City of Rochelle, Illinois

Annual Comprehensive Financial Report
For the Year Ended
December 31, 2025

Prepared by:
Finance Department

Matt Hoffman
Finance Director

CITY OF ROCHELLE, ILLINOIS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Year Ended
December 31, 2025

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CITY OF ROCHELLE, ILLINOIS

List of Elected and Appointed Officers and Officials

December 31, 2025

Mayor

John Bearrows

City Council

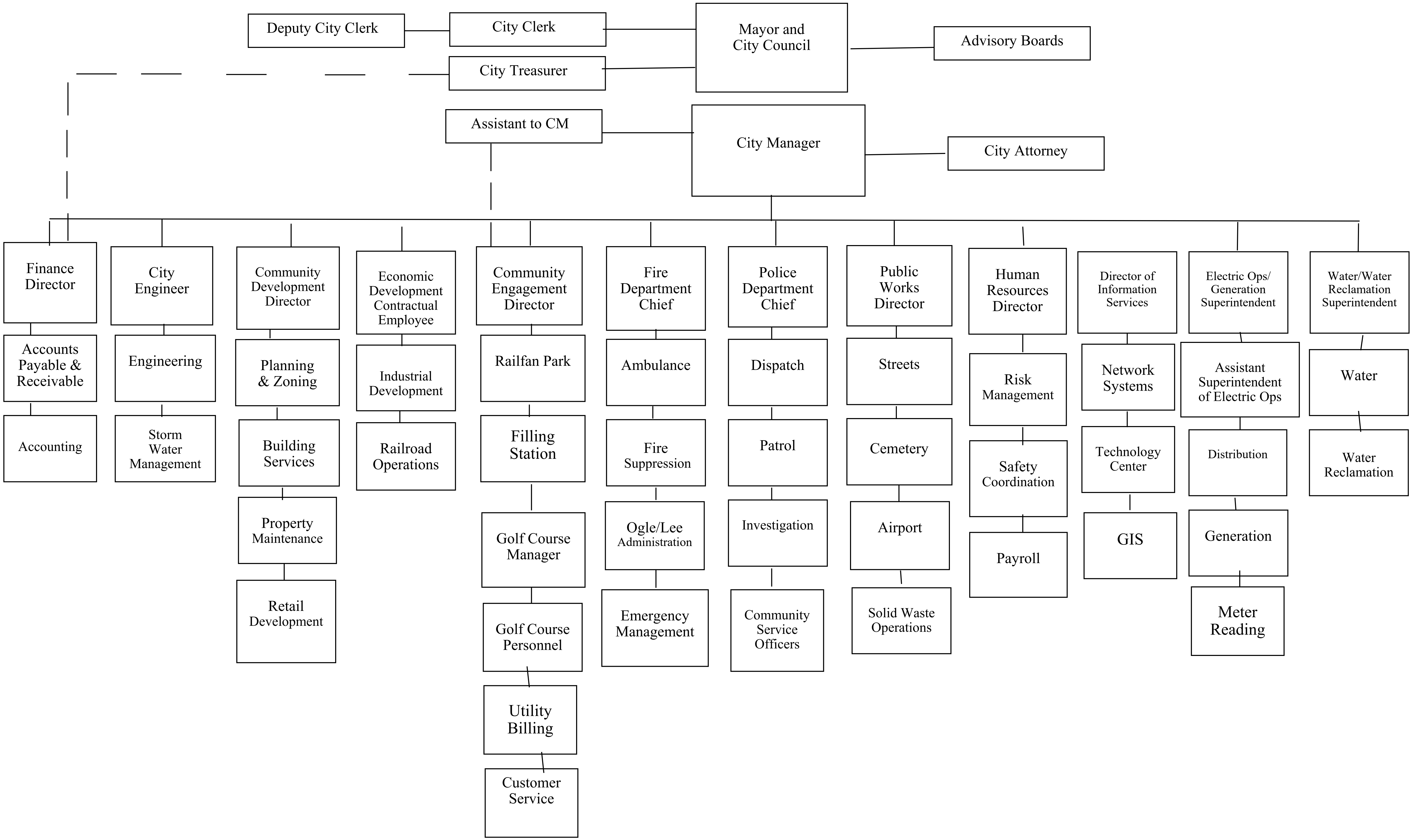
Rosaelia Arteaga	Ben Valdivieso
Bil Hayes	Kathryn Shaw-Dickey
Dan McDermott	Tom McDermott

City Clerk

Rose Hueramo

City Manager	**Finance Director**
Jeff Fiegenschuh	Matt Hoffman

CITY OF ROCHELLE
Organizational Chart
2025



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Rochelle
Illinois

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

July 28, 2026

Mayor John Bearrows & Rochelle City Council
Citizens of Rochelle

Submitted for your review and consideration is the Annual Comprehensive Financial Report of the City of Rochelle, Illinois, for the calendar year ended December 31, 2025. Illinois state law requires municipal governments, following the close of each fiscal year, to publish a complete set of audited financial statements. This report is published to fulfill that requirement and has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This Annual Comprehensive Financial Report was prepared by the City of Rochelle Finance Department. Management assumes full responsibility for the completeness, reliability, and fairness of the information contained in this report. We believe the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City's governmental activities, business-type activities, each major fund, and the aggregate remaining fund information. All disclosures necessary to enable the reader to understand the City's financial activities have been included. The organization and content of the report follow the standards for annual financial reporting promulgated by the Governmental Accounting Standards Board (GASB).

To provide a reasonable basis for these representations, management has established a comprehensive internal control framework designed to protect the assets of the City and to compile sufficiently reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control framework has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects, and we take responsibility for the contents of the Annual Comprehensive Financial Report.

The City's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Rochelle for the calendar year ended December 31, 2025, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditors concluded, based on their audit procedures, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the calendar year ended December 31, 2025, are presented fairly and in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Governmental Accounting Standards Board Statement Number 34 requires that the City provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A is found immediately following the report of the independent auditors.

PROFILE OF THE CITY OF ROCHELLE

The City of Rochelle, a non-home rule community as defined by the Illinois Constitution, was founded in 1853 and is located approximately 80 miles west of Chicago, with quick access to state and interstate highways. Rochelle's transportation network includes Interstate 39, Interstate 88, Illinois Routes 38 and 251, two Class I railroads, the City of Rochelle Railroad, and Rochelle Municipal Airport. According to the U.S. Census Bureau, Rochelle's 2020 Census population was 9,446, and the July 1, 2025 population estimate was 9,498. The City is empowered to levy a property tax on real property located within its boundaries and is empowered by state statute to extend its corporate limits by annexation as economic development warrants.

The City operates under the Council-Manager form of government, which was approved by public referendum in 1994. This form of government combines the policy leadership of elected officials with the professional management of an appointed city manager. Policy-making authority rests with the elected Mayor and City Council. The City Manager prepares a budget for the Council's consideration, recruits and supervises staff, serves as the Council's chief advisor, and carries out the Council's policies and the City's adopted Strategic Plan and Performance Measures.

Rochelle Municipal Utilities (RMU), established circa 1896, provides electric, water, water reclamation, and advanced communication services. The Rochelle Municipal Airport and City of Rochelle Railroad (CRRR) are additional enterprise activities. The Police Pension Plan and Fire Pension Plan have also been included in the reporting entity in accordance with GAAP.

The City Council is required to adopt an initial budget for the calendar year no later than December 31 preceding the beginning of the calendar year on January 1. The annual budget, together with the Strategic Plan, serves as the foundation for the City's financial plan and organizational strategy. The budget is prepared by fund and department. Department heads may transfer resources within a department as they deem necessary.

The City Manager may transfer resources between departments; however, transfers between funds require approval by the City Council.

MISSION, VISION, AND GOALS

Mission. To provide a safe, connected, and innovative community with professional, personalized, and impartial services.

Vision. A vibrant community where all can thrive.

Values. The City of Rochelle's Strategic Plan is guided by three fundamental elements: mission, vision, and core values. The Mission Statement is based on the principles of high quality and continuous improvement. The Vision Statement presents a compelling future toward which the Strategic Plan is directed. Both the mission and vision are founded on the following values that guide the actions of employees and elected officials.

