	227,740	560,513	-
Insurance	182,568	244,917	427,485	-
Clothing allowance	2,750	5,500	8,250	-
Bad debt expense	535	-	535	-
Dues and subscriptions	3,019	6,060	9,079	-
Travel and education expense	6,385	6,601	12,986	-
Depreciation and amortization	401,475	1,699,201	2,100,676	-
Total operating expenses	2,520,711	4,084,175	6,604,886	-
OPERATING INCOME	1,094,535	238,793	1,333,328	-
NON-OPERATING REVENUES (EXPENSES)				
Investment income	321,801	60,632	382,433	12,102
Intergovernmental	155,566	-	155,566	-
Interest and fiscal charges	(11,535)	(67,146)	(78,681)	-
Total non-operating revenues (expenses)	465,832	(6,514)	459,318	12,102
NET INCOME BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	1,560,367	232,279	1,792,646	12,102
CAPITAL GRANTS AND CONTRIBUTIONS	3,977,900	-	3,977,900	-
CHANGE IN NET POSITION	5,538,267	232,279	5,770,546	12,102
NET POSITION, MAY 1	12,334,680	13,226,033	25,560,713	291,118
NET POSITION, APRIL 30	$ 17,872,947	$ 13,458,312	$ 31,331,259	$ 303,220

See accompanying notes to financial statements.

CITY OF DIXON, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2026

	Business-Type Activities			Governmental Activities
	Sewerage Fund	Water Department Fund	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 2,235,338	$ 4,296,952	$ 6,532,290	$ -
Payments to suppliers	(1,485,542)	(1,376,990)	(2,862,532)	-
Payments to employees	(852,659)	(1,017,463)	(1,870,122)	-
Net cash from operating activities	(102,863)	1,902,499	1,799,636	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund loans	(284,048)	46	(284,002)	-
Intergovernmental receipts	155,566	-	155,566	-
Net cash from noncapital financing activities	(128,482)	46	(128,436)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(3,231,072)	(243,621)	(3,474,693)	-
Receipt of IEPA capital grant	3,977,900	-	3,977,900	-
Principal payments on long-term debt	-	(935,011)	(935,011)	-
Interest payments on long-term debt	(11,535)	(66,894)	(78,429)	-
Net cash from capital and related financing activities	735,293	(1,245,526)	(510,233)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	324,284	60,668	384,952	12,102
Sale of investments	2,198,058	-	2,198,058	-
Purchase of investments	(1,846,418)	(11,152)	(1,857,570)	-
Net cash from investing activities	675,924	49,516	725,440	12,102
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,179,872	706,535	1,886,407	12,102
CASH AND CASH EQUIVALENTS, MAY 1	4,039,767	973,883	5,013,650	291,118
CASH AND CASH EQUIVALENTS, APRIL 30	$ 5,219,639	$ 1,680,418	$ 6,900,057	$ 303,220

(This statement is continued on the following page.)

CITY OF DIXON, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended April 30, 2026

	Business-Type Activities			Governmental Activities
	Sewerage Fund	Water Department Fund	Total	Internal Service
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income	$ 1,094,535	$ 238,793	$ 1,333,328	$ -
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation and amortization	401,475	1,699,201	2,100,676	-
Changes in assets and liabilities				
Accounts receivable	(1,379,908)	(31,958)	(1,411,866)	-
Prepaid items	747	746	1,493	-
Lease items	-	(5,147)	(5,147)	-
Inventory	-	(4,908)	(4,908)	-
Accounts payable	(274,903)	(9,781)	(284,684)	-
Accrued payroll	816	1,164	1,980	-
Other payables	-	11,089	11,089	-
Compensated absences	37,889	(22,979)	14,910	-
Pension items - IMRF	17,829	28,420	46,249	-
Pension items - OPEB	(1,343)	(2,141)	(3,484)	-
NET CASH FROM OPERATING ACTIVITIES	$ (102,863)	$ 1,902,499	$ 1,799,636	$ -
CASH AND INVESTMENTS				
Cash and cash equivalents	$ 5,219,639	$ 1,680,418	$ 6,900,057	$ 303,220
Investments	3,472,914	288,899	3,761,813	-
TOTAL CASH AND INVESTMENTS	$ 8,692,553	$ 1,969,317	$ 10,661,870	$ 303,220
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
IEPA loan forgiveness	$ 3,710,588	$ -	$ 3,710,588	$ -
Capital asset additions included in accounts payable	814,930	-	814,930	-
TOTAL NONCASH TRANSACTIONS	$ 4,525,518	$ -	$ 4,525,518	$ -

See accompanying notes to financial statements.

CITY OF DIXON, ILLINOIS

STATEMENT OF NET POSITION
FIDUCIARY FUNDS

April 30, 2026

	Pension Trust Fund	Custodial Funds
ASSETS		
Cash and short-term investments	$ 309,519	$ 606,525
Investments		
Pooled investments	65,300,453	-
Receivables		
Accrued interest	-	2,422
Prepaid expenses	8,803	-
Total assets	65,618,775	608,947
LIABILITIES		
Accounts payable	1,940	67,994
Total liabilities	1,940	67,994
NET POSITION		
Restricted for pensions	65,616,835	-
Restricted for individuals, organizations and other governments	-	540,953
TOTAL NET POSITION	$ 65,616,835	$ 540,953

See accompanying notes to financial statements.

CITY OF DIXON, ILLINOIS

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS

For the Year Ended April 30, 2026

	Pension Trust Fund	Custodial Funds
ADDITIONS		
Contributions		
Employer contributions	$ 1,111,295	$ -
Employee contributions	443,432	-
Other contributions	-	8,010
Total contributions	1,554,727	8,010
Investment income		
Net appreciation in fair value of investments	11,493,588	-
Interest	716,944	13,804
Total investment income	12,210,532	13,804
Less investment expense	(85,082)	-
Net investment income	12,125,450	13,804
Total additions	13,680,177	21,814
DEDUCTIONS		
Benefits and refunds	3,633,801	-
Administrative expenses	71,692	-
Miscellaneous	-	11,562
Total deductions	3,705,493	11,562
CHANGE IN NET POSITION	9,974,684	10,252
NET POSITION, MAY 1	55,642,151	530,701
NET POSITION, APRIL 30	$ 65,616,835	$ 540,953

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Dixon, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

a. Reporting Entity

The City is a municipal corporation governed by an elected council under the mayor/council form of government. As required by GAAP, these financial statements present the City (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government. A blended component unit, although legally separate, is, in substance, part of the City's operations and so data from this unit is combined with the data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column on the government-wide financial statements to emphasize it is legally separate from the City.

Pension Trust Funds

The City's financial statements include the Police Pension Fund and the Firefighters' Pension Fund as fiduciary component units reported as pension trust funds. The City's sworn police and firefighter employees participate in these pension trust funds which function for the benefit of those employees and are governed by a five-member Pension Board of Trustees. Two members appointed by the Mayor, one elected pension beneficiary and two elected police officers constitute the Pension Boards. The City and the pension plan participants are obligated to fund all pension plan costs based upon actuarial valuations. 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 the contribution levels. Accordingly, the pension trust funds are fiscally dependent on the City. Separate financial statements are not available for the pension trust funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Discretely Presented Component Unit

The Dixon Public Library

The Dixon Public Library (the Library) operates and maintains the City's public library facilities. The Library's Board of Trustees is appointed by the Mayor with the consent of the City Council. The Library may not issue bonded debt, and its annual budget and property tax levy requests are subject to the City Council's approval. Separate financial statements for the Library are not available.

b. Fund Accounting

The City uses funds to report on its financial position and changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of capital assets (capital projects funds), the funds restricted, committed or assigned for the servicing of long-term debt (debt service funds) and the management of funds held in trust where the interest earnings can be used for governmental services (permanent funds). The General Fund is used to account for all activities of the City not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). The City utilizes pension trust funds and custodial funds which are generally used to account for assets that the City holds in a fiduciary capacity or on behalf of others as their agent.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

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 Fargo Creek TIF Fund, a special revenue fund, accounts for the revenues and expenditures associated with the Fargo Creek TIF project. Financing is provided by property taxes.

The Riverfront Project TIF Fund, a special revenue fund, accounts for the revenues and expenditures associated with the Riverfront TIF project. Financing is provided by property taxes. This fund did not meet the criteria for inclusion as a major fund; however, the City has elected to report it as such.

The Infrastructure Fund, a capital projects fund, accounts for the construction and redevelopment of infrastructure throughout the City.

The Capital Projects Fund accounts for the acquisition and construction of major capital projects.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The City reports the following major proprietary funds:

The Sewer Fund accounts for the costs related to operations associated with sewer service. Funding is provided by user fees.

The Water Department Fund accounts for the costs related to operations associated with water service. Funding is provided by user fees.

In addition, the City reports an internal service fund to account for the cost of certain benefits provided to employees.

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund. Furthermore, the City reports two custodial funds to report amounts held for other governments.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due, unless due the first day of the following fiscal year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property taxes, sales taxes, and telecommunication taxes owed to the state at year-end, utility taxes, franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The City reports unearned revenue and deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet the availability criteria for recognition in the current period, under the modified accrual basis of accounting. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the City before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflows of resources for unearned and deferred/unavailable revenue are removed from the financial statements, and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For the statement of cash flows, the City's proprietary funds consider cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agent, and short-term investments with original maturities of three months or less from the date of acquisition.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments (Continued)

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Property Taxes

Property taxes for 2025 are levied in December 2025 and attach as an enforceable lien on the property on January 1, 2025. Tax bills are prepared by the County and issued on or about May 1, 2026 and August 1, 2026, and are due and collectible on or about June 1, 2026 and September 1, 2026. The County collects the taxes and remits them periodically to the City. Those 2025 taxes are intended to finance the 2027 fiscal year and are not considered available or earned for current operations and, therefore, are reported as deferred/unavailable revenue. The 2026 tax levy has not been recorded as a receivable at April 30, 2026, as the tax attached as a lien on property as of January 1, 2026; however, the tax will not be levied until December 2026 and, accordingly, is not measurable at April 30, 2026.

g. Inventory

Inventory is valued at cost on a first-in/first-out (FIFO) method.

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses and are accounted for using the consumption method.

i. Capital Assets/Intangible Assets

Capital assets, which include property, plant, equipment, intangibles (software), and infrastructure assets (e.g., roads, bridges, sidewalks, storm water and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of $10,000 to $20,000 and an estimated useful life in excess of one year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets/Intangible Assets (Continued)

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment is depreciated and amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20
Buildings	25
Building improvements	10-25
Vehicles	5-7
Machinery, equipment and software	5-15
Furniture and fixtures	5-20
Infrastructure	10-50

Intangible right-to-use assets represent the City's subscription arrangements related to software, as defined by GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Intangibles are amortized over the shorter of the subscription term or useful life of the intangible asset.

j. Compensated Absences

City employees are granted sick leave and vacation days. Non-union personnel accrue unused vacation time when earned by the employee. Each employee is allowed to carryover five days to the subsequent fiscal year. Union personnel are prohibited from carrying over unused vacation time.

In accordance with GASB Statement No. 101, *Compensated Absences*, vested or accumulated vacation and sick leave that is due to employees who have retired or terminated by the end of the year is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees. The entire balance of vacation leave is recognized as a liability at year end. A liability is recognized for the portion of accumulating sick leave benefits that is estimated to be more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Interfund Transactions

Interfund service transactions are accounted for as revenues, 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.

l. Interfund Receivables/Payables

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."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

m. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as any gains/losses on refunding are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Deferred Outflows/Inflows of Resources

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

o. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal action includes ordinances approved by the City Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The City Council has the authority to assign fund balance. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned funds and then unassigned funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. The City's net position in the Infrastructure Fund is restricted as a result of enabling legislation adopted by the City Council. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt to acquire or construct the capital assets as well as any other non-debt capital related liabilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Use of Estimates

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

2. CASH AND INVESTMENTS

The City and pension funds categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City maintains a cash and investment pool that is available for use by all funds, including the Library's funds and excluding the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." The deposits and investments of the pension trust funds are held separately from those of other funds. The investments are governed by three separate investment policies: one policy each for the Police Pension Fund and the Firefighters' Pension Fund approved by their respective boards.

The City is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments insured by the Federal Deposit Insurance Corporation (FDIC), obligations or securities guaranteed by the United States of America, direct obligations of any bank as defined by the Illinois Banking Act, certain money market mutual funds and The Illinois Funds (a money market fund created by the state legislature under the control of the State Treasurer that maintains a $1 share value).

It is the City's policy to apply the prudent person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to confirm with legal requirements, seek reasonable income, preserve capital, maintain liquidity, and in general, avoid speculative instruments.

2. CASH AND INVESTMENTS (Continued)

City Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the City's deposits may not be returned to it. The City's investment policy requires pledging of collateral with a fair value of 102% of the fair market value of the funds secured. At year end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance. The collateral is pledged by a single institution collateral pool which is monitored by a third party and with the collateral pledged being securities which are allowable investments under the City's investment policy. At year end, all of the City's deposits were fully insured or collateralized.