Economic and Business Development means the City creates a simplified range of opportunities for all types of business recruitment and retention. The City values strong collaborations with elected officials and regional economic development organizations to promote and market the region for industrial and commercial growth. (Capable, Business-friendly, Growing, Intentional)

Financial Management and Stability means the City believes integrity, fiscal responsibility, and prudent stewardship of public funds are essential for citizen confidence in government. The City is committed to attainable performance measures based on a secure strategic plan. (Transparent, Stable, Accountable, Stewards)

Community Inclusivity and Engagement means the City values the cultural and social diversity reflected in the community and welcomes the changes and new perspectives that diversity brings. (Individuals, Respectful, Compassionate, Ethical)

Infrastructure Effectiveness and Improvement means the City provides maintained and reliable infrastructure for all members of the community while continuing to find innovative ways to improve the delivery of services. (Affordable, Local, Sustainable, Strategic Planners)

Core Service Delivery means the City encourages employees to exercise independent judgment in meeting customer needs through professional behavior and supports continuing education and training for staff members. (Proactive, Servants, Best Practices, Dedicated)

Quality of Life encompasses all of the above. To achieve these goals, department-wide performance measures were created in 2019 and continue to be updated periodically.

LOCAL ECONOMY AND FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment in which the City operates.

Local Economy. Rochelle, Illinois is home to several major employers, including companies in manufacturing, food processing, transportation, warehousing, logistics, cold storage, retail, utilities, financial services, and related support industries. The City's economy is further supported by a large hydroponic greenhouse, industrial development areas, commercial and retail corridors, small businesses, and community not-for-profit organizations.

The City's transportation assets remain central to its economic position. Rochelle has access to two Class I railroads, Union Pacific Global III, Interstate 39, Interstate 88, Illinois Routes 38 and 251, the City of Rochelle Railroad, and Rochelle Municipal Airport. These assets support industrial recruitment, rail-served development, intermodal and transload activity, and continued investment in the City's utility and transportation infrastructure.

Over the last several decades, Rochelle has experienced significant public and private investment tied to its transportation, utility, and industrial assets. Economic development efforts continue to focus on strengthening the City's tax base, supporting existing employers, encouraging redevelopment, expanding housing options, and positioning the community for future industrial, commercial, and residential growth.

Pension and Other Post-Employment Benefits. The City recognizes that annual pension and other post-employment benefit obligations remain major factors affecting long-term financial condition. To address these obligations, the City continues to levy annually for actuarially determined pension contributions and has dedicated additional revenue sources, including gaming revenues and certain one-time revenues, to the Police and Fire Pension Plans. These contributions are in addition to the amounts levied annually to meet actuarial recommendations.

State-Shared Revenues and Tax Structure. The City relies on allocations of Local Government Distributive Fund (LGDF), use tax, and motor fuel tax from the State of Illinois. Several of these revenues are allocated on a per capita basis, making population trends and state revenue policy important to the City's financial planning. The State's grocery tax expired on December 31, 2025. To absorb the resulting revenue loss, the City Council approved a 0.25% increase in the non-home rule sales tax in May 2025, bringing the rate to 1.0%, with half of the funds generated by the increase directed to the General Fund and half directed to capital improvements.

Relevant Financial Policies. The City's financial planning continues to emphasize structurally responsible budgeting, realistic revenue estimates, use of one-time revenues for one-time expenditures where practicable, and preservation of adequate reserves. The FY 2026 budget estimated General Fund revenues of $16,326,475 and expenditures of $16,603,886, with the recommended use of approximately $277,000 of General Fund reserves for one-time projects, including building improvements, downtown work, and one-time capital purchases. Projects funded by transfers from non-home rule sales tax, utility tax, and motor fuel tax revenues are included in the Capital Improvement Fund rather than the General Fund balance.

Long-Term Financial Planning. The City continues to align the operating budget, capital plan, utility planning, and economic development strategy with the six priority areas in the Strategic Plan. Capital planning remains a central component of this approach, with attention to infrastructure condition, regulatory compliance, utility redundancy, enterprise fund sustainability, debt service, and the effect of inflationary pressures on construction and operating costs.

MAJOR CITY INITIATIVES AND LONG-TERM FINANCIAL PLANNING

City staff, following specific directives from the City Council and City Manager, were involved in a variety of projects and initiatives throughout calendar year 2025. The most significant projects and initiatives are identified below, with emphasis on their relationship to long-term financial planning, capital investment, service delivery, and economic development.

Strategic Priorities. In 2022, the City of Rochelle reengaged the Center for Governmental Studies (CGS) at Northern Illinois University (NIU) to facilitate an update to the Strategic Plan. The updated process included multiple workshops with the Council and senior staff. Prior to the workshop sessions, community stakeholder focus groups were held to gather input on their vision for Rochelle and to lay the foundation for executive-level planning. Six Strategic Priority Areas were adopted: Economic and Business Development, Financial Management and Stability, Community Inclusivity and Engagement, Infrastructure Effectiveness and Improvement, Core Service Delivery, and Quality of Life. The Strategic Plan, together with the organizational goals developed through that process, continues to guide Council and staff priorities over a multi-year horizon, and budgeted spending continues to be tied back to the six priority areas approved by the City Council.

RMU Substation, Distribution System Investments, and Bonds. Work continued in 2025 on major investments in the electric system. The transformer and switchgear for the new Route 38 substation were procured, and easement acquisition continued for the 34.5 kV line loop that will tie all substations together for better redundancy. Funds are budgeted to complete construction of the new substation on the west side of the service territory near the MightyVine facility in 2026 and to secure needed utility easements for this project and potential future industrial expansions. The project to underground feeder exits from the generation plant advanced, providing more resilient power to customers in town. Engineering design with BHMG Engineers continues for the downtown underground conversion project, which will place a large portion of the lines in the downtown area underground from Lincoln Manor to 4th Avenue, funded through the Downtown and Southern Gateway TIF bonds. In 2025, the utility also received a $150,000 State of Illinois electric planning grant to help reduce power usage and promote sustainability measures, and the City Council approved a cost-of-service study through UFS to better align long-term funding of fixed costs within the utility. In addition, a new purchased power contract with NextEra Energy, combined with lower Prairie State costs, is reducing budgeted purchased power costs in 2026.

Water Projects. The City continues to focus on water quality, capacity, and redundancy. In 2018, RMU constructed the City's first radium removal plant at Well 11, followed by a second radium removal plant at Well 12 in 2020; both were financed through the low-interest Illinois Environmental Protection Agency Loan Program. Construction of the new 2.6 MGD iron removal filtration plant at Well 8 continued throughout 2025. The design incorporates future radium removal if the need should arise. The pump and motor were installed in early 2026, and the plant is expected to be fully operational in 2026 once water samples pass testing and submissions are approved by the IEPA. This $7.4 million project was funded through the IEPA State Revolving Fund with significant principal forgiveness, along with a $1.0 million appropriation grant from the Department of Commerce and Economic Opportunity (DCEO).

The repainting and repair of Water Tower B, located near Route 251 in Rochelle, was completed in 2025. The approximately $1.3 million project was funded through a $1.0 million State Appropriation Grant, with the remainder paid from water reserves. The Water Department also continued design work with Willett Hofmann and Associates for a new Well 13. As development continues in Rochelle, demand for water has increased and will continue to do so. To meet demand, increase redundancy, and relieve other well pumps and equipment, RMU designated a parcel of land on the northeast side of Rochelle to develop, drill, and build a new well and well house.

Water Reclamation Plant Upgrades - Phase II. Phase II is an $11.4 million low-interest IEPA loan-funded project with approximately 30% principal forgiveness, or $3.49 million. Construction, which began in the summer of 2024, continued throughout 2025 and was approximately 99% complete as of early 2026. The project includes replacement of the tertiary sand filtration system with a new cloth media filtration system to accommodate future phosphorus removal regulations; painting of the secondary clarifiers and replacement of mechanical drives; reshaping and restoration of the excess flow lagoons with a new excess flow lagoon lift station to return flow to the head of the plant; and rehabilitation of the main influent lift station, including pump and electrical control replacement. Biological nutrient removal is also incorporated into the design to meet future phosphorus limits set by the Illinois Environmental Protection Agency.

Infrastructure Improvements. The general obligation bonds issued in 2018 have been expended and the projects identified as part of the issuance have been completed. The debt is expected to be retired in 2027, which will allow additional revenue to support the Capital Improvements Program. The Creston/Caron Road resurfacing and pavement rehabilitation project, funded in part with a $1.3 million Federal Highway STU participation grant, was substantially completed in 2025, with final completion expected in the second half of 2026. The project included inlet and storm sewer improvements, along with miscellaneous curb and gutter replacement for approximately two miles along Creston and Caron Road. Design engineering and right-of-way acquisition for the South Main Street widening project Phase 2, from Steam Plant Road to Veterans Parkway, continued in 2025, with construction to be funded primarily with Motor Fuel Tax funds.

The Steward Road multi-use path project from Caron Court to the Ritchie Road pedestrian path began construction in June 2025. Roadway improvements at the Flagg Road/20th Street intersection, a joint agency project with Ogle County, were a focus in 2025, with work continuing into 2026 and partially funded with Motor Fuel Tax dollars. Other projects included the annual sidewalk and pedestrian path program, general street improvements including curb and gutter, stormwater, sidewalks, pavement and offsite drainage improvements, right-of-way acquisition, and professional and surveying fees.

The downtown 4th Avenue storm sewer replacement project from 6th Street to Main Street, along with downtown parking lot #3, is expected to be completed by the end of 2026, with additional storm sewer phases from 3rd Street to 6th Street programmed in future CIP years. Construction began in 2025 on the IDOT I-39/Route 38 Diverging Diamond interchange improvements. Through an intergovernmental agreement approved in 2025, the City is participating in nearly $1.8 million of project costs for items including lighting, signalization, shared-use path construction, and other miscellaneous improvements; the project is anticipated to be complete in 2027. City staff continue to meet quarterly with the Illinois Department of Transportation on the IL Route 251 reconstruction project, from Fairview Drive to south IL Route 38, currently projected to begin in 2028.

City of Rochelle Railroad. Intermodal services are now operating at the Rochelle Intermodal Transload Center (RITC), following completion of the container yard and paving of the RITC entrance. Through this facility, a variety of agriculture products are being shipped across the globe; the RITC was the first site in Illinois to transload Regenified corn grown in Illinois and shipped to California. The increased traffic through the CRRR in 2025 is expected to increase rail revenues by 15%-20%, and the new intermodal service is expected to add $500,000-$700,000 of new revenue to the rail system per year. Construction on the $5.2 million IDOT grant-funded expansion of the RITC began in 2025 and is substantially complete, with final closeout pending receipt of the remaining IDOT reimbursement.

The Economic Development Office continues to work with the Illinois Department of Commerce to address the requirements for new industrial projects requiring rail service, and plans are in place to apply for grants to expand the CRRR system, including a second intermodal yard and the extension of track to Elva Road for a future BNSF interchange. Through the EDA and local matching funds, the logistics study of the Steward Road Industrial Corridor continued, evaluating the road and rail impacts new industries will bring to the industrial development being planned in the corridor.

City of Rochelle Airport. A $2.2 million runway rehabilitation project was completed, with the existing runway surface milled down to the base and replaced with a new grooved surface designed to improve drainage and reduce standing water during operations. The airport entry lane and main car parking lot were resurfaced and restriped in 2025. Hangar utilization remains at 100% with a waiting list, and land rent increased 9% over 2024. Construction of a new 8-unit T-hangar building is planned for 2026 to accommodate continued growth in aircraft storage demand and airport activity. The City also issued alternate revenue bonds for the construction of a new community hangar at the airport and major electrical upgrades at the Technology Center. Airport projects are funded through a partnership with the Federal Aviation Administration and the Illinois Department of Transportation, with project costs generally shared at 90% federal funding, 5% state funding, and a 5% local contribution from the City of Rochelle.

Industrial Development. Infrastructure investments continue to position Rochelle as a leading site for industrial project site selectors. Work continued on two grants secured to expand the City of Rochelle Railroad in the Dual Rail Megasite area: one expanding the Rochelle Intermodal Transload Center and one providing for more than 10,000 feet of additional track along the western border of the Megasite to significantly increase overall system capacity. The City remains actively engaged in negotiations with confidential projects in the transloading, sustainable fuels, data center, greenhouse, commercial, and hotel sectors, among others. The City is also expanding its partnerships with Ogle County and the Lee County Industrial Development Association for economic development services. The City's Dual Rail Megasite remains one of the first Vetted Sites certified by Intersect Illinois, a statewide public-private partnership to recruit new investments from around the world.

Downtown and Community Development. The $1,151,794 DCEO Rebuild Downtowns and Main Streets Capital Grant continued to support a major downtown revitalization effort in 2025. The project includes the reconstruction of seven existing parking lots and construction of two new lots at key intersections, along with a new public restroom facility. TIF bonds are funding the development of a new event/stage venue and restrooms to increase downtown event capacity, with the event and outdoor space expected to be completed and the State grant closed out in 2026. The downtown improvements also include the redevelopment and demolition of dilapidated property and burying of power lines, with asbestos abatement and demolition of the structure at 509 Lincoln Avenue planned for 2026. The new mural at ALM Fine Cabinetry, prominently visible to southbound traffic entering the City, was completed in spring 2025, with one additional downtown building mural planned.

Support for small businesses continues through the Facade Improvement Program and the Small Business Permit Fee Waiver Program. In 2025, the City awarded $12,625.90 through these programs to support reinvestment in local businesses and commercial properties. The Downtown and Southern Gateway TIF District continues to grow considerably, with EAV increasing 27.3% from 2024 to 2025; staff executed a new request for proposals for redevelopment of the Hickory Grove property, and the City Council approved two new TIF redevelopment agreements in 2025. The Eastern Gateway TIF District, formed in 2024, is positioned to support revitalization of the Caron Ridge Shopping Center and surrounding areas. Housing development continues to strengthen the southern corridor, with Willis Senior Lofts and The Grove addressing the need for diverse housing options.

Rochelle Municipal Landfill. Under the Amended and Restated Host Agreement for the Operation and Development of City of Rochelle Landfill No. 2, the City's portion of Unit 1 exhumation costs of $850,000 and the City's portion of Mulford Road improvement costs of $750,000 were eliminated, and the landfill operator made a payment of $1,460,000 to the City. The Unit 1 closure work and Cell 7 excavation performed by Currans Construction were completed in the first quarter of 2025, including the installation of new leachate and gas management collection systems over the existing footprint of Unit 1, allowing for increased daily tonnage amounts and tipping fees in 2025.

Fire Training Facility. The City and the Ogle-Lee Fire Protection District continue to develop the jointly owned and operated multi-use training facility at 916 S. Main Street. Site improvements to date include the addition of an adjoining 3-acre parcel to the north, site excavation including drainage, retention, paving, two cement pads, and installation of two metal training props. Phase I work at the new Fire Department/Public Safety/Utility training facility was completed, and the City has applied for a $750,000 grant for Phase 2. The next stage of development includes a third cement pad and the installation of a third metal training prop to simulate a multi-story building, with the goal of making this a multipurpose facility incorporating water, sewer, and electric training elements. This phase will be dependent on the availability of funding, including federal and state grant opportunities.

Additional Staffing. In 2025, the City was awarded a $950,000 SAFER grant to support the addition of three full-time Firefighter/Paramedics. These positions were already planned as part of the City's public safety staffing needs, and the grant will offset salary and benefit costs for the new hires. The 2026 budget also includes funds to replace two open positions in the Police Department in anticipation of future retirements and to add a new engineering technician position to assist with City infrastructure projects.

Inclusivity. The City continues to utilize the ApplicantPro software system for recruitment, which helps reduce bias in the hiring process by screening applicants with qualifying questions before hiring managers have access to identifying information. Since 2022, one of the City's key staffing goals has been to actively recruit Spanish-speaking employees to better serve residents. With a significant portion of Rochelle's population identifying as Hispanic or Latino, bilingual support remains an important service-delivery consideration. As of the date of this letter, 66% of departments are staffed with at least one bilingual employee, enhancing the City's ability to assist residents more effectively.

AWARDS AND ACKNOWLEDGEMENTS

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024, marking the tenth consecutive year the City has received this recognition. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized report that satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that the current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The 2025 City of Rochelle budget was submitted to GFOA and was awarded the Distinguished Budget Presentation Award for the sixth consecutive year. The award represents a significant achievement by the City and reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. To receive the budget award, the City had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines assess how well an entity's budget serves as a policy document, a financial plan, an operations guide, and a communications device.

A Distinguished Budget Presentation Award is valid for a period of one year. We believe that the 2026 budget continues to meet the Distinguished Budget Presentation Award Program requirements and have submitted it to GFOA to determine its eligibility for another award. The City maintained its Standard & Poor's underlying bond rating of AA-, which was upgraded in 2023. Certain debt also carried an insured rating of AA.