City Investments

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The following table presents the investments and maturities of the City's debt securities as of April 30, 2026:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Repurchase agreements	$ 2,821,526	$ 2,821,526	$ -	$ -	$ -
TOTAL	$ 2,821,526	$ 2,821,526	$ -	$ -	$ -

The City has the following recurring fair value measurements as of April 30, 2026: The repurchase agreements are valued using a matrix pricing model (Level 2 input).

2. CASH AND INVESTMENTS (Continued)

City Investments (Continued)

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with the City's investment policy, the City will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity and investing operating funds primarily in shorter term securities.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment in securities allowed under the investment policy. In accordance with the City's investment policy, the City will minimize credit risk by limiting investments to the types of securities that are authorized, prequalifying the financial institutions and brokers/dealers, and diversifying the portfolio so that potential losses from one type of security or individual issuers will be minimized. The Illinois Funds are rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in the possession of an outside party. In accordance with the City's investment policy, all security transactions, including collateral for repurchase agreements, entered into by the City, shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by an independent third-party custodian, and evidenced by safekeeping receipts and governed by a written custodial agreement. The repurchase agreements are subject to custodial credit risk as they are held in safekeeping by the pledging institution. The Illinois Funds are not subject to custodial credit risk.

Concentration of the credit risk is the risk that the City has a high percentage of their investments invested in one investment. In accordance with the City's investment policy, the City will have a variety of financial instruments and maturities, properly balanced, to help ensure liquidity and reduce risk, or interest rate volatility, or loss of principal. Diversifying instruments and maturities will avoid incurring unreasonable risks in the investment portfolio regarding specific security types, issuers, or individual financial institutions. The City shall diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, or length of maturity.

3. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2026 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 4,206,811	$ -	$ -	$ 4,206,811
Construction in progress	12,521,701	5,031,557	3,391,442	14,161,816
Total capital assets not being depreciated	16,728,512	5,031,557	3,391,442	18,368,627
Tangible capital assets being depreciated				
Buildings	12,148,139	2,447,480	-	14,595,619
Equipment	8,167,079	519,359	42,874	8,643,564
Infrastructure	59,033,598	883,009	-	59,916,607
Total tangible capital assets being depreciated	79,348,816	3,849,848	42,874	83,155,790
Intangible capital assets being depreciated				
Software	258,339	112,226	42,063	328,502
Total intangible capital assets being depreciated	258,339	112,226	42,063	328,502
Less accumulated depreciation for tangible capital assets				
Buildings	6,472,222	357,177	-	6,829,399
Equipment	6,345,314	527,374	42,874	6,829,814
Infrastructure	31,658,612	2,541,356	-	34,199,968
Total accumulated depreciation for tangible capital assets	44,476,148	3,425,907	42,874	47,859,181
Less accumulated amortization for intangible capital assets				
Software	79,948	92,100	42,063	129,985
Total accumulated depreciation for tangible capital assets	79,948	92,100	42,063	129,985
Total tangible and intangible capital assets being depreciated and amortized, net	35,051,059	444,067	-	35,495,126
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 51,779,571	$ 5,475,624	$ 3,391,442	$ 53,863,753

3. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES	
General government	$ 34,997
Public safety	17,389
Highways and streets	3,108,786
Airport	264,735
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 3,425,907

GOVERNMENTAL ACTIVITIES	
General government	$ 57,593
Public safety	34,507
TOTAL AMORTIZATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 92,100

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	$ 309,339	$ -	$ -	$ 309,339
Construction in progress	2,722,918	4,077,185	2,089,810	4,710,293
Total capital assets not being depreciated	3,032,257	4,077,185	2,089,810	5,019,632
Capital assets being depreciated				
Buildings	21,632,950	-	-	21,632,950
Equipment	2,358,191	55,900	71,420	2,342,671
Infrastructure	49,350,224	2,196,288	-	51,546,512
Total capital assets being depreciated	73,341,365	2,252,188	71,420	75,522,133
Less accumulated depreciation for				
Buildings	20,270,104	147,655	-	20,417,759
Equipment	1,893,046	88,267	71,420	1,909,893
Infrastructure	29,241,274	1,864,054	-	31,105,328
Total accumulated depreciation	51,404,424	2,099,976	71,420	53,432,980
Total capital assets being depreciated, Net	21,936,941	152,212	-	22,089,153
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 24,969,198	$ 4,229,397	$ 2,089,810	$ 27,108,785

3. CAPITAL ASSETS (Continued)

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

BUSINESS-TYPE ACTIVITIES	
Water Department	$ 1,698,501
Sewerage	401,475
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	$ 2,099,976

4. LONG-TERM DEBT

a. Long-Term Debt - Governmental Funds

Long-term liability activity for the year ended April 30, 2026 was as follows:

	Balances, May 1	Additions	Reductions/ Refundings	Balances, April 30	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation bonds	$ 22,280,000	$ -	$ 365,000	$ 21,915,000	$ 585,000
Unamortized premium	116,725	-	7,295	109,430	-
Installment contract	-	50,150	-	50,150	16,717
Compensated absences**	914,893	176,582	-	1,091,475	1,091,475
Subscriptions payable	171,467	112,226	92,337	191,356	82,568
Net pension liability - Police*	5,582,295	-	4,582,134	1,000,161	-
Net pension liability - Fire*/***	1,843,380	-	1,843,380	-	-
Total other postemployment benefit liability*	1,856,962	181,470	-	2,038,432	99,647
TOTAL GOVERNMENTAL ACTIVITIES	$ 32,765,722	$ 520,428	$ 6,890,146	$ 26,396,004	$ 1,875,407

*These liabilities are primarily retired by the General Fund.

**The amount displayed as additions or reductions represents the net change in the liability.

***The Firefighter net pension is reported as a net pension asset at year end.

4. LONG-TERM DEBT (Continued)

a. Long-Term Debt - Governmental Funds (Continued)

General Obligation Bonds

On January 26, 2023, the City issued $22,750,000 Taxable General Obligation Bonds (ARS), Series 2023 for the purpose of financing a portion of the City's unfunded accrued actuarial liability of the City's Police Pension Plan and Firefighters' Pension Plan and funding a pension fund budget stabilization fund. Principal on the bonds is due annually on December 1 of each year at $180,000 to $2,450,000 through December 1, 2040. Interest is due semi-annual on December 1 and June 1 at 4.561% to 5.525%.

The Taxable General Obligation Bonds (ARS), Series 2023 will require $33,347,461 for total interest and principal payments. During the fiscal year ended April 30, 2026, the pledged revenue of $1,527,332 for paying the bonds was 21.61% of the total police property tax levy, fire pension property tax levy, and City's sales tax.

Annual debt service requirement to maturity are as follows:

Fiscal Year Ending April 30,	General Obligation Bonds	
	Principal	Interest
2027	$ 585,000	$ 1,145,582
2028	670,000	1,118,415
2029	785,000	1,087,166
2030	885,000	1,050,028
2031	1,005,000	1,007,451
2032-2036	7,130,000	4,155,655
2037-2041	10,855,000	1,868,164
TOTAL	$ 21,915,000	$ 11,432,461

4. LONG-TERM DEBT (Continued)

a. Long-Term Debt - Governmental Funds (Continued)

Installment Contract

On February 11, 2026, the City entered into an installment purchase contract with Zoll Medical Corporation to finance the acquisition of a cardiac monitor. The contract requires annual payments of $16,717 for three years and bears no interest.

Annual debt service requirement to maturity are as follows:

Fiscal Year Ending April 30,	Installment Contract	
	Principal	Interest
2027	$ 16,717	$ -
2028	16,717	-
2029	16,716	-
TOTAL	$ 50,150	$ -

Subscriptions Payable

The City entered into subscription arrangements for public safety software, as well as administrative and financial software. In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, the City's SBITA activity is as follows:

The City entered into various subscription arrangements for public safety software lasting up to five years. At April 30, 2026, the City reported SBITA assets of $172,536 and liabilities in the amount of $88,961. Principal reduction of $31,903 was reported for the year ended April 30, 2026.

The City entered into various subscription arrangements for administrative and financial software lasting up to two years. At April 30, 2026, the City reported SBITA assets of $155,966 and liabilities in the amount of $102,395. Principal reduction of $60,434 was reported for the year ended April 30, 2026.

4. LONG-TERM DEBT (Continued)

a. Long-Term Debt - Governmental Funds (Continued)

Subscriptions Payable (Continued)

Annual debt service requirement to maturity are as follows:

Fiscal Year Ending April 30,	Subscriptions Payable	
	Principal	Interest
2027	$ 82,568	$ 3,960
2028	79,331	1,737
2029	29,457	23
TOTAL	$ 191,356	$ 5,720

b. Long-Term Debt - Business-Type Activities

Long-term liability activity for business-type activities for the year ended April 30, 2026 was as follows:

	Balances, May 1	Additions	Reductions/ Refundings	Balances, April 30	Current Portion
BUSINESS-TYPE ACTIVITIES					
IEPA loans	$ 5,813,867	$ 3,710,588	$ 4,645,599	$ 4,878,856	$ 851,388
Total other postemployment benefit liability	1,258,224	122,958	-	1,381,182	67,518
Compensated absences*	301,050	14,910	-	315,960	315,960
Asset retirement obligation	70,000	-	-	70,000	-
TOTAL BUSINESS-TYPE ACTIVITIES	$ 7,443,141	$ 3,848,456	$ 4,645,599	$ 6,645,998	$ 1,234,866

*The amount displayed as additions or reductions represents the net change in the liability.

During the fiscal year ended April 30, 2026, the City entered into a $3,710,588 IEPA Loan for the public water supply loan program. The full balance of this loan was forgiven within the same fiscal year.

4. LONG-TERM DEBT (Continued)

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

IEPA loans payable from business-type activities at April 30, 2026 comprise the following:

	Total	Current Portion
IEPA Loans		
$3,053,663 IEPA loan payable; due in semiannual installments, including interest at 2.50% through December 15, 2026.	$ 98,181	$ 98,181
$5,281,052 IEPA loan payable; due in semiannual installments, including interest at 2.50% through September 17, 2028.	831,888	326,568
$4,134,201 IEPA loan payable of which $3,100,650 is required to be repaid; due in semiannual installments, with no interest, through December 31, 2030.	829,048	165,809
$4,186,405 IEPA loan payable of which $3,167,912 is required to be repaid; due in semiannual installments including interest of 1.25% through September 9, 2031.	972,749	171,941
$1,140,671 IEPA loan payable of which $716,274 is required to be repaid; due in semiannual installments including interest of 1.01% through September 24, 2051.	629,918	21,831
$1,313,023 IEPA loan payable of which $914,662 is required to be repaid; due in semiannual installments of including interest of 0.830% through May 9, 2042.	782,324	44,431
$1,851,353 IEPA loan payable of which currently $769,934 is required to be repaid; due in semiannual installments including interest of 0.930% through May 30, 2054.	734,748	22,627
TOTAL IEPA Loans	$ 4,878,856	$ 851,388

4. LONG-TERM DEBT (Continued)

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

Annual debt service requirement to maturity are as follows:

Fiscal Year Ending April 30,	IEPA Loans Principal	IEPA Loans Interest
2027	$ 851,388	$ 51,109
2028	764,380	38,709
2029	603,125	27,295
2030	435,615	22,137
2031	438,677	19,075
2032-2036	564,523	69,149
2037-2041	495,051	46,839
2042-2046	337,653	26,323
2047-2051	275,016	12,711
2052-2055	113,428	1,951
TOTAL	$ 4,878,856	$ 315,298

Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon its water wells at the end of its estimated useful life in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated useful life of the water wells is 100 years.

5. DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters' Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained at www.imrf.org. The Police Pension Plan and Firefighters' Pension Plan do not issue separate reports.

5. DEFINED BENEFIT PENSION PLANS (Continued)

The table below is a summary for all pension plans as of and for the year ended April 30, 2026:

	(City Share) IMRF	Police Pension	Firefighters' Pension	Total
Net pension liability (asset)	$ (2,889,955)	$ 1,000,161	$ (862,820)	$ (2,752,614)
Deferred outflows of resources	650,939	2,539,767	1,373,178	4,563,884
Deferred inflows of resources	1,388,158	5,480,728	3,387,429	10,256,315
Pension expense	207,001	437,024	324,558	968,583

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Police Pension Plan and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2025 (the measurement date), IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	71
Inactive employees entitled to but not yet receiving benefits	26
Active employees	60
TOTAL	157

The membership above includes both the City and Library.

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the fiscal year ended April 30, 2026 was 2.45%.

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Actuarial valuation date	December 31, 2025
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair value

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.00%) and Female (adjusted 106.40%) 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.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 the 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 IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Long-Term Expected Rate of Return

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	32.50%	7.35%
International equity	18.00%	7.45%
Fixed income	24.00%	4.75%
Real estate	10.50%	6.25%
Alternative investments	14.00%	3.90% to 8.50%
Cash equivalents	1.00%	3.00%
TOTAL	100.00%	

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset) - City

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2025	$ 22,259,898	$ 23,358,422	$ (1,098,524)
Changes for the period			
Service cost	316,133	-	316,133
Interest	1,575,868	-	1,575,868
Difference between expected and actual experience	421,051	-	421,051
Changes in assumptions	-	-	-
Employer contributions	-	89,965	(89,965)
Employee contributions	-	178,741	(178,741)
Net investment income	-	3,740,130	(3,740,130)
Benefit payments and refunds	(1,363,705)	(1,363,705)	-
Other	-	95,647	(95,647)
Net changes	949,347	2,740,778	(1,791,431)
BALANCES AT DECEMBER 31, 2025	$ 23,209,245	$ 26,099,200	$ (2,889,955)

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset) - Library

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2025	$ 2,020,097	$ 2,119,787	$ (99,690)
Changes for the period			
Service cost	28,689	-	28,689
Interest	143,011	-	143,011
Difference between expected and actual experience	38,211	-	38,211
Changes in assumptions	-	-	-
Employer contributions	-	8,164	(8,164)
Employee contributions	-	16,221	(16,221)
Net investment income	-	339,418	(339,418)
Benefit payments and refunds	(123,757)	(123,757)	-
Other	-	8,680	(8,680)
Net changes	86,154	248,726	(162,572)
BALANCES AT DECEMBER 31, 2025	$ 2,106,251	$ 2,368,513	$ (262,262)

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2026, the City recognized pension expense of $207,001. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 617,751	$ -
Changes in assumption	-	9,227
Net difference between projected and actual earnings on pension plan investments	-	1,378,931
Contributions after measurement date	33,188	-
TOTAL	$ 650,939	$ 1,388,158

$33,188 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending April 30, 2027.

For the year ended April 30, 2026, the Library recognized pension expense of $18,785. At December 31, 2025, the Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 56,061	$ -
Changes in assumption	-	837
Net difference between projected and actual earnings on pension plan investments	-	125,139
Contributions after measurement date	3,012	-
TOTAL	$ 59,073	$ 125,976

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

$3,012 reported as deferred outflows of resources related to pensions resulting from the Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending April 30, 2027.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Fiscal Year Ending April 30,	City	Library	Total
2027	$ 625,391	$ 56,754	$ 682,145
2028	(537,109)	(48,743)	(585,852)
2029	(452,383)	(41,054)	(493,437)
2030	(406,306)	(36,872)	(443,178)
2031	-	-	-
TOTAL	$ (770,407)	$ (69,915)	$ (840,322)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.25% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)			
City	$ (324,056)	$ (2,889,955)	$ (4,939,754)
Library	(29,408)	(262,262)	(448,285)
TOTAL	$ (353,464)	$ (3,152,217)	$ (5,388,039)

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

The plan 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.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At April 30, 2026, the measurement date, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	37
Inactive plan members entitled to benefits but not yet receiving them	5
Current employees	28
TOTAL	70

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. 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 one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary.

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired 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 greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or 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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has elected to fund 100% of the past service cost by 2040. For the year ended April 30, 2026, the City's contribution was 29.17% of covered payroll.

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Illinois Police Officers' Pension Investment 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 as defined in 40 ILCS 5/22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the plan's deposits may not be returned to it. The plan's investment policy requires pledging of collateral for all bank balances held in the plan's name in excess of federal depository insurance, at amounts ranging from 110% to 115% of the fair market value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank.

Investments

Investments of the plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, Illinois 61602 or at www.ipopif.org.

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at April 30, 2026.

Net Asset Value

The net asset value (NAV) of the plan's pooled investment in IPOPIF was $38,400,490 at April 30, 2026. 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 April 30, 2026. The plan 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 Rate of Return

For the year ended April 30, 2026, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 23.17%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2025	$ 38,097,509	$ 32,515,214	$ 5,582,295
Changes for the period			
Service cost	581,700	-	581,700
Interest	2,530,492	-	2,530,492
Benefit changes	-	-	-
Difference between expected and actual experience	604,352	-	604,352
Changes in assumptions	-	-	-
Employer contributions	-	748,867	(748,867)
Employee contributions	-	267,510	(267,510)
Net investment income	-	7,322,446	(7,322,446)
Benefit payments and refunds	(2,245,938)	(2,245,938)	-
Administrative expense	-	(40,145)	40,145
Net changes	1,470,606	6,052,740	(4,582,134)
BALANCES AT APRIL 30, 2026	$ 39,568,115	$ 38,567,954	$ 1,000,161

The plan fiduciary net position as a percentage of total pension liability was 97.47% at April 30, 2026.

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of May 1, 2025 using the following actuarial methods and assumptions.

Actuarial valuation date	May 1, 2025
Actuarial cost method	Entry-age normal
Salary increases	3.75% to 8.38%
Interest rate	6.75%
Cost of living adjustments	2.50%
Asset valuation method	Fair value

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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 the 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 plan's fiduciary net position was projected 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2026, the City recognized pension expense of $437,024.

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

At April 30, 2026, the City reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,397,801	$ 386,994
Changes in assumptions	141,966	354,543
Net difference between projected and actual earnings on pension plan investments	-	4,739,191
TOTAL	$ 2,539,767	$ 5,480,728

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending April 30,	
2027	$ (896,924)
2028	(892,878)
2029	(597,160)
2030	(637,844)
2031	83,845
Thereafter	-
TOTAL	$ (2,940,961)

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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 net pension liability of the City calculated using the discount rate of 6.75% 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 (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	$ 6,787,763	$ 1,000,161	$ (3,674,089)

Firefighters' Pension Plan

Plan Administration

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

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

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Plan Membership

At April 30, 2026, the measurement date, the Firefighters' Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	25
Inactive plan members entitled to benefits but not yet receiving them	4
Current employees	20
TOTAL	49

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. 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 at the date of retirement. 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% of such salary. Employees with at least ten 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 covered employee 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 ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or 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% compounded. The

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

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% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 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% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required by ILCS to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Plan. However, the City has elected to fund 100% of the past service cost by 2040. For the year ended April 30, 2026, the City's contribution was 19.98% of covered payroll.

Illinois Firefighters' Pension Investment 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.

Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the plan.

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Deposits with Financial Institutions (Continued)

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the plan's deposits may not be returned to it. The plan's investment policy requires that any funds deposited directly in financial institutions should be made with fully federally insured financial institutions and that any deposits in excess of FDIC insurance should be collateralized at 110% of the fair market value of the deposits. The collateral will be held in a safekeeping by a third party and evidenced by a written agreement.

Investments

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. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at www.ifpif.org.

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Plan held no investments subject to fair value measurement at April 30, 2026.

Net Asset Value

The net asset value (NAV) of the plan's pooled investment in IFPIF was $26,899,963 at April 30, 2026. 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 April 30, 2026. 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.

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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 year ended April 30, 2026, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 21.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT MAY 1, 2025	$ 24,970,317	$ 23,126,937	$ 1,843,380
Changes for the period			
Service cost	407,306	-	407,306
Interest	1,674,318	-	1,674,318
Difference between expected and actual experience	521,983	-	521,983
Changes in assumptions	-	-	-
Employer contributions	-	362,428	(362,428)
Employee contributions	-	172,530	(172,530)
Contributions - other	-	3,392	(3,392)
Net investment income	-	4,803,004	(4,803,004)
Benefit payments and refunds	(1,387,863)	(1,387,863)	-
Administrative expense	-	(31,547)	31,547
Net changes	1,215,744	3,921,944	(2,706,200)
BALANCES AT APRIL 30, 2026	$ 26,186,061	$ 27,048,881	$ (862,820)

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability (Continued)

The plan fiduciary net position as a percentage of total pension liability was 103.29% at April 30, 2026.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of May 1, 2025 using the following actuarial methods and assumptions.

Actuarial valuation date	May 1, 2025
Actuarial cost method	Entry-age normal
Salary increases	3.43% to 6.22%
Interest rate	6.75%
Cost of living adjustments	2.50%
Asset valuation method	Fair value

Mortality rates were based on the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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 the City's 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 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 was applied to all periods of projected benefit payments to determine the total pension liability.

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2026, the City recognized pension expense of $324,558.

At April 30, 2026, the City reported deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,062,690	$ 163,257
Assumption changes	310,488	-
Net difference between projected and actual earnings on pension plan investments	-	3,224,172
TOTAL	$ 1,373,178	$ 3,387,429

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending April 30,	
2027	$ (577,229)
2028	(709,440)
2029	(524,749)
2030	(386,828)
2031	143,848
Thereafter	40,147
TOTAL	$ (2,014,251)

5. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 6.75% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	$ 2,757,897	$ (862,820)	$ (3,823,659)

b. Pension Segment Information

Plan Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash	$ 165,703	$ 143,816	$ 309,519
Investments			
Pooled investments	38,400,490	26,899,963	65,300,453
Prepaid items	2,451	6,352	8,803
Total assets	38,568,644	27,050,131	65,618,775
LIABILITIES			
Accounts payable	690	1,250	1,940
Total liabilities	690	1,250	1,940
NET POSITION RESTRICTED FOR PENSIONS	$ 38,567,954	$ 27,048,881	$ 65,616,835

5. DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Segment Information (Continued)

Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer contributions	$ 748,867	$ 362,428	$ 1,111,295
Employee contributions	267,510	175,922	443,432
Total contributions	1,016,377	538,350	1,554,727
Investment income			
Net appreciation in fair value investments	7,164,820	4,328,768	11,493,588
Interest	189,067	527,877	716,944
Total investment income	7,353,887	4,856,645	12,210,532
Less investment expense	(31,441)	(53,641)	(85,082)
Net investment income	7,322,446	4,803,004	12,125,450
Total additions	8,338,823	5,341,354	13,680,177
DEDUCTIONS			
Benefits and refunds	2,245,938	1,387,863	3,633,801
Administrative expenses	40,145	31,547	71,692
Total deductions	2,286,083	1,419,410	3,705,493
NET INCREASE	6,052,740	3,921,944	9,974,684
NET POSITION RESTRICTED FOR PENSIONS			
May 1	32,515,214	23,126,937	55,642,151
April 30	$ 38,567,954	$ 27,048,881	$ 65,616,835

6. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The City is insured for property, general liability, workers compensation and other risks accounted for in the General Fund. In addition, the City purchases third party indemnity insurance for employee health insurance coverage. There were no losses in excess of insurance coverage any of the prior three years.

7. CONTRACTS, COMMITMENTS AND CONTINGENCIES

a. Litigation

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

b. Grants

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

8. INDIVIDUAL FUND DISCLOSURES

a. Advances to/from other funds

	Receivable Fund	Payable Fund
General Fund	$ 4,799,335	$ -
Fargo Creek TIF	-	3,929,741
Riverfront Project TIF	-	376,235
Capital Projects	376,235	-
Nonmajor Governmental	-	58
Sewerage Fund	-	292,721
Water Department Fund	-	576,815
TOTAL	$ 5,175,570	$ 5,175,570

8. INDIVIDUAL FUND DISCLOSURES (Continued)

a. Advances to/from other funds (Continued)

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

- $869,536 was advanced from the General Fund to the Sewerage Fund and Water Department Fund to fund the new meter project. Repayment is not expected within one year.
- $3,929,741 was advanced from the General Fund to the Fargo Creek TIF Fund to fund the new gateway project. Repayment is not expected within one year.
- $376,235 was advanced from the Capital Projects Fund to the Riverfront Project to fund cash flow shortages. Repayment is not expected within one year.

b. Interfund Transfers

	Transfer In	Transfer Out
General fund	$ -	$ 3,145,130
Infrastructure	1,300,000	-
Capital projects	1,745,630	-
Nonmajor governmental	99,500	-
TOTAL	$ 3,145,130	$ 3,145,130

The purposes of significant transfers are as follows:

- $1,300,000 was transferred from the General Fund to the Infrastructure Fund for grant-related expenditure and revenue matching.
- $1,745,630 was transferred from the General Fund to the Capital Projects Fund to pay for capital projects.

c. Fund Balance Deficits

At April 30, 2026, the Fargo Creek TIF Fund had a deficit fund balance of $3,723,854.

9. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

The City provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts.

The activity of the plan is reported in the City's governmental activities and business-type activities.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report.

b. Benefits Provided

The City provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through IMRF.

The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary. For eligible retirees, the City will pay 50% of the cost for single coverage. If family coverage is elected, the City will contribute the equivalence of 50% of single coverage. Retirees pay 100% of the cost of coverage once they reach age 65. For certain disabled employees who qualify under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for retirees and their dependents for their lifetime.

The City must contribute the amount beyond fund member payments necessary to fund the actuarial liability for OPEB. The City may change inactive fund member payment requirements through its collective bargaining agreements and employee compensation plans.

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At April 30, 2025 (most recent census data available), the measurement date, membership consisted of:

Retirees and beneficiaries currently receiving benefits	10
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	99
TOTAL	109
Participating employers	1

The membership above includes both the City and Library.

d. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2026, as determined by an actuarial valuation as of May 1, 2025, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updated procedures to April 30, 2026, including updating the discount rate, as noted below:

Actuarial cost method	Entry-age normal
Actuarial value of assets	N/A
Salary increases	2.75%
Discount rate	4.62%
Healthcare cost trend rates	7.90% Initial 5.00% Ultimate

The discount rate was based on the Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

Mortality rates were based on the PubG-2010(B) study, improved generationally using MP-2021 improvement rates.