Acknowledgements. The preparation of this report was a team effort and could not have been accomplished without the efficient and dedicated services of the Finance Department and the cooperation of departments throughout the organization. We would like to express our appreciation to the members of the Finance Department and City staff who assisted and contributed to the preparation of this report.

On behalf of the Finance Department, we would like to thank the Mayor and City Council, the City Manager, and TEAM Rochelle for their commitment to responsible financial management, infrastructure investment, core service delivery, and the long-term needs of this community.

Respectfully submitted,

Matt Hoffman

Finance Director

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rochelle, Illinois (the City) as of and for the year ended December 31, 2025 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rochelle, Illinois, as of December 31, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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. 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.

Emphasis of Matter - Error Correction Restatement

As part of our audit for the year ended December 31, 2025 financial statements, we also audited the adjustments as described in Note 13 that were applied to restate the financial statements for the year ended December 31, 2024. In our opinion, such adjustments are appropriate and have been properly applied.

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 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
July 28, 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 the City Council
City of Rochelle, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rochelle, Illinois (the City), as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 28, 2026.

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 a material weakness. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 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 our audit and described in the accompanying schedule of findings. 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 City'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
July 28, 2026

SIGNIFICANT DEFICIENCY

We consider the following deficiency to be a significant deficiency:

2025-001: Inventory

Criteria: The City's Electric inventory system and procedures do not allow for accurate recordkeeping to support reporting in accordance with generally accepted accounting principles.

Condition: During our testing of City's Electric inventory, we noted certain opportunities for the City to improve its internal control over its Electric inventory.

During our review of Electric inventory costs, we noted multiple items for which the inventory cost was not calculated correctly based upon the most recent invoices.

Additionally, many items we selected for test counts during our inventory count have not been purchased in the last seven years, therefore, there was no invoice available to review the cost of these inventory items. Based on discussion with City officials, there is not a formal policy for disposal of obsolete inventory.

Cause: It was determined that one of the primary causes for these differences is due to the City's materials management software not properly calculating the average cost of inventory items. Additionally, the City does not have a formal policy on disposal of obsolete inventory.

Effect: Inventory values are potentially misstated due to the incorrect calculation of average cost. Second, obsolete inventory is not tracked and adjusted for potential impairment.

Recommendation: We recommend the City regularly monitor the inventory cost values and undertake a full analysis of all inventory items to ensure the average cost is properly calculated within the inventory management system. Additionally, we recommend that the City create a formal policy over its inventory in order to ensure that there are adequate processes in place to record, track, and maintain adequate inventory records and establish a reserve for obsolete inventory by fund.

SIGNIFICANT DEFICIENCY (Continued)

2025-001: Inventory (Continued)

Views of Responsible Officials: Management agrees with this finding. The software automatically calculates average cost. A review of these costs will be done periodically to look for unreasonable values. An inventory policy to record, track, maintain adequate records, and procedure for disposal of obsolete inventory will be created. We created a minor materials policy to expense those items when purchased instead of tracking them in Materials Management.

GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS

The management of the City of Rochelle offers this narrative overview and analysis of the City's financial performance for the fiscal year ended December 31, 2025. This discussion should be read in conjunction with the basic financial statements and accompanying notes.

NARRATIVE OVERVIEW

The City ended 2025 with total net position of $212.1 million, an increase of $9.4 million after restating beginning business-type net position for prior-year IEPA loan forgiveness. The increase reflects continued investment in utility infrastructure, growth in tax and grant revenues, scheduled debt repayment, and positive operating results in several enterprise activities.

Governmental activities added $3.7 million to net position. Higher property, sales, and shared income taxes, additional grants, and increased transfers from enterprise operations supported the result. Public safety and public works costs increased, including personnel, operating, and capital-related costs. Governmental fund balances declined by $658,267 as the City used current resources and transfers for capital outlay and debt service.

Business-type activities added $5.7 million to net position. Water reported the largest increase because of capital grants and contributions associated with system improvements. Electric and Technology Center operations also reported increases. Water Reclamation reported a modest decrease after depreciation, operating costs, and transfers exceeded operating and capital revenues. Across all business-type activities, capital projects shifted resources from cash and investments into long-lived infrastructure.

FINANCIAL HIGHLIGHTS

- Total net position was $212,088,309, consisting of $158,788,741 invested in capital assets, net of related debt; $7,863,005 restricted for specific purposes; and $45,436,563 unrestricted.

- Total net position increased by $9,384,357. Governmental activities increased by $3,669,818, and business-type activities increased by $5,714,539.

- Governmental funds reported combined fund balances of $19,565,287, a decrease of $658,267. The General Fund ended the year with fund balance of $11,363,044.

- Net capital assets increased by $24,047,875 to $199,108,529, primarily because of continued utility and enterprise construction.

- Long-term liabilities totaled $57,696,620. Governmental long-term liabilities declined by $3,434,814, while business-type long-term liabilities increased by $4,261,814 because of additional IEPA borrowing.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements present two complementary perspectives. The government-wide statements provide a broad view of the City's financial position and results using the accrual basis of accounting. The fund statements provide greater detail about individual activities and emphasize the resources available for current spending in governmental funds and operating results in proprietary funds.

Government-Wide Financial Statements

The statement of net position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the City's governmental and business-type activities. The statement of activities reports the current-year change in net position. Revenues and expenses are recognized when the underlying event occurs, regardless of when cash is received or paid. Over time, changes in net position provide one indication of whether the City's financial position is improving or deteriorating.

Fund Financial Statements

A fund is a separate accounting entity used to account for resources dedicated to specific activities or objectives. The City uses governmental, proprietary, and fiduciary funds. Governmental fund statements focus on near-term inflows and outflows of spendable resources. Proprietary fund statements use the accrual basis and report operating income, financial position, and cash flows. Fiduciary fund statements report resources held for the Police and Firefighters' pension plans and exclude those resources from the government-wide statements because they are not available for City programs.

Major Funds and Supporting Information

The General Fund and Capital Improvement Fund are reported as major governmental funds. Electric, Water, Water Reclamation, and Technology Center are reported as major enterprise funds. The notes to the financial statements explain significant accounting policies and provide detailed information about capital assets, debt, pensions, other postemployment benefits, leases, public-private partnerships, and other matters. Required supplementary information includes the General Fund budget comparison and pension and OPEB schedules.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following condensed financial information compares 2025 with 2024. The 2024 business-type and total amounts have been restated to reflect a $1,638,936 correction related to IEPA loan forgiveness, as described in Note 14 to the financial statements. Certain other 2024 amounts presented in the prior-year management's discussion and analysis have also been conformed to the audited financial statements, including business-type net capital assets of $107,092,129 and the related classification of current and other assets. Net position should be evaluated together with fund balance, cash and investments, the condition of capital assets, debt obligations, revenue trends, and economic conditions.

Table 1
Condensed Statements of Net Position
Amounts in dollars. 2024 business-type and total amounts are restated.

Activity / category	2025	2024	Change
Governmental activities			
Current and other assets	$26,972,001	$25,158,255	$1,813,746
Capital assets, net	$70,561,850	$67,968,525	$2,593,325
Total assets	$97,533,851	$93,126,780	$4,407,071
Deferred outflows of resources	$4,828,004	$4,908,778	($80,774)
Long-term liabilities	$18,035,857	$$21,470,671	($3,434,814)
Other liabilities	$3,044,619	$1,114,152	$1,930,467
Deferred inflows of resources	$7,290,606	$5,129,780	$2,160,826
Total net position	**$73,990,773**	**$70,320,955**	**$3,669,818**
Business-type activities			
Current and other assets	$58,610,781	$67,493,686	($8,882,905)
Capital assets, net	$128,546,679	$107,092,129	$21,454,550
Total assets	$187,157,460	$174,585,815	$12,571,645
Deferred outflows of resources	$2,636,044	$3,196,029	($559,985)
Total liabilities	$45,193,270	$42,526,025	$2,667,245
Deferred inflows of resources	$6,502,698	$2,872,822	$3,629,876
Total net position	**$138,097,536**	**$132,382,997**	**$5,714,539**
Primary government total			
Total assets	$284,691,311	$267,712,595	$16,978,716
Deferred outflows of resources	$7,464,048	$8,104,807	($640,759)
Total liabilities	$66,273,746	$65,110,848	$1,162,898
Deferred inflows of resources	$13,793,304	$8,002,602	$5,790,702
Net investment in capital assets	$158,788,741	$144,003,924	$14,784,817
Restricted net position	$7,863,005	$7,170,170	$692,835
Unrestricted net position	$45,436,563	$51,529,858	($6,093,295)
Total net position	**$212,088,309**	**$202,703,952**	**$9,384,357**

Total assets increased by $17.0 million. Net capital assets increased by $24.0 million, which more than offset a $7.1 million reduction in current and other assets. The increase in capital assets was concentrated in business-type activities as utility and enterprise projects continued.