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Changes in the Total OPEB Liability

City	Total OPEB Liability
BALANCES AT MAY 1, 2025	$ 3,115,186
Service cost	146,220
Interest	158,873
Changes in proportions from prior to current	315
Differences between expected and actual experience	-
Changes in assumptions	166,184
Benefit payments	(167,164)
Net changes	304,428
BALANCES AT APRIL 30, 2026	$ 3,419,614

Library	Total OPEB Liability
BALANCES AT MAY 1, 2025	$ 32,102
Service cost	1,492
Interest	1,621
Changes in proportions from prior to current	(315)
Differences between expected and actual experience	-
Changes in assumptions	1,696
Benefit payments	(1,706)
Net changes	2,788
BALANCES AT APRIL 30, 2026	$ 34,890

There were changes in assumptions related to the discount rate.

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 4.62% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.62%) or 1 percentage point higher (5.62%) than the current rate:

	1% Decrease (3.62%)	Current Discount Rate (4.62%)	1% Increase (5.62%)
City	$ 3,705,666	$ 3,419,614	$ 3,155,785
Library	37,809	34,890	32,198
TOTAL OPEB LIABILITY	$ 3,743,475	$ 3,454,504	$ 3,187,983

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 7.90% to 5.00% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (6.90% to 4.00%) or 1 percentage point higher (8.90% to 6.00%) than the current rate:

	1% Decrease (6.90% to 4.00%)	Current Healthcare Rate (7.90% to 5.00%)	1% Increase (8.90% to 6.00%)
City	$ 3,023,328	$ 3,419,614	$ 3,887,346
Library	30,847	34,890	39,662
TOTAL OPEB LIABILITY	$ 3,054,175	$ 3,454,504	$ 3,927,008

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

For the year ended April 30, 2026, the City recognized OPEB expense of $157,914.

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At April 30, 2026, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 3,258,237
Changes in assumptions	1,374,595	861,299
TOTAL	$ 1,374,595	$ 4,119,536

For the year ended April 30, 2026, the Library recognized OPEB expense of $1,611.

At April 30, 2026, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 33,244
Changes in assumptions	14,025	8,788
TOTAL	$ 14,025	$ 42,032

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

Year Ending April 30,	City	Library	Total
2027	$ (147,179)	$ (1,502)	$ (148,681)
2028	(147,179)	(1,502)	(148,681)
2029	(147,179)	(1,502)	(148,681)
2030	(156,029)	(1,592)	(157,621)
2031	(359,935)	(3,672)	(363,607)
Thereafter	(1,787,440)	(18,237)	(1,805,677)
TOTAL	$ (2,744,941)	$ (28,007)	$ (2,772,948)

10. LESSOR DISCLOSURES

In accordance with GASB Statement No. 87, *Leases*, the City's lessor activity is as follows:

The City entered into a lease arrangement on July 18, 2011, to lease cellular tower space. The total annual payment of $15,000, which increases each five-year term, is due to the City in monthly installments through July 2036. The lease agreement is noncancelable and maintains an interest rate of 2.765%.

The City entered into a lease arrangement on December 1, 2021, to lease farmland. The total annual payment of $30,500, is due to the City in annual installments, originally through November 2025. The arrangement was extended through November 30, 2029, and payments were increased to $31,000 annually. The lease agreement is non-cancelable and maintains an interest rate of 2.223%.

The City entered into a lease arrangement on June 1, 2017, to lease office space. Payments of $850 are due to the City in monthly installments through May 2027. The lease agreement is noncancelable and maintains an interest rate of 2.287%.

The cumulative remaining lease receivable and offsetting deferred inflow of resources for these agreements is $343,096 and $307,938, respectively, as of April 30, 2026.

11. COMPONENT UNIT - DIXON PUBLIC LIBRARY

a. Summary of Significant Accounting Policies

The accounting policies of the Library conform to generally accepted accounting principles as applicable to governments (hereinafter referred to as generally accepted accounting principles (GAAP)). The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

1. Fund Accounting

Governmental Funds

The accounts of the Library are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The General Fund, a governmental fund, is used to account for all activities of the Library's general activities.

11. COMPONENT UNIT - DIXON PUBLIC LIBRARY (Continued)

a. Summary of Significant Accounting Policies (Continued)

2. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when a liability is incurred.

The modified accrual basis of accounting is followed by the governmental funds on the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A 60-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

3. Cash and Investments

Investments are stated at cost or amortized cost, which approximates fair value.

b. Deposits and Investments

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

The Library's outstanding cash is invested also in accordance with ILCS, which authorizes the City to make deposits/invest in insured financial institutions, obligations of the U.S. Treasury and U.S. agencies, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations and The Illinois Funds.

It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

11. COMPONENT UNIT - DIXON PUBLIC LIBRARY (Continued)

b. Deposits and Investments (Continued)

1. Library Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Library's deposits may not be returned to it. The Library does not have an investment policy that addresses custodial credit risk.

2. Library Investments

The Library categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. There are no investments subject to fair value measurement since all of the Library's investments are in non-negotiable certificates of deposit.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Library does not have an investment policy that addresses interest rate risk.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment in securities allowed under the investment policy. The Library does not have an investment policy that addresses credit risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. The Library does not have an investment policy that addresses custodial credit risk for investments.

Concentration of the credit risk is the risk that the Library has a high percentage of their investments invested in one investment. The Library does not have an investment policy that addresses concentration of credit risk.

11. COMPONENT UNIT - DIXON PUBLIC LIBRARY (Continued)

c. Receivables

Property taxes for the 2025 levy year attach as an enforceable lien on January 1, 2025, on property values assessed as of the same date. Taxes are levied by December of the same year by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about May 1, 2026 and August 1, 2026, and are payable in two installments, on or about June 1, 2026 and September 1, 2026. The County collects such taxes and remits them periodically.

Those 2025 taxes are intended to finance the 2027 fiscal year and are not considered available or earned for current operations and, therefore, are reported as deferred/unavailable revenue. The 2026 tax levy has not been recorded as a receivable at April 30, 2026, as the tax attached as a lien on property as of January 1, 2026; however, the tax will not be levied until December 2026 and, accordingly, is not measurable at April 30, 2026.

d. Capital Assets

The following is a summary of changes in the Library's capital assets during the fiscal year:

	Balances May 1	Additions	Retirements	Balances April 30
Capital assets not being depreciated				
Land	$ 90,000	$ -	$ -	$ 90,000
Total capital assets not being depreciated	90,000	-	-	90,000
Capital assets being depreciated				
Building and improvements	1,838,796	-	-	1,838,796
Total capital assets being depreciated	1,838,796	-	-	1,838,796
Less accumulated depreciation for				
Building and improvements	1,022,026	74,440	-	1,096,466
Total accumulated depreciation	1,022,026	74,440	-	1,096,466
Total capital assets being depreciated, net	816,770	(74,440)	-	742,330
TOTAL CAPITAL ASSETS	$ 906,770	$ (74,440)	$ -	$ 832,330

11. COMPONENT UNIT - DIXON PUBLIC LIBRARY (Continued)

e. Long-Term Debt

Changes in Long-Term Liabilities

During the fiscal year the following changes occurred in liabilities reported in general long-term debt:

	Balances May 1	Additions	Retirements	Balances April 30	Current Portion
Compensated absences payable*	$ 24,772	$ -	$ 3,100	$ 21,672	$ 21,672
Total OPEB liability	32,102	2,788	-	34,890	1,706
TOTAL GENERAL LONG-TERM DEBT	$ 56,874	$ 2,788	$ 3,100	$ 56,562	$ 23,378

*The amount displayed as additions or reductions represents the net change in the liability.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DIXON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL FUND

For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
Property tax	$ 4,483,712	$ 4,483,712	$ 4,514,879	$ 31,167
Utility tax	650,000	650,000	717,449	67,449
Telecommunications tax	28,000	28,000	32,040	4,040
Video gaming tax	525,000	525,000	598,528	73,528
Hotel motel tax	200,000	200,000	258,281	58,281
Intergovernmental				
Personal property replacement tax	750,000	750,000	946,475	196,475
Income tax and surcharge	2,550,000	2,550,000	2,800,602	250,602
Sales tax	4,499,500	4,499,500	5,057,108	557,608
Grants	163,500	163,500	163,009	(491)
Licenses and permits	415,000	415,000	413,634	(1,366)
Fines and fees	200,000	200,000	146,146	(53,854)
Charges for services	357,000	357,000	346,008	(10,992)
Landfill revenue	400,000	400,000	510,938	110,938
Investment income	405,000	405,000	710,267	305,267
Miscellaneous	293,000	293,000	347,885	54,885
Total cash receipts	15,919,712	15,919,712	17,563,249	1,643,537
Deduct beginning accrued revenues			(1,592,484)	
Add ending accrued revenues			1,694,007	
Total revenues			17,664,772	
EXPENDITURES				
Current				
General government				
City council				
Salaries	62,500	62,505	62,505	-
Telephone	600	600	507	(93)
Legal	160,000	180,000	179,182	(818)
Other contractual	2,000	3,000	2,372	(628)
Printing and publishing	5,000	5,000	1,884	(3,116)
Dues and subscriptions	3,000	3,000	2,485	(515)
Office supplies	1,500	1,500	1,351	(149)
Conferences, meetings and mileage	9,000	8,000	6,437	(1,563)
Total city council	243,600	263,605	256,723	(6,882)

(This schedule is continued on the following pages.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES (Continued)				
Current (Continued)				
General government (Continued)				
Economic development				
Salaries	$ 22,279	$ 22,279	$ 22,279	$ -
Other contractual	90,000	90,000	88,487	(1,513)
Printing/publishing	1,100	1,100	-	(1,100)
Dues	1,100	1,100	45	(1,055)
Advertising	1,000	1,000	-	(1,000)
Conference/meeting	3,000	3,000	176	(2,824)
Donation	-	-	-	-
Total economic development	118,479	118,479	110,987	(7,492)
Fire/police commission				
Contractual expense	11,000	11,000	10,866	(134)
Medical	7,000	7,000	5,274	(1,726)
Supplies	3,000	3,000	838	(2,162)
Total fire/police commission	21,000	21,000	16,978	(4,022)
Administration				
Full-time salary	643,968	643,968	602,614	(41,354)
Part-time salary	7,000	-	-	-
Overtime	500	500	-	(500)
Extra duty pay	48,244	48,244	46,648	(1,596)
Medical insurance	128,047	106,547	101,487	(5,060)
Life insurance	180	180	153	(27)
Auto/phone allowance	11,160	12,360	12,343	(17)
Audit expense	44,500	40,500	40,200	(300)
Contractual expense	79,000	115,000	111,871	(3,129)
Medical expense	8,500	8,500	8,267	(233)
Postage	3,000	3,000	5,288	2,288
Telephone	2,600	2,600	2,506	(94)
Printing/publishing	2,000	2,100	2,045	(55)
Dues and subscriptions	6,000	6,000	5,863	(137)
Advertising	500	500	-	(500)
Fuel and oil	250	250	51	(199)
Small equipment/tools	1,000	1,000	806	(194)
Office supplies	11,000	11,200	10,865	(335)
Professional development/training	39,350	39,350	35,316	(4,034)
Tuition reimbursement	5,250	250	190	(60)
Total administration	1,042,049	1,042,049	986,513	(55,536)

(This schedule is continued on the following pages.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES (Continued)				
Current (Continued)				
General government (Continued)				
Information technology				
Full-time salary	$ 77,976	$ 77,976	$ 77,959	$ (17)
Extra duty pay	1,700	1,700	1,640	(60)
Medical insurance	17,838	17,838	17,866	28
Life insurance	17	17	15	(2)
Auto/phone allowance	720	720	720	-
Information technology	285,483	281,483	212,364	(69,119)
Telephone	450	450	432	(18)
Dues and subscriptions	925	925	1,044	119
Operating supplies	5,000	5,000	4,774	(226)
Small equipment/tools	54,000	58,000	55,593	(2,407)
Office supplies	1,600	1,600	717	(883)
Professional development/training	4,000	4,000	1,186	(2,814)
Total information technology	449,709	449,709	374,310	(75,399)
Municipal				
Medical insurance	104,742	104,742	96,128	(8,614)
Pension contribution	1,111,295	1,111,295	1,111,295	-
Unemployment insurance	10,000	10,000	(2,049)	(12,049)
Workers compensation	144,727	144,727	107,797	(36,930)
Maintenance and repairs	21,800	21,800	14,572	(7,228)
Other contractual	54,000	54,000	4,035	(49,965)
Property liability insurance	168,241	148,236	124,339	(23,897)
Bond insurance	1,500	1,500	492	(1,008)
Operating supplies	3,500	3,500	2,241	(1,259)
Donations	25,000	25,000	-	(25,000)
Small equipment/tools	54,000	54,000	1,887	(52,113)
Professional development/training	35,000	32,000	12,175	(19,825)
Subscriptions	-	-	112,226	112,226
Natural gas	3,500	3,500	745	(2,755)
Other expense	25,000	25,000	-	(25,000)
Total municipal	1,762,305	1,739,300	1,585,883	(153,417)
Building zoning				
Full-time salary	164,794	168,994	168,011	(983)
Extra duty pay	1,900	1,900	1,500	(400)
Medical insurance	50,966	50,966	49,352	(1,614)
Life insurance	48	48	41	(7)
Maintenance and repairs	5,000	5,000	4,260	(740)
Contractual	60,000	60,000	22,067	(37,933)
Postage	500	500	516	16

(This schedule is continued on the following pages.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES (Continued)				
Current (Continued)				
General government (Continued)				
Building zoning (Continued)				
Telephone	$ 1,700	$ 1,700	$ 510	$ (1,190)
Printing/publishing	400	400	234	(166)
Dues and subscriptions	2,050	2,050	170	(1,880)
Fuel and oil	3,500	3,500	1,797	(1,703)
Small equipment/tools	900	900	154	(746)
Office supplies	1,400	1,400	855	(545)
Professional development/training	5,500	1,300	897	(403)
Total building zoning	298,658	298,658	250,364	(48,294)
Public property				
Full-time salary	88,013	88,013	88,106	93
Part-time salary	26,750	26,750	22,678	(4,072)
Overtime	10,500	10,500	3,935	(6,565)
Extra duty pay	9,009	9,009	8,822	(187)
Medical insurance	24,558	24,558	24,234	(324)
Life insurance	25	25	24	(1)
Clothing allowance	550	550	550	-
Maintenance and repairs	34,000	34,000	33,497	(503)
Contractual	32,500	32,500	22,014	(10,486)
Medical expense	500	500	138	(362)
Telephone	2,000	2,000	65	(1,935)
Fuel and oil	12,000	12,000	2,167	(9,833)
Operating supplies	12,000	11,600	9,993	(1,607)
Small equipment/tools	12,000	12,000	8,829	(3,171)
Office supplies	300	300	-	(300)
Professional development/training	1,000	1,000	40	(960)
Beautify Dixon	25,000	25,000	14,237	(10,763)
Bad debt expense	-	400	400	-
Natural gas	3,000	2,000	756	(1,244)
Electricity	1,000	-	-	-
Real estate tax	2,400	7,900	4,737	(3,163)
Total public property	297,105	300,605	245,222	(55,383)
Cemetery				
Full-time salary	169,633	169,633	170,144	511
Part-time salary	89,500	89,500	78,363	(11,137)
Overtime	15,000	15,000	7,648	(7,352)
Extra duty pay	1,225	1,225	1,182	(43)

(This schedule is continued on the following pages.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES (Continued)				
Current (Continued)				
General government (Continued)				
Cemetery (Continued)				
Medical insurance	$ 43,009	$ 43,009	$ 42,359	$ (650)
Life insurance	55	55	48	(7)
Clothing allowance	1,100	1,100	550	(550)
Maintenance and repairs	14,000	14,000	9,479	(4,521)
Contractual	20,000	20,000	6,350	(13,650)
Telephone	2,500	2,500	2,047	(453)
Dues and subscriptions	750	750	-	(750)
Fuel and oil	10,000	10,000	10,167	167
Operating supplies	27,000	27,000	25,344	(1,656)
Small equipment/tools	5,000	8,400	10,943	2,543
Office supplies	2,000	2,000	370	(1,630)
Professional development/training	6,000	6,000	948	(5,052)
Natural gas	3,500	4,500	4,323	(177)
Electricity	2,500	3,500	2,986	(514)
Bad debt expense	1,000	1,000	-	(1,000)
Total cemetery	413,772	419,172	373,251	(45,921)
Veterans Park				
Telephone	2,000	2,000	1,878	(122)
Natural gas	3,000	3,000	1,321	(1,679)
Electricity	2,000	2,000	911	(1,089)
Total Veterans Park	7,000	7,000	4,110	(2,890)
Public safety building				
Full-time salary	44,133	44,133	44,128	(5)
Overtime	2,500	2,500	-	(2,500)
Extra duty pay	200	200	-	(200)
Medical insurance	25,483	25,483	25,447	(36)
Life insurance	24	24	18	(6)
Maintenance and repairs	50,000	59,400	58,300	(1,100)
Contractual	3,500	3,500	3,016	(484)
Operating supplies	10,000	10,000	9,560	(440)
Natural gas	12,000	2,600	2,547	(53)
Total public safety building	147,840	147,840	143,016	(4,824)

(This schedule is continued on the following pages.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES (Continued)				
Current (Continued)				
General government (Continued)				
Downtown maintenance				
Part-time salary	$ 50,000	$ 50,000	$ 22,425	$ (27,575)
Maintenance and repairs	5,000	5,000	5,386	386
Contractual	600	600	305	(295)
Operating supplies	7,000	7,000	8,758	1,758
Total downtown maintenance	62,600	62,600	36,874	(25,726)
PR and marketing				
Maintenance and repairs	5,000	5,000	559	(4,441)
Contractual	330,500	330,500	326,110	(4,390)
Dues	1,000	1,000	-	(1,000)
Donation expense	5,000	5,000	-	(5,000)
Total PR and marketing	341,500	341,500	326,669	(14,831)
COVID relief				
Small equipment/tools	25,000	25,000	1,388	(23,612)
Contractual	316,235	316,235	219,855	(96,380)
Donations	311,000	311,000	305,000	(6,000)
Total COVID relief	652,235	652,235	526,243	(125,992)
Total general government	5,857,852	5,863,752	5,237,143	(626,609)
Highways and streets				
Streets				
Full-time salary	624,242	609,242	532,858	(76,384)
Part-time salary	30,000	30,000	23,516	(6,484)
Overtime	45,000	45,000	42,161	(2,839)
Extra duty pay	22,000	22,000	12,358	(9,642)
Medical insurance	167,845	167,845	126,759	(41,086)
Life insurance	247	247	167	(80)
Clothing allowance	5,500	5,500	4,500	(1,000)
Maintenance and repairs	90,000	125,000	121,497	(3,503)
Contractual	48,200	48,200	51,440	3,240
Medical expense	2,000	2,000	456	(1,544)
Information technology	2,600	2,600	1,673	(927)
Telephone	1,560	1,560	846	(714)
Dues and subscriptions	3,000	3,000	2,969	(31)

(This schedule is continued on the following pages.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES (Continued)				
Current (Continued)				
Highways and streets (Continued)				
Streets (Continued)				
Fuel and oil	$ 55,000	$ 55,000	$ 62,843	$ 7,843
Operating supplies	275,800	255,800	243,924	(11,876)
Small equipment/tools	8,500	8,500	8,304	(196)
Office supplies	1,000	1,000	539	(461)
Professional development/training	15,000	15,000	8,894	(6,106)
Natural gas	6,000	6,000	3,178	(2,822)
Electricity	180,000	180,000	178,686	(1,314)
Total streets	1,583,494	1,583,494	1,427,568	(155,926)
Total highways and streets	1,583,494	1,583,494	1,427,568	(155,926)
Public safety				
Fire				
Full-time salary	1,311,287	1,311,287	1,319,126	7,839
Part-time salary	9,000	9,000	4,838	(4,162)
Overtime	206,000	284,000	286,151	2,151
Extra duty pay	162,358	137,658	126,624	(11,034)
Medical insurance	338,986	344,986	344,698	(288)
Life insurance	359	359	336	(23)
Maintenance and repairs	45,000	59,000	59,782	782
Contractual	18,000	18,000	16,586	(1,414)
Medical expense	20,000	8,700	8,440	(260)
Information technology	5,000	5,000	1,863	(3,137)
Postage	500	500	6	(494)
Telephone	4,100	4,100	3,640	(460)
Printing/publishing	450	450	-	(450)
Dues and subscriptions	3,500	3,500	3,421	(79)
Maintenance supplies	4,000	4,000	3,978	(22)
Fuel and oil	10,500	10,500	11,735	1,235
Operating supplies	14,000	14,000	14,282	282
Uniforms	17,000	17,000	16,627	(373)
Small equipment/tools	22,000	22,000	21,877	(123)
Office supplies	1,500	1,500	846	(654)
Professional development/training	38,000	38,000	38,589	589
Tuition reimbursement	10,000	8,000	7,308	(692)
Total fire	2,241,540	2,301,540	2,290,753	(10,787)

(This schedule is continued on the following pages.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES (Continued)				
Current (Continued)				
Public safety (Continued)				
Police (Continued)				
Full-time salary	$ 2,805,528	$ 2,736,128	$ 2,579,846	$ (156,282)
Part-time salary	18,000	-	-	-
Overtime	176,000	230,000	219,480	(10,520)
Extra duty pay	373,184	373,184	366,476	(6,708)
Medical insurance	553,577	529,077	499,975	(29,102)
Life insurance	804	804	680	(124)
Liability insurance	175	175	-	(175)
Clothing allowance	7,850	7,850	5,824	(2,026)
Maintenance and repairs	48,200	63,200	57,362	(5,838)
Contractual	412,011	412,011	374,864	(37,147)
Medical expense	8,600	8,600	4,232	(4,368)
Information technology	22,300	22,300	20,500	(1,800)
Postage	1,250	1,250	863	(387)
Telephone	25,300	25,300	25,713	413
Printing/publishing	1,000	1,000	405	(595)
Dues and subscriptions	4,605	4,605	4,645	40
Fuel and oil	76,500	76,500	48,817	(27,683)
Operating supplies	30,100	30,100	28,619	(1,481)
Uniforms	26,800	49,300	44,983	(4,317)
Small equipment/tools	36,600	41,600	37,099	(4,501)
Office supplies	5,000	5,000	4,520	(480)
Professional development/training	38,513	52,513	51,269	(1,244)
Tuition reimbursement	2,000	2,000	-	(2,000)
Other expense	2,600	3,600	5,138	1,538
Total police	4,676,497	4,676,097	4,381,310	(294,787)
Total public safety	6,918,037	6,977,637	6,672,063	(305,574)
Traffic development				
Traffic maintenance				
Telephone	1,500	1,500	1,235	(265)
Operating supplies	51,500	51,500	49,477	(2,023)
Small equipment/tools	1,000	1,000	1,300	300
Total traffic maintenance	54,000	54,000	52,012	(1,988)
Total traffic development	54,000	54,000	52,012	(1,988)

(This schedule is continued on the following page.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
GENERAL FUND

For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES (Continued)				
Debt service				
Principal retirement	$ 365,000	$ 365,000	$ 425,434	$ 60,434
Interest and fiscal charges	1,162,332	1,162,332	1,165,312	2,980
Total debt service	1,527,332	1,527,332	1,590,746	63,414
Total cash disbursements	15,940,715	16,006,215	14,979,532	(1,026,683)
Deduct beginning accrued payroll			(24,276)	
Deduct beginning accrued expenditures			(135,488)	
Add beginning prepaid expenditures			306,127	
Add ending accrued payroll			95,183	
Add ending accrued expenditures			138,437	
Deduct ending prepaid expenditures			(410,845)	
Total expenditures			14,948,670	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(21,003)	(86,503)	2,716,102	2,670,220
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(566,633)	(566,633)	(3,145,130)	(2,578,497)
SBITA issuance	-	-	112,226	112,226
Total other financing sources (uses)	(566,633)	(566,633)	(3,032,904)	(2,466,271)
NET CHANGE IN FUND BALANCE	$ (587,636)	$ (653,136)	(316,802)	$ 203,949
FUND BALANCE, MAY 1			20,985,928	
FUND BALANCE, APRIL 30			$ 20,669,126	

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FARGO CREEK TIF FUND

For the Year Ended April 30, 2026

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property taxes	$ 200,000	$ 218,734	$ 18,734
Intergovernmental			
Grants	5,315,000	295,559	(5,019,441)
Rental income	-	12,754	12,754
Investment income	100	865	765
Total cash receipts	5,515,100	527,912	(4,987,188)
Deduct beginning accrued revenues		(5,669)	
Add ending accrued revenues		-	
Total revenues		522,243	
EXPENDITURES			
Current			
General government			
Other expenses	10,000	48,711	38,711
Capital outlay	8,041,231	241,319	(7,799,912)
Total cash disbursements	8,051,231	290,030	(7,761,201)
Deduct beginning accrued expenditures		(48,711)	
Add ending accrued expenditures		-	
Total expenditures		241,319	
NET CHANGE IN FUND BALANCE	$ (2,536,131)	280,924	$ 2,774,013
FUND BALANCES (DEFICIT), MAY 1		(4,004,778)	
FUND BALANCES (DEFICIT), APRIL 30		$ (3,723,854)	

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
RIVERFRONT PROJECT TIF FUND

For the Year Ended April 30, 2026

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property taxes	$ 470,000	$ 501,754	$ 31,754
Intergovernmental			
Grants	-	16,000	16,000
Investment income	500	23,655	23,155
Total cash receipts	470,500	541,409	70,909
Deduct beginning accrued revenues		(510,722)	
Add ending accrued revenues		518,568	
Total revenues		549,255	
EXPENDITURES			
Current			
General government			
Contractual services	985,000	29,153	(955,847)
Capital outlay	204,000	-	(204,000)
Total cash disbursements	1,189,000	29,153	(1,159,847)
Deduct beginning accrued expenditures		(11,885)	
Add ending accrued expenditures		-	
Total expenditures		17,268	
NET CHANGE IN FUND BALANCE	$ (718,500)	531,987	$ 1,230,756
FUND BALANCES (DEFICIT), MAY 1		54,699	
FUND BALANCES, APRIL 30		$ 586,686	

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Eight Fiscal Years

MEASUREMENT DATE APRIL 30,	2019	2020	2021	2022	2023	2024	2025	2026
TOTAL OPEB LIABILITY								
Service cost	$ 95,850	$ 103,156	$ 129,913	$ 286,315	$ 241,076	$ 180,118	$ 171,185	$ 147,712
Interest	193,597	191,401	203,154	154,516	192,739	124,742	143,488	160,494
Differences between expected and actual experience	-	-	(1,175,297)	-	(2,745,883)	-	(778,307)	-
Changes of assumptions	123,432	2,816,697	(95,250)	(1,087,304)	(8,065)	(157,032)	165,464	167,880
Benefit payments, including refunds of member contributions	(248,771)	(230,871)	(219,338)	(163,363)	(148,738)	(152,101)	(160,106)	(168,870)
Net change in total OPEB liability	164,108	2,880,383	(1,156,818)	(809,836)	(2,468,871)	(4,273)	(458,276)	307,216
Total OPEB liability - beginning	5,000,871	5,164,979	8,045,362	6,888,544	6,078,708	3,609,837	3,605,564	3,147,288
TOTAL OPEB LIABILITY - ENDING	$ 5,164,979	$ 8,045,362	$ 6,888,544	$ 6,078,708	$ 3,609,837	$ 3,605,564	$ 3,147,288	$ 3,454,504
Covered-employee payroll	$ 5,678,373	$ 6,648,935	$ 4,562,567	$ 6,754,902	$ 6,461,774	$ 7,729,862	$ 8,358,432	$ 8,684,616
Employer's total OPEB liability as a percentage of covered payroll	90.96%	121.00%	150.98%	89.99%	55.86%	46.64%	37.65%	39.78%

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

The table above includes amounts for both the City and Library.