Total liabilities increased by $1.2 million. Governmental liabilities declined because of scheduled debt payments and lower pension liabilities. Business-type liabilities increased as new IEPA borrowing for water and water reclamation projects exceeded principal repayments. Deferred inflows increased primarily because of pension-related items, leases, public-private partnership activity, and deferred property taxes.

Net investment in capital assets increased by $14.8 million, while unrestricted net position decreased by $6.1 million. This pattern reflects the use of available resources and financing proceeds to construct or acquire capital assets. Governmental activities continued to report an unrestricted deficit of $1.6 million, while the City as a whole reported positive balances in all three categories of net position.

Table 2
Condensed Statement of Activities

Amounts in dollars. 2024 business-type amounts include the prior-period correction described in Note 14, which is reported in the 2025 financial statements as a restatement of net position at January 1. Because that correction is presented above as 2024 capital grants and contributions, the 2024 business-type change in net position shown here does not agree to the amount reported in the City's 2024 financial statements.

Activity / category	2025	2024	Change
Governmental activities			
Charges for services	$3,606,169	$3,241,433	$364,736
Operating grants and contributions	$816,822	$550,149	$266,673
Capital grants and contributions	$1,056,421	$428,873	$627,548
Property taxes	$4,732,562	$4,408,386	$324,176
Other taxes and unrestricted intergovernmental	$9,199,954	$8,581,545	$618,409
Investment and other general revenues	$1,001,257	$1,175,827	($174,570)
Total revenues	**$20,413,185**	**$18,386,213**	**$2,026,972**
General government expense	$4,163,835	$4,904,669	($740,834)
Public safety expense	$10,590,279	$9,822,263	$768,016
Public works expense	$6,303,385	$3,620,425	$2,682,960
Other governmental expense	$1,088,419	$1,043,639	$44,780
Total expenses	**$22,145,918**	**$19,390,996**	**$2,754,922**
Loss before transfers	($1,732,733)	($1,004,783)	($727,950)
Transfers	$5,402,551	$4,144,668	$1,257,883
Change in net position	**$3,669,818**	**$3,139,885**	**$529,933**
Business-type activities			
Charges for services	$52,090,336	$55,586,913	($3,496,577)
Operating grants and contributions	-	$1,475,877	($1,475,877)
Capital grants and contributions	$7,477,811	$5,131,116	$2,346,695
Investment, taxes, and other revenues	$1,666,630	$1,982,037	($315,407)
Total revenues	**$61,234,777**	**$64,175,943**	**($2,941,166)**
Electric expense	$39,176,997	$37,603,501	$1,573,496
Water expense	$3,784,285	$3,765,718	$18,567
Water Reclamation expense	$4,701,419	$4,990,873	($289,454)
Technology Center expense	$984,094	$1,104,002	($119,908)
Landfill and Airport expense	$1,470,892	$1,285,651	$185,241
Total expenses	**$50,117,687**	**$48,749,745**	**$1,367,942**
Income before transfers	$11,117,090	$15,426,198	($4,309,108)
Transfers	($5,402,551)	($4,144,668)	($1,257,883)
Change in net position	**$5,714,539**	**$11,281,530**	**($5,566,991)**
Primary government change in net position	**$9,384,357**	**$14,421,415**	**($5,037,058)**

DETAILED ANALYSIS OF GOVERNMENT-WIDE RESULTS

Governmental Activities

Governmental activities increased net position by $3.7 million. Program and general revenues totaled $20.4 million, an increase of $2.0 million, or 11.0%. Property taxes increased by $324,176, and other taxes and unrestricted intergovernmental revenues increased by $618,409. Charges for services and grants also increased. Investment and other general revenues decreased by $174,570.

Governmental expenses totaled $22.1 million, an increase of $2.8 million, or 14.2%. Public works expense increased by $2,682,960, the largest single change in governmental expenses. Public works expenditures reported in the governmental funds totaled $3,358,162, and governmental capital outlay totaled $6,360,850 against capitalized additions of $5,276,325, so a portion of current-year project spending did not meet the City's capitalization criteria and was reported as expense. Governmental depreciation and amortization of $3,034,918 is also allocated to functions, of which $2,046,157 relates to infrastructure reported in public works. Public safety expense increased by $768,016 as personnel and operating costs grew. General government expense decreased by $740,834. Governmental activities reported a $1.7 million loss before transfers, and $5.4 million of net transfers from business-type activities produced the overall increase in net position.

Business-Type Activities

Business-type activities increased net position by $5.7 million. Charges for services declined by $3.5 million compared with 2024, while capital grants and contributions increased by $2.3 million. The prior-year comparison includes the correction for IEPA loan forgiveness. Expenses increased by $1.4 million, with the largest increase in Electric. Transfers of $5.4 million from business-type activities supported shared facilities and governmental operations.

Water reported the largest increase in net position because of $5.8 million of capital grants and contributions. Electric produced positive operating income and received capital grants, but transfers to other City funds limited the increase in net position. Water Reclamation reported an operating loss and a modest decrease in net position. Technology Center and the combined nonmajor enterprise funds reported positive changes.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

Governmental fund statements emphasize current financial resources. At December 31, 2025, governmental funds reported combined fund balances of $19,565,287, a decrease of $658,267. Of the ending balance, $630,475 was nonspendable, $7,644,296 was restricted, $1,613,548 was assigned, and $9,676,968 was unassigned. The unassigned amount includes the General Fund's available fund balance and deficit balances reported in the Capital Improvement Fund and certain nonmajor funds.

Table 3
Governmental Fund Balances and Current-Year Changes
Amounts in dollars.

Fund	Ending balance	2025 change	Primary reason for change
General Fund	$11,363,044	($408,282)	Expenditures and transfers out exceeded current revenues and financing sources
Capital Improvement Fund	($721,082)	($544,217)	Capital outlay and debt service exceeded transfers received
Nonmajor governmental funds	$8,923,325	$294,232	Combined positive results in restricted and assigned funds
Total governmental funds	**$19,565,287**	**($658,267)**	**Capital spending exceeded current-year financing sources**

General Fund

The General Fund is the City's primary operating fund. Fund balance decreased by $408,282 to $11,363,044. Revenues totaled $11,670,821 and increased from the prior year, supported by taxes, charges for services, and intergovernmental revenue. Expenditures totaled $15,810,765 before transfers and other financing sources. Public safety represented the largest expenditure category at $10,056,934.

The General Fund ended the year with $10,753,238 of unassigned fund balance, $277,411 assigned for the subsequent year's budget, $201,280 nonspendable for prepaid items, and $131,115 restricted for cemetery purposes. The unassigned balance provides financial flexibility for operations and unforeseen events. The City's fund balance policy establishes a target for unassigned General Fund balance of 10% to 40% of annual budgeted expenditures. At December 31, 2025, unassigned fund balance represented approximately 71.7% of budgeted General Fund expenditures of $14,991,877, which is above the upper end of the target range. Under the policy, balances in excess of 40% of annual budgeted expenditures may be transferred to the Capital Improvement Fund to support future capital projects.

Capital Improvement Fund

The Capital Improvement Fund reported a deficit fund balance of $721,082, compared with a deficit of $176,865 at the beginning of the year. Capital outlay and debt service totaled $4,737,264, while transfers in totaled $4,193,872. The year-end deficit represents project costs and debt service financed through anticipated transfers and other resources.

Nonmajor Governmental Funds

Nonmajor governmental funds ended 2025 with combined fund balance of $8,923,325, an increase of $294,232. These balances are primarily restricted or assigned for road maintenance, tourism, employee retirement, capital improvements, economic development, public safety, ambulance replacement, stormwater, railroad activities, and other specified purposes.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget was not amended during 2025, so the original and final budgets are the same and there are no variations between them to explain. The budget included revenues of $11,105,648 and expenditures of $14,991,877, excluding transfers. Actual revenues exceeded budget by $565,173. Actual expenditures exceeded budget by $818,888. After transfers and lease financing, the General Fund decreased by $408,282, which was $100,121 better than the budgeted decrease. The General Fund was one of five governmental funds that expended amounts in excess of budget during 2025, as disclosed in the notes to the required supplementary information.