2019: There were changes in assumptions related to the discount rate.
2020: There were changes in assumptions related to the discount rate.
2021: There were changes in assumptions related to the discount rate and expected increases in medical costs assumption.
2022: There were changes in assumptions related to the discount rate.
2023: There were changes in assumptions related to the discount rate, medical costs and percentage of retirees receiving medical coverage expected to lapse at age 65 from 0% to 100%.
2024: There were changes in assumptions related to the discount rate.
2025: There were changes in assumptions related to the discount rate, inflation rate, mortality rates, and other demographics.
2026: There were changes in assumptions related to the discount rate.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Actuarially determined contribution	$ 182,850	$ 212,525	$ 204,087	$ 108,821	$ 191,416	$ 154,615	$ 73,827	$ 32,418	$ 54,650	$ 101,413
Contributions in relation to the actuarially determined contribution	218,999	232,885	204,088	108,821	191,416	154,615	73,827	32,418	54,650	101,413
CONTRIBUTION DEFICIENCY (Excess)	$ (36,149)	$ (20,360)	$ (1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,770,457	$ 2,767,256	$ 2,936,510	$ 3,031,218	$ 3,070,720	$ 3,169,424	$ 3,364,406	$ 3,582,557	$ 3,876,653	$ 4,142,827
Contributions as a percentage of covered payroll	7.90%	8.42%	6.95%	3.59%	6.23%	4.83%	2.19%	0.90%	1.41%	2.45%

Notes to Required Supplementary Information

The table above includes amounts for both the City and Library.

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 18 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.85% to 13.75% compounded annually and price inflation of 2.25%.

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Actuarially determined contribution	$ 833,033	$ 831,327	$ 903,812	$ 991,169	$ 1,072,828	$ 1,292,417	$ 1,297,078	$ 1,304,388	$ 573,494	$ 748,867
Contributions in relation to the actuarially determined contribution	812,591	806,549	881,817	965,170	1,073,106	1,292,600	1,256,227	1,304,369	573,494	748,867
CONTRIBUTION DEFICIENCY (Excess)	$ (1,779)	$ 20,442	$ 24,778	$ 21,995	$ 25,999	$ (278)	$ (183)	$ 19	$ -	$ -
Covered payroll	$ 2,256,530	$ 1,943,673	$ 2,011,701	$ 2,224,777	$ 2,221,959	$ 2,334,127	$ 2,334,127	$ 2,520,032	$ 2,567,038	$ 2,567,038
Contributions as a percentage of covered payroll	29.46%	36.01%	41.50%	43.83%	43.38%	48.30%	55.38%	51.76%	22.34%	29.17%
Additional employer contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,085,639	$ 3,225,163	$ -	$ -

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry age normal; the amortization method was level percent of pay, closed and the amortization period was 17 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return of 6.75% annually, projected salary increase assumption of 3.50% to 8.13% annually and postretirement benefit increases of 3.25% compounded annually.

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Actuarially determined contribution	$ 556,036	$ 757,371	$ 835,519	$ 876,870	$ 670,041	$ 791,245	$ 883,683	$ 832,309	$ 281,698	$ 362,428
Contributions in relation to the actuarially determined contribution	685,507	871,125	833,880	880,174	670,202	791,335	883,683	832,338	281,698	362,428
CONTRIBUTION DEFICIENCY (Excess)	$ 65,417	$ (2,413)	$ (129,471)	$ (113,754)	$ 1,639	$ (3,304)	$ (161)	$ (29)	$ -	$ -
Covered payroll	$ 1,435,299	$ 1,197,877	$ 1,239,803	$ 1,306,374	$ 1,295,144	$ 1,342,871	$ 1,386,514	$ 1,686,602	$ 1,696,809	$ 1,813,960
Contributions as a percentage of covered payroll	38.43%	47.76%	72.72%	67.26%	67.38%	51.75%	59.93%	49.35%	16.60%	19.98%
Additional employer contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,994,884	$ 2,018,376	$ -	$ -

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry age normal; the amortization method was level percent of pay, closed and the amortization period was 17 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return of 6.75% annually, projected salary increase assumption of 3.18% to 5.97% annually and postretirement benefit increases of 3.25% compounded annually.

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Calendar Years

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PENSION LIABILITY										
Service cost	$ 308,819	$ 284,642	$ 268,927	$ 303,711	$ 307,023	$ 293,750	$ 303,161	$ 313,908	$ 330,967	$ 344,822
Interest	1,351,187	1,377,750	1,374,153	1,406,486	1,477,545	1,498,722	1,514,131	1,579,710	1,659,857	1,718,879
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(221,534)	28,071	136,653	550,420	39,791	(264,226)	419,793	649,248	277,730	459,262
Changes of assumptions	-	(573,172)	512,792	-	(195,145)	-	-	(37,142)	-	-
Benefit payments, including refunds of member contributions	(1,043,351)	(1,101,061)	(1,213,732)	(1,250,563)	(1,313,734)	(1,347,235)	(1,293,597)	(1,382,240)	(1,435,310)	(1,487,462)
Net change in total pension liability	395,121	16,230	1,078,793	1,010,054	315,480	181,011	943,488	1,123,484	833,244	1,035,501
Total pension liability - beginning	18,383,090	18,778,211	18,794,441	19,873,234	20,883,288	21,198,768	21,379,779	22,323,267	23,446,751	24,279,995
TOTAL PENSION LIABILITY - ENDING	$ 18,778,211	$ 18,794,441	$ 19,873,234	$ 20,883,288	$ 21,198,768	$ 21,379,779	$ 22,323,267	$ 23,446,751	$ 24,279,995	$ 25,315,496
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 218,999	$ 232,885	$ 204,088	$ 108,821	$ 183,015	$ 187,945	$ 95,213	$ 31,388	$ 33,726	$ 98,129
Contributions - member	124,671	122,895	132,143	136,405	138,183	142,624	151,398	161,215	174,450	194,962
Net investment income	1,204,046	3,421,226	(1,308,627)	3,715,072	3,289,769	4,282,964	(3,679,453)	2,514,137	2,476,945	4,079,548
Benefit payments, including refunds of member contributions	(1,043,351)	(1,101,061)	(1,213,732)	(1,250,563)	(1,313,734)	(1,347,235)	(1,293,597)	(1,382,240)	(1,435,310)	(1,487,462)
Other (net transfer)	69,701	(414,783)	463,620	179,202	129,627	(504,971)	196,190	467,497	(262,056)	104,327
Net change in plan fiduciary net position	574,066	2,261,162	(1,722,508)	2,888,937	2,426,860	2,761,327	(4,530,249)	1,791,997	987,755	2,989,504
Plan fiduciary net position - beginning	18,810,105	18,612,928	20,874,090	19,151,582	22,040,519	24,467,379	27,228,706	22,698,457	24,490,454	25,478,209
PLAN FIDUCIARY NET POSITION - ENDING	$ 18,612,928	$ 20,874,090	$ 19,151,582	$ 22,040,519	$ 24,467,379	$ 27,228,706	$ 22,698,457	$ 24,490,454	$ 25,478,209	$ 28,467,713
EMPLOYER'S NET PENSION LIABILITY (ASSET)	$ 165,283	$ (2,079,649)	$ 721,652	$ (1,157,231)	$ (3,268,611)	$ (5,848,927)	$ (375,190)	$ (1,043,703)	$ (1,198,214)	$ (3,152,217)

MEASUREMENT DATE DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Plan fiduciary net position as a percentage of the total pension liability	99.12%	111.07%	96.37%	105.54%	115.42%	127.36%	101.68%	104.45%	104.93%	112.45%
Covered payroll	$ 2,770,457	$ 2,767,256	$ 2,936,510	$ 3,031,218	$ 3,070,720	$ 3,169,424	$ 3,364,406	$ 3,582,557	$ 3,876,653	$ 4,089,075
Employer's net pension liability (asset) as a percentage of covered payroll	5.97%	(75.15%)	24.58%	(38.18%)	(106.44%)	(184.54%)	(11.15%)	(29.13%)	(30.91%)	(77.09%)

The table above includes amounts for both the City and Library.

Assumption Changes:

2017 - changes in assumptions related to inflation rates, salary rates and mortality rates.
2018 - changes in assumptions related to the investment rate of return
2020 - changes in assumptions related to inflation rates, salary increases and mortality rates.
2023 - changes in assumptions related to mortality rates.

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

Last Ten Fiscal Years

MEASUREMENT DATE APRIL 30,	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
TOTAL PENSION LIABILITY										
Service cost	$ 486,150	$ 518,965	$ 495,807	$ 564,190	$ 597,583	$ 584,581	$ 543,612	$ 527,536	$ 571,338	$ 581,700
Interest	1,637,470	1,677,271	1,740,912	1,854,323	2,013,952	1,974,381	2,094,624	2,285,934	2,421,474	2,530,492
Changes of benefit terms	-	-	-	110,135	-	-	(21,913)	73,473	-	-
Differences between expected and actual experience	74,160	49,731	904,453	211,262	266,596	(1,789,169)	754,984	1,873,250	928,062	604,352
Changes of assumptions	(472,916)	-	1,675,677	1,673,267	(1,042,040)	(1,579,294)	-	(11,421)	150,210	-
Benefit payments, including refunds of member contributions	(1,026,703)	(1,243,744)	(1,362,534)	(1,357,738)	(1,394,138)	(1,457,976)	(1,648,919)	(1,758,362)	(1,843,160)	(2,245,938)
Net change in total pension liability	698,161	1,002,223	3,454,315	3,055,439	441,953	(2,267,477)	1,722,388	2,990,410	2,227,924	1,470,606
Total pension liability - beginning	24,772,173	25,470,334	26,472,557	29,926,872	32,982,311	33,424,264	31,156,787	32,879,175	35,869,585	38,097,509
TOTAL PENSION LIABILITY - ENDING	$ 25,470,334	$ 26,472,557	$ 29,926,872	$ 32,982,311	$ 33,424,264	$ 31,156,787	$ 32,879,175	$ 35,869,585	$ 38,097,509	$ 39,568,115
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 812,591	$ 806,549	$ 881,817	$ 965,170	$ 1,073,106	$ 1,292,600	$ 9,341,866	$ 4,529,532	$ 573,494	$ 748,867
Contributions - member	205,454	207,122	213,083	212,943	224,524	235,513	234,437	252,838	255,175	267,510
Other contributions	19,282	-	41,128	-	3,975	1,505	-	-	-	-
Net investment income	1,129,702	710,623	441,523	(419,837)	3,760,636	(1,291,166)	1,140	2,682,151	2,914,530	7,322,446
Benefit payments, including refunds of member contributions	(1,026,703)	(1,243,745)	(1,362,534)	(1,357,738)	(1,394,138)	(1,457,976)	(1,648,919)	(1,758,362)	(1,843,160)	(2,245,938)
Administrative expense	(43,684)	(52,220)	(48,220)	(34,652)	(30,566)	(31,413)	(37,873)	(35,035)	(38,668)	(40,145)
Net change in plan fiduciary net position	1,096,642	428,329	166,797	(634,114)	3,637,537	(1,250,937)	7,890,651	5,671,124	1,861,371	6,052,740
Plan fiduciary net position - beginning	13,647,814	14,744,456	15,172,785	15,339,582	14,705,468	18,343,005	17,092,068	24,982,719	30,653,843	32,515,214
PLAN FIDUCIARY NET POSITION - ENDING	$ 14,744,456	$ 15,172,785	$ 15,339,582	$ 14,705,468	$ 18,343,005	$ 17,092,068	$ 24,982,719	$ 30,653,843	$ 32,515,214	$ 38,567,954
EMPLOYER'S NET PENSION LIABILITY	$ 10,725,878	$ 11,299,772	$ 14,587,290	$ 18,276,843	$ 15,081,259	$ 14,064,719	$ 7,896,456	$ 5,215,742	$ 5,582,295	$ 1,000,161

MEASUREMENT DATE APRIL 30,	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Plan fiduciary net position as a percentage of the total pension liability	57.89%	57.32%	51.26%	44.59%	54.88%	54.86%	75.98%	85.46%	85.35%	97.47%
Covered payroll	$ 2,256,530	$ 1,943,673	$ 2,011,701	$ 2,224,777	$ 2,221,959	$ 2,334,127	$ 2,409,986	$ 2,520,032	$ 2,567,038	$ 2,658,977
Employer's net pension liability as a percentage of covered payroll	475.33%	581.36%	725.12%	821.51%	678.74%	602.57%	327.66%	206.97%	217.46%	37.61%

2021 - There was changes of assumptions during the current year related to the discount rate and marital assumption for retiree and disabled members.
2022 - There was a change of assumption related to the discount rate.
2023 - There was a change in benefit terms related to Tier II COLA increases.
2024 - There was a change of assumption related to the salary rates. There was also changes in benefit terms related to surviving spouse requirements and eligibility.
2025 - There was changes of assumption related to inflation rates, salary increases, mortality rates and other demographics.

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

MEASUREMENT DATE APRIL 30,	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
TOTAL PENSION LIABILITY										
Service cost	$ 322,569	$ 343,537	$ 350,116	$ 317,897	$ 330,333	$ 319,936	$ 335,731	$ 349,379	$ 370,587	$ 407,306
Interest	1,233,566	1,195,760	1,229,000	1,273,258	1,405,967	1,394,722	1,439,238	1,484,757	1,569,408	1,674,318
Changes of benefit terms	-	-	-	102,023	-	-	(49,136)	-	-	-
Differences between expected and actual experience	155,238	(3,005)	77,049	87,660	471,119	(777,007)	111,505	140,500	720,287	521,983
Changes of assumptions	(1,315,004)	-	(621,628)	387,509	435,887	-	-	-	432,723	-
Benefit payments, including refunds of member contributions	(950,556)	(1,005,429)	(1,044,393)	(1,113,893)	(1,103,153)	(1,151,787)	(1,178,260)	(1,209,098)	(1,347,810)	(1,387,863)
Net change in total pension liability	(554,187)	530,863	(9,856)	1,054,454	1,540,153	(214,136)	659,078	765,538	1,745,195	1,215,744
Total pension liability - beginning	19,453,215	18,899,028	19,429,891	19,420,035	20,474,489	22,014,642	21,800,506	22,459,584	23,225,122	24,970,317
TOTAL PENSION LIABILITY - ENDING	$ 18,899,028	$ 19,429,891	$ 19,420,035	$ 20,474,489	$ 22,014,642	$ 21,800,506	$ 22,459,584	$ 23,225,122	$ 24,970,317	$ 26,186,061
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 685,507	$ 871,124	$ 833,880	$ 3,880,174	$ 670,202	$ 791,335	$ 5,878,567	$ 2,850,714	$ 281,698	$ 362,428
Contributions - member	114,570	122,115	120,904	120,023	127,496	127,725	134,055	123,644	124,855	172,530
Other contributions	-	-	855	-	-	-	36,685	36,685	36,685	3,392
Net investment income	440,768	178,563	313,447	(185,584)	3,179,596	(821,951)	115,068	2,067,841	2,231,727	4,803,004
Benefit payments, including refunds of member contributions	(950,556)	(1,005,429)	(1,044,393)	(1,113,893)	(1,103,153)	(1,151,787)	(1,178,260)	(1,209,098)	(1,347,810)	(1,387,863)
Administrative expense	(20,613)	(20,587)	(20,674)	(20,988)	(18,946)	(20,950)	(16,884)	(16,419)	(19,152)	(31,547)
Net change in plan fiduciary net position	269,676	145,786	204,019	2,679,732	2,855,195	(1,075,628)	4,969,231	3,853,367	1,308,003	3,921,944
Plan fiduciary net position - beginning	7,917,556	8,187,232	8,333,018	8,537,037	11,216,769	14,071,964	12,996,336	17,965,567	21,818,934	23,126,937
PLAN FIDUCIARY NET POSITION - ENDING	$ 8,187,232	$ 8,333,018	$ 8,537,037	$ 11,216,769	$ 14,071,964	$ 12,996,336	$ 17,965,567	$ 21,818,934	$ 23,126,937	$ 27,048,881
EMPLOYER'S NET PENSION LIABILITY	$ 10,711,796	$ 11,096,873	$ 10,882,998	$ 9,257,720	$ 7,942,678	$ 8,804,170	$ 4,494,017	$ 1,406,188	$ 1,843,380	$ (862,820)

MEASUREMENT DATE APRIL 30,	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Plan fiduciary net position as a percentage of the total pension liability	43.32%	42.89%	43.96%	54.78%	63.92%	59.61%	79.99%	93.95%	92.62%	103.29%
Covered payroll	$ 1,435,299	$ 1,197,577	$ 1,239,803	$ 1,306,374	$ 1,295,144	$ 1,342,871	$ 1,386,514	$ 1,686,602	$ 1,696,809	$ 1,813,960
Employer's net pension liability as a percentage of covered payroll	746.31%	926.61%	877.80%	708.66%	613.27%	655.62%	324.12%	83.37%	108.64%	(47.57%)

2021 - There was changes of assumptions during the current year related to the marital assumption for retiree and disabled members.
2023 - There was a change in benefit terms related to Tier II COLA increases.
2025 - There was changes of assumptions during the current year related to inflation rates, pay increases, mortality rates and other demographics.

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Annual money-weighted rate of return, net of investment expense	8.73%	4.96%	3.04%	(2.90%)	25.41%	(7.01%)	(0.38%)	9.54%	9.68%	23.17%

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Annual money-weighted rate of return, net of investment expense	6.39%	2.36%	4.11%	(1.27%)	28.41%	(5.82%)	0.87%	10.70%	10.60%	21.50%

(See independent auditor's report.)

BUDGETS

Annual budgets are adopted for all governmental funds using the cash basis of accounting, which is a different basis of accounting other than GAAP but is allowable under ILCS. Expenditures may not legally exceed budgeted appropriations at the fund level. Budgets were passed for all funds. There were also several supplemental appropriation ordinances during the current fiscal year.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

CITY OF DIXON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
CAPITAL PROJECTS FUND

For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
Grants	$ 350,000	$ 350,000	$ 1,000	$ (349,000)
Investment income	200,000	200,000	388,623	188,623
Miscellaneous	2,500	2,500	35,131	32,631
Total cash receipts	552,500	552,500	424,754	(127,746)
Deduct beginning accrued revenues			(6,246)	
Add ending accrued revenues			4,744	
Total revenues			423,252	
EXPENDITURES				
Current				
General government				
Maintenance and repairs	-	-	182,665	182,665
Small equipment and tools	359,912	359,912	439,505	79,593
Other	550,000	550,000	-	(550,000)
Capital outlay				
Building	2,240,000	2,240,000	1,229,295	(1,010,705)
Equipment	1,360,000	1,360,000	824,123	(535,877)
Vehicle	266,000	266,000	121,844	(144,156)
Debt service				
Principal retirement	-	-	31,903	31,903
Interest and fiscal charges	-	-	2,521	2,521
Total cash disbursements	4,775,912	4,775,912	2,831,856	(1,944,056)
Deduct beginning accrued expenditures			(514,220)	
Add ending accrued expenditures			301,957	
Total expenditures			2,619,593	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,223,412)	(4,223,412)	(2,196,341)	1,816,310
OTHER FINANCING SOURCES (USES)				
Transfers in	1,745,630	1,745,630	1,745,630	-
Transfers (out)	(600,000)	(600,000)	-	600,000
Sale of capital assets	30,000	30,000	26,795	(3,205)
Total other financing sources (uses)	1,175,630	1,175,630	1,772,425	596,795
NET CHANGE IN FUND BALANCE	$ (3,047,782)	$ (3,047,782)	(423,916)	$ 2,413,105
FUND BALANCE, MAY 1			9,898,351	
FUND BALANCE, APRIL 30			$ 9,474,435	

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
INFRASTRUCTURE FUND

For the Year Ended April 30, 2026

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental			
Sales tax	$ 1,180,000	$ 1,462,569	$ 282,569
Grants	18,158,160	5,324	(18,152,836)
Investment income	75,000	234,766	159,766
Total cash receipts	19,413,160	1,702,659	(17,710,501)
Deduct beginning accrued revenues		(362,230)	
Add ending accrued revenues		383,689	
Total revenues		1,724,118	
EXPENDITURES			
Capital outlay	22,182,840	2,171,107	(20,011,733)
Total cash disbursements	22,182,840	2,171,107	(20,011,733)
Deduct beginning accrued expenditures		(80,192)	
Add ending accrued expenditures		115,963	
Total expenditures		2,206,878	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,769,680)	(482,760)	2,301,232
OTHER FINANCING SOURCES (USES)			
Transfers in	1,900,000	1,300,000	(600,000)
Total other financing sources (uses)	1,900,000	1,300,000	(600,000)
NET CHANGE IN FUND BALANCE	$ (869,680)	817,240	$ 1,701,232
FUND BALANCE, MAY 1		4,702,500	
FUND BALANCE, APRIL 30		$ 5,519,740	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF DIXON, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2026

	Special Revenue			
	Illinois Municipal Retirement	Social Security	Motor Fuel Fuel Tax	Performing Arts
ASSETS				
Cash and investments	$ 1,002,928	$ 90,348	$ 1,005,355	$ 67,094
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	-	239,916	-	-
Accounts	-	-	-	-
Accrued interest	2,995	-	-	-
Lease	-	-	-	-
Due from other governments	-	-	56,384	-
Prepaid items	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	$ 1,005,923	$ 330,264	$ 1,061,739	$ 67,094
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ -
Accrued payroll	-	-	-	-
Customer deposits	-	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	-	-	-	43
Total liabilities	-	-	-	43
DEFERRED INFLOWS OF RESOURCES				
Leases	-	-	-	-
Unavailable property taxes	-	239,916	-	-
Total deferred inflows of resources	-	239,916	-	-
Total liabilities and deferred inflows of resources	-	239,916	-	43
FUND BALANCES				
Nonspendable for				
Prepaid items and inventory	-	-	-	-
Restricted for				
Highways and streets	-	-	1,061,739	-
Retirement	1,005,923	90,348	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	67,051
Airport	-	-	-	-
Grants	-	-	-	-
Economic development	-	-	-	-
Cemetery endowment	-	-	-	-
Working cash	-	-	-	-
Assigned for				
Public safety	-	-	-	-
Working cash	-	-	-	-
Total fund balances	1,005,923	90,348	1,061,739	67,051
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,005,923	$ 330,264	$ 1,061,739	$ 67,094

Special Revenue							
Grant	Municipal Airport	Foreign Fire Insurance	Police Vehicle	Confiscated Property	DUI	Industrial Park TIF
$ 49,738	$ 520,866	$ 126,198	$ 15,927	$ 47,762	$ 12,591	$ 9,344
-	-	-	-	-	-	49,484
-	155,910	-	-	-	-	-
-	-	1,686	-	-	-	-
-	117,338	-	-	-	-	-
-	-	-	-	-	-	-
-	7,172	-	-	-	-	-
-	24,926	-	-	-	-	-
$ 49,738	$ 826,212	$ 127,884	$ 15,927	$ 47,762	$ 12,591	$ 58,828
$ -	$ 14,084	$ -	$ -	$ -	$ 38	$ -
-	979	-	-	-	-	-
-	3,416	-	-	-	-	-
-	129,693	-	-	-	-	-
-	15	-	-	-	-	-
-	148,187	-	-	-	38	-
-	105,159	-	-	-	-	-
-	-	-	-	-	-	49,484
-	105,159	-	-	-	-	49,484
-	253,346	-	-	-	38	49,484
-	32,098	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	127,884	15,927	47,762	12,553	-
-	-	-	-	-	-	-
-	540,768	-	-	-	-	-
49,738	-	-	-	-	-	-
-	-	-	-	-	-	9,344
-	-	-	-	-		-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
49,738	572,866	127,884	15,927	47,762	12,553	9,344
$ 49,738	$ 826,212	$ 127,884	$ 15,927	$ 47,762	$ 12,591	$ 58,828

(This schedule is continued on the following page.)