Table 4
Selected General Fund Budget Variances
Amounts in dollars. Positive revenue variances and favorable expenditure variances are shown without parentheses.

Category	Final budget	Actual	Variance
Taxes	$6,185,134	$6,708,788	$523,654
Charges for services	$1,503,512	$1,730,919	$227,407
Investment income	$600,000	$521,493	($78,507)
Total revenues	**$11,105,648**	**$11,670,821**	**$565,173**
Public safety expenditures	$9,672,917	$10,056,934	($384,017)
Public works expenditures	$2,326,206	$2,554,915	($228,709)
Debt service expenditures	$130,723	$331,901	($201,178)
Total expenditures	**$14,991,877**	**$15,810,765**	**($818,888)**

Taxes exceeded budget by $523,654, and charges for services exceeded budget by $227,407, including stronger ambulance revenue. These favorable results were partially offset by investment income below budget and lower-than-anticipated grant revenue. Public safety was $384,017 over budget, primarily from Police and Fire personnel and operating costs. Public works was $228,709 over budget, and debt service was $201,178 over budget because lease principal and interest exceeded the amount included in the final budget.

PROPRIETARY FUNDS

The City's proprietary fund statements report the same business-type activities presented in the government-wide statements, with additional detail for each enterprise fund. Electric, Water, Water Reclamation, and Technology Center are reported as major enterprise funds.

Table 5
Major Enterprise Fund Results
Amounts in dollars.

Fund	Ending net position	2025 change	Operating income (loss)	Capital grants	Net transfers
Electric	$73,217,835	$714,069	$2,400,378	$804,933	($3,007,920)
Water	$27,035,728	$4,838,167	$65,660	$5,819,592	($1,034,369)
Water Reclamation	$25,362,704	($234,807)	($474,579)	$804,190	($703,881)
Technology Center	$2,977,262	$84,188	$115,885	-	-

Electric Operations

Electric operating revenues were $41,073,426, and operating expenses were $38,673,048, producing operating income of $2,400,378. Investment income of $1,015,692 and capital grants of $804,933 supported the result. Net transfers of $3,007,920 to other City funds limited the increase in net position to $714,069. Charges for services declined from the prior year, while the utility continued significant investment in generation and distribution assets.

Water Operations

Water reported operating income of $65,660. Capital grants and contributions of $5,819,592 associated with system improvements were the principal reason net position increased by $4,838,167 after transfers. Beginning Water Fund net position was restated by $1,638,936 for prior-year IEPA loan forgiveness. The Fund continued major capital work financed through grants, IEPA assistance, and existing resources.

Water Reclamation Operations

Water Reclamation reported an operating loss of $474,579 because operating revenues were below operating costs, including $1,698,145 of depreciation and amortization. Capital grants of $804,190 partially offset the operating loss and $703,881 of transfers, resulting in a $234,807 decrease in net position. The Fund continued construction and financing activity associated with treatment plant improvements.

Technology Center Operations

Technology Center operations generated operating income of $115,885 and increased net position by $84,188 after investment income and interest expense. Fiber customer activity and controlled operating costs supported positive results while the Fund continued to absorb the effect of a major colocation customer lost in 2024.

Nonmajor Enterprise Funds and Liquidity

The Landfill and Airport are reported as nonmajor enterprise funds. Together, these activities reported operating income of $665,526 and increased net position by $312,922 after capital grants and transfers. Positive Landfill operations offset the Airport operating loss reported in the government-wide statements.

Business-type activities generated $9,244,799 of net cash from operations. Capital and related financing activities used $13,088,359 as major projects continued, and cash and cash equivalents declined by $1,828,865. Business-type activities ended the year with $46,619,465 of cash and investments, including longer-term investments reported separately from cash equivalents.

SIGNIFICANT CAPITAL ASSET ACTIVITY

At December 31, 2025, the City reported net capital assets of $199,108,529. Capital assets include land, buildings and improvements, machinery and equipment, infrastructure, utility plant, construction in progress, and right-to-use assets. Governmental net capital assets increased by $2,593,325, and business-type net capital assets increased by $21,454,550.

Table 6
Capital Assets, Net
Amounts in dollars.

Activity / category	2025	2024	Change
Governmental activities			
Nondepreciable capital assets	$12,322,353	$11,593,833	$728,520
Depreciable and amortizable assets, net	$58,239,497	$56,374,692	$1,864,805
Total governmental capital assets, net	**$70,561,850**	**$67,968,525**	**$2,593,325**
Business-type activities			
Nondepreciable capital assets	$33,192,690	$14,281,249	$18,911,441
Depreciable and amortizable assets, net	$95,353,989	$92,810,880	$2,543,109
Total business-type capital assets, net	**$128,546,679**	**$107,092,129**	**$21,454,550**
Total primary government	**$199,108,529**	**$175,060,654**	**$24,047,875**

Governmental additions included land, building improvements, machinery and equipment, sidewalks, and right-to-use assets. Business-type construction in progress increased by $18.9 million as major electric, water, water reclamation, landfill, and other enterprise projects continued. Additional information is presented in Note 3 to the financial statements.

LONG-TERM FINANCING ACTIVITY

Long-term liabilities totaled $57,696,620 at year-end, an increase of $827,000. Governmental long-term liabilities declined by $3,434,814 as scheduled debt payments and reductions in pension liabilities exceeded additions. Business-type long-term liabilities increased by $4,261,814 because IEPA loan additions exceeded repayments and other reductions.

Table 7
Long-Term Liabilities
Amounts in dollars.

Activity	2025	2024	Change	Key current-year factor
Governmental activities	$18,035,857	$21,470,671	($3,434,814)	Debt payments and lower pension liabilities
Business-type activities	$39,660,763	$35,398,949	$4,261,814	IEPA borrowing for utility projects
Total	**$57,696,620**	**$56,869,620**	**$827,000**	**Net increase concentrated in utility financing**

Governmental long-term liabilities included $4,995,000 of bonds and debt certificates, $372,863 of installment purchase contracts, $565,354 of lease liabilities, and pension, OPEB, compensated absence, premium, and other obligations. Business-type liabilities included $17,025,000 of Electric System alternate revenue bonds, $17,209,870 of IEPA loans, $1,245,000 of general obligation bonds and debt certificates, $615,476 of lease liabilities, and other employee benefit and financing obligations.

Business-type activities recorded $7,298,678 of IEPA loan additions during 2025. A separate $5,393,194 IEPA loan was fully forgiven during the year and therefore had no year-end balance. The City continued scheduled repayment of bonded debt, IEPA loans, installment contracts, and leases. Additional information is presented in Note 4 to the financial statements.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The City considered currently known financial and economic conditions when preparing the 2026 budget. The adopted General Fund budget includes $16,326,475 of revenues and $16,603,886 of expenditures, resulting in planned use of $277,411 of reserves. The planned use supports one-time work at City Hall and the Police Department, downtown improvements, and Public Works capital purchases.

Table 8
2026 General Fund Outlook
Amounts in dollars.

Adopted budget item	Amount
Revenues	$16,326,475
Expenditures	$16,603,886
Planned use of reserves	**$277,411**
Projected ending cash balance	$10,374,130

The State of Illinois eliminated the 1% grocery sales tax effective January 1, 2026. The City adopted an additional 0.25% non-home rule sales tax effective on the same date to help offset the loss. Proceeds from the local tax are divided between the General Fund and Capital Improvement Fund. Actual collections will be monitored against budget assumptions.

The 2026 capital program continues major electric distribution and generation projects, Water Well 8 improvements and Well 13 planning, Water Reclamation Plant Phase 2 work, Technology Center electrical improvements, and airport hangar development. Funding sources include grants, IEPA loans and forgiveness, alternate revenue bonds, utility revenues, and existing reserves.

The 2026 budget includes additional public safety and engineering staffing. The City continues to monitor inflation, borrowing costs, purchased power exposure, utility regulatory requirements, public safety recruitment, labor costs, and possible changes in state-shared revenues. These factors may affect future operating costs, rates, capital schedules, and fund balance.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, customers, investors, and creditors with a general overview of the City's finances. Questions about this report or requests for additional information may be directed to Matt Hoffman, Finance Director, City of Rochelle, 333 Lincoln Highway, Rochelle, Illinois 61068, or by e-mail at mhoffman@rochelleil.us.

BASIC FINANCIAL STATEMENTS

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 19,318,693	$ 46,619,465	$ 65,938,158
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	3,266,635	60,547	3,327,182
Accounts	883,907	3,368,958	4,252,865
Grants	481,816	-	481,816
Accrued Interest	16,316	18,848	35,164
Leases	-	2,641,460	2,641,460
Public private partnerships	-	842,907	842,907
Other	61,082	298,047	359,129
Prepaid Items	630,705	561,052	1,191,757
Deposits	-	654,746	654,746
Due from Other Governments	1,639,579	1,675,391	3,314,970
Internal Balances	33,168	(33,168)	-
Inventory	-	1,618,876	1,618,876
Restricted Assets			
Cash Held at Paying Agent	640,100	272,081	912,181
Special Assessments	-	11,571	11,571
Capital Assets			
Not Depreciated/Amortized	12,322,353	33,192,690	45,515,043
Depreciated/Amortized (Net of Accumulated Depreciation/Amortization)	58,239,497	95,353,989	153,593,486
Total Assets	97,533,851	187,157,460	284,691,311
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items	4,560,288	1,788,047	6,348,335
OPEB Items	267,716	377,383	645,099
Asset Retirement Obligation	-	433,720	433,720
Unamortized Loss on Refunding	-	36,894	36,894
Total Deferred Outflows of Resources	4,828,004	2,636,044	7,464,048
Total Assets and Deferred Outflows of Resources	102,361,855	189,793,504	292,155,359

(This statement is continued on the following page.)

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2025

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	$ 2,538,827	$ 4,984,826	$ 7,523,653
Accrued Payroll	449,391	166,307	615,698
Accrued Interest Payable	38,401	146,013	184,414
Other Payables	-	214,430	214,430
Unearned Revenue	18,000	20,931	38,931
Long-Term Liabilities			
Due Within One Year	2,462,367	2,932,080	5,394,447
Due in More than One Year	15,573,490	36,728,683	52,302,173
Total Liabilities	21,080,476	45,193,270	66,273,746
DEFERRED INFLOWS OF RESOURCES			
Pension Items	3,962,530	28,371	3,990,901
OPEB Items	61,441	86,617	148,058
Leases	-	2,427,171	2,427,171
Public private partnerships	-	3,899,992	3,899,992
Deferred Property Taxes	3,266,635	60,547	3,327,182
Total Deferred Inflows of Resources	7,290,606	6,502,698	13,793,304
Total Liabilities and Deferred Inflows of Resources	28,371,082	51,695,968	80,067,050
NET POSITION			
Net Investment in Capital Assets	67,985,695	90,803,046	158,788,741
Restricted for			
Audit	1,396	-	1,396
Maintenance of Roadways	1,252,756	-	1,252,756
Tourism	282,565	-	282,565
Employee Retirement	24,092	-	24,092
Capital Improvements	1,466,021	-	1,466,021
Economic Development	4,448,841	-	4,448,841
Public Safety	37,510	-	37,510
Cemetery	131,115	-	131,115
Debt Service	-	218,709	218,709
Unrestricted (Deficit)	(1,639,218)	47,075,781	45,436,563
TOTAL NET POSITION	$ 73,990,773	$ 138,097,536	$ 212,088,309

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

		Program Revenues		
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 4,163,835	$ 1,417,237	$ 207,212	$ -
Public Safety	10,590,279	1,521,646	178,370	-
Public Works	6,303,385	262,901	431,240	1,056,421
Public Service Enterprises	321,650	67,200	-	-
Conservation and Development	563,495	337,185	-	-
Interest	203,274	-	-	-
Total Governmental Activities	22,145,918	3,606,169	816,822	1,056,421
Business-Type Activities				
Electric	39,176,997	41,017,125	-	804,933
Water	3,784,285	3,762,077	-	5,819,592
Water Reclamation	4,701,419	4,124,929	-	804,190
Technology Center	984,094	1,058,661	-	-
Landfill	754,107	1,690,668	-	-
Airport	716,785	436,876	-	49,096
Total Business-Type Activities	50,117,687	52,090,336	-	7,477,811
TOTAL PRIMARY GOVERNMENT	$ 72,263,605	$ 55,696,505	$ 816,822	$ 8,534,232

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	$ (2,539,386)	$ -	$ (2,539,386)
	(8,890,263)	-	(8,890,263)
	(4,552,823)	-	(4,552,823)
	(254,450)	-	(254,450)
	(226,310)	-	(226,310)
	(203,274)	-	(203,274)
	(16,666,506)	-	(16,666,506)
	-	2,645,061	2,645,061
	-	5,797,384	5,797,384
	-	227,700	227,700
	-	74,567	74,567
	-	936,561	936,561
	-	(230,813)	(230,813)
	-	9,450,460	9,450,460
	(16,666,506)	9,450,460	(7,216,046)
General Revenues			
Taxes			
Property	4,732,562	58,562	4,791,124
Local Sales and Use	5,367,814	-	5,367,814
Telecommunications	367,801	-	367,801
Hotel/Motel	263,488	-	263,488
Utility	712,251	-	712,251
Other	440,687	-	440,687
Intergovernmental - Unrestricted			
Shared Income Tax	1,703,532	-	1,703,532
Replacement Tax	344,381	-	344,381
Investment Income	881,564	1,540,694	2,422,258
Miscellaneous	119,693	62,439	182,132
Gain on Sale of Assets	-	4,935	4,935
Transfers In (Out)	5,402,551	(5,402,551)	-
Total	20,336,324	(3,735,921)	16,600,403
CHANGE IN NET POSITION	3,669,818	5,714,539	9,384,357
NET POSITION, JANUARY 1, AS REPORTED	70,320,955	130,744,061	201,065,016
Error Correction	-	1,638,936	1,638,936
NET POSITION, JANUARY 1, AS RESTATED	70,320,955	132,382,997	202,703,952
NET POSITION, DECEMBER 31	$ 73,990,773	$ 138,097,536	$ 212,088,309

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2025

	General	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	$ 9,620,009	$ -	$ 8,802,059	$ 18,422,068
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)				
Property Taxes	2,344,669	-	921,966	3,266,635
Accounts	684,879	-	199,028	883,907
Grants	-	-	481,816	481,816
Accrued interest	-	-	16,316	16,316
Prepaid Items	201,280	-	429,195	630,475
Due from Other Governments	1,116,319	-	523,260	1,639,579
Due from Other Funds	339,036	-	188,023	527,059
Restricted Assets				
Cash Held at Paying Agent	-	640,100	-	640,100
TOTAL ASSETS	$ 14,306,192	$ 640,100	$ 11,561,663	$ 26,507,955
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 340,448	$ 1,222,479	$ 873,476	$ 2,436,403
Accrued Payroll	240,031	-	5,892	245,923
Unearned Revenue	18,000	-	-	18,000
Due to Other Funds	-	138,703	355,188	493,891
Total Liabilities	598,479	1,361,182	1,234,556	3,194,217
DEFERRED INFLOWS OF RESOURCES				
Unavailable Property Taxes	2,344,669	-	921,966	3,266,635
Unavailable Revenue - Grants	-	-	481,816	481,816
Total Deferred Inflows of Resources	2,344,669	-	1,403,782	3,748,451
Total Liabilities and Deferred Inflows of Resources	2,943,148	1,361,182	2,638,338	6,942,668
FUND BALANCES				
Nonspendable - Prepaid Items	201,280	-	429,195	630,475
Restricted for				
Audit	-	-	1,396	1,396
Maintenance of Roadways	-	-	1,252,756	1,252,756
Tourism	-	-	282,565	282,565
Employee Retirement	-	-	24,092	24,092
Capital Improvements	-	-	1,466,021	1,466,021
Economic Development	-	-	4,448,841	4,448,841
Public Safety	-	-	37,510	37,510
Cemetery	131,115	-	-	131,115
Assigned for				
Railroad	-	-	141,174	141,174
Ambulance Replacement	-	-	958,313	958,313
Stormwater	-	-	128,795	128,795
Golf Course	-	-	21,033	21,033
Economic Development	-	-	86,822	86,822
Future years' budget	277,411	-	-	277,411
Unassigned (Deficit)	10,753,238	(721,082)	(355,188)	9,676,968
Total Fund Balances (Deficit)	11,363,044	(721,082)	8,923,325	19,565,287
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 14,306,192	$ 640,100	$ 11,561,663	$ 26,507,955