CITY OF DIXON, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2026

	Capital Projects	Permanent Funds		
	Emergency Vehicle	Cemetery Endowment	Working Cash	Total
ASSETS				
Cash and investments	$ 1,185,654	$ 853,560	$ 873,589	$ 5,860,954
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	-	-	-	289,400
Accounts	2,092,666	513	-	2,249,089
Accrued interest	1,342	1,743	2,130	9,896
Lease receivable	-	-	-	117,338
Due from other governments	-	-	-	56,384
Prepaid items	-	-	-	7,172
Inventory	-	-	-	24,926
TOTAL ASSETS	$ 3,279,662	$ 855,816	$ 875,719	$ 8,615,159
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 84,021	$ -	$ -	$ 98,143
Accrued payroll	7,224	-	-	8,203
Customer deposits	-	-	-	3,416
Unearned revenue	-	-	-	129,693
Advances from other funds	-	-	-	58
Total liabilities	91,245	-	-	239,513
DEFERRED INFLOWS OF RESOURCES				
Leases	-	-	-	105,159
Unavailable property taxes	-	-	-	289,400
Total deferred inflows of resources	-	-	-	394,559
Total liabilities and deferred inflows of resources	91,245	-	-	634,072
FUND BALANCES				
Nonspendable for				
Prepaid items and inventory	-	-	-	32,098
Restricted for				
Highways and streets	-	-	-	1,061,739
Retirement	-	-	-	1,096,271
Public safety	-	-	-	204,126
Culture and recreation	-	-	-	67,051
Airport	-	-	-	540,768
Grants	-	-	-	49,738
Economic development	-	-	-	9,344
Cemetery endowment	-	855,816	-	855,816
Working cash	-	-	690,000	690,000
Assigned for				
Public safety	3,188,417	-	-	3,188,417
Working cash	-	-	185,719	185,719
Total fund balances	3,188,417	855,816	875,719	7,981,087
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 3,279,662	$ 855,816	$ 875,719	$ 8,615,159

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

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

For the Year Ended April 30, 2026

	Special Revenue				
	Illinois Municipal Retirement	**Social Security**	**Motor Fuel Tax**	**Performing Arts**	**Grant**
REVENUES					
Taxes					
Property taxes	$ -	$ -	$ -	$ -	$ -
Foreign fire insurance tax	-	-	-	-	-
Intergovernmental					
Motor fuel tax allotments	-	-	700,608	-	-
Grants	-	-	-	-	-
Fines and fees	-	-	-	-	-
Charges for services	-	-	-	-	-
Rental income	-	-	-	-	-
Investment income	42,372	6,684	37,082	1,826	-
Miscellaneous	-	-	-	42,261	-
Total revenues	42,372	6,684	737,690	44,087	-
EXPENDITURES					
Current					
General government					
Personnel services	6,759	26,841	-	-	-
Public safety					
Personnel services	42,242	167,754	-	-	-
Commodities	-	-	-	-	-
Highways and streets					
Personnel services	7,322	29,077	-	-	-
Culture and recreation					
Personnel services	-	-	-	52,890	-
Commodities	-	-	-	4,688	-
Airport operations					
Personnel services	-	-	-	-	-
Commodities	-	-	-	-	-
Contractual services	-	-	-	-	-
Capital outlay	-	-	816,952	-	-
Total expenditures	56,323	223,672	816,952	57,578	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13,951)	(216,988)	(79,262)	(13,491)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	25,000	-
Installment contract issuance	-	-	-	-	-
Total other financing sources (uses)	-	-	-	25,000	-
NET CHANGE IN FUND BALANCES	(13,951)	(216,988)	(79,262)	11,509	-
FUND BALANCE, MAY 1	1,019,874	307,336	1,141,001	55,542	49,738
FUND BALANCE, APRIL 30	$ 1,005,923	$ 90,348	$ 1,061,739	$ 67,051	$ 49,738

Special Revenue				
Municipal Airport	Foreign Fire Insurance	Police Vehicle	Confiscated Property	DUI
$ -	$ -	$ -	$ -	$ -
-	51,547	-	-	-
-	-	-	-	-
232,217	-	-	-	-
-	-	160	-	13,420
26,785	-	-	-	-
60,305	-	-	-	-
13,643	2,264	-	-	-
-	-	-	5,558	-
332,950	53,811	160	5,558	13,420
-	-	-	-	-
-	-	-	-	-
-	45,180	2,797	31,460	92,229
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
53,927	-	-	-	-
61,462	-	-	-	-
81,574	-	-	-	-
-	-	-	-	-
196,963	45,180	2,797	31,460	92,229
135,987	8,631	(2,637)	(25,902)	(78,809)
74,500	-	-	-	-
-	-	-	-	-
74,500	-	-	-	-
210,487	8,631	(2,637)	(25,902)	(78,809)
362,379	119,253	18,564	73,664	91,362
$ 572,866	$ 127,884	$ 15,927	$ 47,762	$ 12,553

(This schedule is continued on the following page.)

CITY OF DIXON, ILLINOIS

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

For the Year Ended April 30, 2026

	Capital Projects		Permanent Funds		
	Industrial Park TIF	Emergency Vehicle	Cemetery Endowment	Working Cash	Total
REVENUES					
Taxes					
Property taxes	$ 5,861	$ -	$ -	$ -	$ 5,861
Foreign fire insurance tax	-	-	-	-	51,547
Intergovernmental					
Motor Fuel Tax allotments	-	-	-	-	700,608
Grants	-	-	-	-	232,217
Fines and fees	-	-	-	-	13,580
Charges for services	-	912,613	13,015	-	952,413
Rental income	-	-	-	-	60,305
Investment income	23	51,924	30,590	33,223	219,631
Miscellaneous	-	1,243	-	-	49,062
Total revenues	5,884	965,780	43,605	33,223	2,285,224
EXPENDITURES					
Current					
General government					
Personnel services	-	-	-	-	33,600
Public safety					
Personnel services	-	559,855	-	-	769,851
Commodities	-	157,159	-	-	328,825
Highways and streets					
Personnel services	-	-	-	-	36,399
Culture and recreation					
Personnel services	-	-	-	-	52,890
Commodities	-	-	-	-	4,688
Airport operations					
Personnel services	-	-	-	-	53,927
Commodities	-	-	-	-	61,462
Contractual services	-	-	-	-	81,574
Capital outlay	-	157,460	-	-	974,412
Total expenditures	-	874,474	-	-	2,397,628
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,884	91,306	43,605	33,223	(112,404)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	99,500
Installment contract issuance	-	50,150	-	-	50,150
Total other financing sources (uses)	-	50,150	-	-	149,650
NET CHANGE IN FUND BALANCES	5,884	141,456	43,605	33,223	37,246
FUND BALANCE, MAY 1	3,460	3,046,961	812,211	842,496	7,943,841
FUND BALANCE, APRIL 30	$ 9,344	$ 3,188,417	$ 855,816	$ 875,719	$ 7,981,087

(See independent auditor's report.)

FIDUCIARY FUNDS

CITY OF DIXON, ILLINOIS

COMBINING STATEMENT OF PLAN NET POSITION
PENSION TRUST FUNDS

April 30, 2026

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short-term investments	$ 165,703	$ 143,816	$ 309,519
Investments			
Pooled investments	38,400,490	26,899,963	65,300,453
Prepaid items	2,451	6,352	8,803
Total assets	38,568,644	27,050,131	65,618,775
LIABILITIES			
Accounts payable	690	1,250	1,940
Total liabilities	690	1,250	1,940
NET POSITION RESTRICTED FOR PENSIONS	$ 38,567,954	$ 27,048,881	$ 65,616,835

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS

For the Year Ended April 30, 2026

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer contributions	$ 748,867	$ 362,428	$ 1,111,295
Employee contributions	267,510	175,922	443,432
Total contributions	1,016,377	538,350	1,554,727
Investment income			
Net appreciation in fair value of investments	7,164,820	4,328,768	11,493,588
Interest	189,067	527,877	716,944
Total investment income	7,353,887	4,856,645	12,210,532
Less investment expense	(31,441)	(53,641)	(85,082)
Net investment income	7,322,446	4,803,004	12,125,450
Total additions	8,338,823	5,341,354	13,680,177
DEDUCTIONS			
Benefits and refunds	2,245,938	1,387,863	3,633,801
Administrative expenses	40,145	31,547	71,692
Total deductions	2,286,083	1,419,410	3,705,493
NET INCREASE	6,052,740	3,921,944	9,974,684
NET POSITION RESTRICTED FOR PENSIONS			
May 1	32,515,214	23,126,937	55,642,151
April 30	$ 38,567,954	$ 27,048,881	$ 65,616,835

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS

April 30, 2026

	Local Organizations	Library Trust	Total
ASSETS			
Cash and short-term investments	$ 72,588	$ 533,937	$ 606,525
Receivables			
Accrued interest	-	2,422	2,422
Total assets	72,588	536,359	608,947
LIABILITIES			
Accounts payable	67,994	-	67,994
Total liabilities	67,994	-	67,994
NET POSITION			
Restricted for individuals, organizations and other governments	4,594	536,359	540,953
TOTAL NET POSITION	$ 4,594	$ 536,359	$ 540,953

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

COMBINING STATEMENT OF CHANGES IN NET POSITION
CUSTODIAL FUNDS

For the Year Ended April 30, 2026

	Local Organizations	Library Trust	Total
ADDITIONS			
Contributions	$ -	$ 8,010	$ 8,010
Investment income	-	13,804	13,804
Total additions	-	21,814	21,814
DEDUCTIONS			
Miscellaneous	3,058	8,504	11,562
Total deductions	3,058	8,504	11,562
CHANGE IN NET POSITION	(3,058)	13,310	10,252
NET POSITION, MAY 1	7,652	523,049	530,701
NET POSITION, APRIL 30	$ 4,594	$ 536,359	$ 540,953

(See independent auditor's report.)

COMPONENT UNIT

CITY OF DIXON, ILLINOIS

STATEMENT OF NET POSITION AND BALANCE SHEET
DIXON PUBLIC LIBRARY

April 30, 2026

	Balance Sheet	Adjustments	Statement of Net Position
ASSETS			
Cash	$ 982,922	$ -	$ 982,922
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	658,320	-	658,320
Accounts	287	-	287
Prepaid items	6,091	-	6,091
Net pension asset	-	262,262	262,262
Capital assets			
Not depreciated	-	90,000	90,000
Depreciated (net of accumulated depreciation)	-	742,330	742,330
Total assets	1,647,620	1,094,592	2,742,212
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - OPEB	-	14,025	14,025
Pension items - IMRF	-	59,073	59,073
Total deferred outflows of resources	-	73,098	73,098
Total assets and deferred outflows of resources	1,647,620	1,167,690	2,815,310

(This statement is continued on the following page.)

CITY OF DIXON, ILLINOIS

STATEMENT OF NET POSITION AND BALANCE SHEET (Continued)
DIXON PUBLIC LIBRARY

April 30, 2026

	Balance Sheet	Adjustments	Statement of Net Position
LIABILITIES			
Accounts payable	$ 1,928	$ -	$ 1,928
Accrued payroll	7,372	-	7,372
Long-term liabilities			
Due within one year	-	23,378	23,378
Due in more than one year	-	33,184	33,184
Total liabilities	9,300	56,562	65,862
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	658,320	-	658,320
OPEB items	-	42,032	42,032
Pension items - IMRF	-	125,976	125,976
Total deferred inflows of resources	658,320	168,008	826,328
Total liabilities and deferred inflows of resources	667,620	224,570	892,190
FUND BALANCE/NET POSITION			
Net investment in capital assets	-	832,330	832,330
Nonspendable for prepaid items	6,091	(6,091)	-
Restricted for			
Net pension asset	-	262,262	262,262
Unrestricted (deficit)	973,909	(145,381)	828,528
TOTAL FUND BALANCE/NET POSITION	$ 980,000	$ 943,120	$ 1,923,120

(See independent auditor's report.)

CITY OF DIXON, ILLINOIS

STATEMENT OF ACTIVITIES AND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS
DIXON PUBLIC LIBRARY

For the Year Ended April 30, 2026

	Original Budget	Final Budget	Actual	Adjustments	Statement of Activities
REVENUES					
Taxes					
Property taxes	$ 642,000	$ 642,000	$ 641,260	$ -	$ 641,260
Intergovernmental					
Replacement taxes	72,000	72,000	78,608	-	78,608
Grants	233,000	233,000	22,529	-	22,529
Charges for services	23,000	23,000	23,805	-	23,805
Investment income	42,000	42,000	46,862	-	46,862
Miscellaneous	2,500	2,500	1,628	-	1,628
Total cash receipts	1,014,500	1,014,500	814,692	-	814,692
Total revenues			814,692	-	814,692
EXPENDITURES					
Current					
Culture and recreation	1,449,375	1,449,375	784,633	81,880	866,513
Total cash disbursements	1,449,375	1,449,375	784,633	81,880	866,513
Deduct beginning accrued expenditures			(8,447)	8,447	-
Add beginning prepaid expenditures			6,969	(6,969)	-
Add ending accrued expenditures			9,300	(9,300)	-
Deduct ending prepaid expenditures			(6,091)	6,091	-
Total expenditures			786,364	80,149	866,513
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(434,875)	(434,875)	28,328	(80,149)	(51,821)
OTHER FINANCING SOURCES (USES)					
Transfers in	435,000	435,000	-	-	-
Sale of capital assets	500	500	-	-	-
Total other financing sources (uses)	435,500	435,500	-	-	-
NET CHANGE IN FUND BALANCE	$ 625	$ 625	28,328	(80,149)	(51,821)
FUND BALANCE, MAY 1			951,672	1,023,269	1,974,941
FUND BALANCE, APRIL 30			$ 980,000	$ 943,120	$ 1,923,120

(See independent auditor's report.)