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

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

December 31, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 19,565,287
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	70,255,473
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	1,248,316
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	1,072,149
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings for the Firefighters' Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	(1,722,707)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings for the Other Postemployment Benefit Plan are recognized as deferred outflows and inflows of resources on the statement of net position	206,275
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General Obligation Tax Increment Financing Bonds	(3,410,000)
General Obligation Bonds	(1,255,000)
General Obligation Debt Certificates	(330,000)
Installment Purchase Contract	(372,863)
Lease Payable	(565,354)
Accrued Interest Payable	(38,401)
Unamortized Bond Premium	(147,730)
Compensated Absences Payable	(1,660,459)
Net Pension Liability - IMRF	(144,966)
Net Pension Liability - Police Pension	(8,862,820)
Net Pension Liability - Firefighters' Pension	(621,774)
Other Postemployment Benefit Liability	(485,693)
Revenues are recognized for governmental activities when earned regardless of availability	481,816
The net position of the internal service fund are included in the governmental activities in the statement of net position	779,224
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 73,990,773

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

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

For the Year Ended December 31, 2025

	General	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 6,708,788	$ -	$ 5,175,815	$ 11,884,603
Licenses and Permits	221,814	-	39,532	261,346
Intergovernmental	2,351,450	-	1,175,966	3,527,416
Charges for Services	1,730,919	-	1,536,863	3,267,782
Fines and Forfeitures	77,041	-	-	77,041
Investment Income	521,493	-	360,071	881,564
Miscellaneous	59,316	-	60,377	119,693
Total Revenues	11,670,821	-	8,348,624	20,019,445
EXPENDITURES				
Current				
General Government	2,570,663	825	1,059,714	3,631,202
Public Safety	10,056,934	-	449,691	10,506,625
Public Works	2,554,915	-	803,247	3,358,162
Public Service Enterprises	280,729	-	18,245	298,974
Conservation and Development	15,623	-	564,738	580,361
Capital Outlay	-	3,897,426	2,463,424	6,360,850
Debt Service				
Principal	327,226	760,000	361,482	1,448,708
Interest and Fiscal Charges	4,675	79,838	162,786	247,299
Total Expenditures	15,810,765	4,738,089	5,883,327	26,432,181
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,139,944)	(4,738,089)	2,465,297	(6,412,736)
OTHER FINANCING SOURCES (USES)				
Transfers In	3,758,826	4,193,872	1,130,000	9,082,698
Transfers (Out)	(379,082)	-	(3,301,065)	(3,680,147)
Issuance of Lease Liability	351,918	-	-	351,918
Total Other Financing Sources (Uses)	3,731,662	4,193,872	(2,171,065)	5,754,469
NET CHANGE IN FUND BALANCES	(408,282)	(544,217)	294,232	(658,267)
FUND BALANCES (DEFICIT), JANUARY 1	11,771,326	(176,865)	8,629,093	20,223,554
FUND BALANCES (DEFICIT), DECEMBER 31	$ 11,363,044	$ (721,082)	$ 8,923,325	$ 19,565,287

See accompanying notes to financial statements.

CITY OF ROCHELLE, 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 December 31, 2025

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ (658,267)
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	5,491,289
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(3,007,884)
Change in compensated absences	(441,804)
The amortizations of premiums is reported as a decrease in interest expense on the statement of activities	28,836
The issuance of long-term debt is reported as on other financing source when due in governmental funds but as an increase in principal outstanding on the statement of activities	
Lease Liability	(351,918)
The change in interest payable is reported as a decrease of expense on the statement of activities	15,189
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 financial statements	1,448,708
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 resources	21,704
The change in the Police Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(120,022)
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 resources	707,487
The change in the Other Postemployment Benefit liability and deferred outflows/inflows of resources is not a source or use of a financial resources	(10,933)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds	393,740
The increase in net position of certain activities of Internal Service Funds is included in governmental funds	153,693
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 3,669,818

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2025

	Business-Type Activities		
	Electric	**Water**	**Water Reclamation**
CURRENT ASSETS			
Cash and Investments	$ 34,394,071	$ 1,456,992	$ 5,965,258
Receivables			
Property Taxes	-	-	-
Accounts	2,630,311	172,239	103,711
Accrued Interest	12,778	-	6,070
Leases	-	54,318	-
Public private partnerships	-	-	-
Other	258,641	3,023	36,383
Prepaid Items	338,727	69,986	114,129
Deposits	654,746	-	-
Due from Other Governments	-	799,829	875,562
Inventory	1,552,476	-	-
Restricted Assets			
Cash Held at Paying Agent	-	79,913	138,796
Total Current Assets	39,841,750	2,636,300	7,239,909
NONCURRENT ASSETS			
Advance to Other Funds	409,044	-	-
Lease Receivable	-	922,354	-
Public private partnerships receivable	-	-	-
Special Assessments	-	-	11,571
Subtotal Noncurrent Assets	409,044	922,354	11,571
CAPITAL ASSETS			
Nondepreciable	10,617,767	7,802,528	11,670,825
Depreciable	105,098,289	37,593,840	53,842,180
Intangible	626,003	32,192	226,811
Accumulated Depreciation/Amortization	(61,197,053)	(14,874,906)	(34,486,934)
Net Capital Assets	55,145,006	30,553,654	31,252,882
Total Noncurrent Assets	55,554,050	31,476,008	31,264,453
Total Assets	95,395,800	34,112,308	38,504,362
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items	1,066,095	135,748	361,132
OPEB Items	225,784	28,385	76,122
Asset Retirement Obligation	-	433,720	-
Unamortized Loss on Refunding	-	-	-
Total Deferred Outflows of Resources	1,291,879	597,853	437,254
Total Assets and Deferred Outflows of Resources	96,687,679	34,710,161	38,941,616

Business-Type Activities			Governmental Activities
Technology Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
$ 577,061	$ 4,226,083	$ 46,619,465	$ 896,625
-	60,547	60,547	-
74,676	388,021	3,368,958	-
-	-	18,848	-
177,689	12,397	244,404	-
-	41,908	41,908	-
-	-	298,047	61,082
7,040	31,170	561,052	230
-	-	654,746	-
-	-	1,675,391	-
-	66,400	1,618,876	-
-	53,372	272,081	-
836,466	4,879,898	55,434,323	957,937
-	-	409,044	-
796,091	678,611	2,397,056	-
-	800,999	800,999	-
-	-	11,571	-
796,091	1,479,610	3,618,670	-
519,453	2,582,117	33,192,690	-
9,412,750	10,172,916	216,119,975	501,610
-	-	885,006	-
(6,354,663)	(4,737,436)	(121,650,992)	(195,233)
3,577,540	8,017,597	128,546,679	306,377
4,373,631	9,497,207	132,165,349	306,377
5,210,097	14,377,105	187,599,672	1,264,314
185,695	39,377	1,788,047	-
38,705	8,387	377,383	-
-	-	433,720	-
28,374	8,520	36,894	-
252,774	56,284	2,636,044	-
5,462,871	14,433,389	190,235,716	1,264,314

(This statement is continued on the following pages.)

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2025

	Business-Type Activities		
	Electric	Water	Water Reclamation
CURRENT LIABILITIES			
Accounts Payable	$ 3,076,278	$ 769,468	$ 1,112,662
Accrued Payroll	108,780	25,321	28,735
Accrued Interest Payable	105,117	18,064	19,460
Other Payables	214,430	-	-
Unearned Revenue	-	-	-
Due to Other Funds	-	-	-
General Obligation Debt Payable	-	-	-
Revenue Bonds Payable	1,320,000	-	-
IEPA Loans Payable	-	394,134	263,714
Lease Liability	130,404	1,916	44,088
Compensated Absences Payable	175,311	58,950	70,125
OPEB Liability	51,068	6,190	16,601
Total Current Liabilities	5,181,388	1,274,043	1,555,385
LONG-TERM LIABILITIES			
Advance from Other Funds	-	-	-
General Obligation Debt Payable	-	-	-
Revenue Bonds Payable	17,270,722	-	-
IEPA Loans Payable	-	4,925,190	11,626,832
Lease Liability	299,224	-	139,844
Asset Retirement Obligation	-	465,300	-
Compensated Absences Payable	175,309	58,950	70,126
Net Pension Liability	115,984	17,524	42,014
OPEB Liability	358,554	45,305	121,501
Total Long-Term Liabilities	18,219,793	5,512,269	12,000,317
Total Liabilities	23,401,181	6,786,312	13,555,702
DEFERRED INFLOWS OF RESOURCES			
Pension Items	16,842	2,179	5,738
OPEB Items	51,821	6,516	17,472
Leases	-	879,426	-
Public private partnerships	-	-	-
Deferred Property Taxes	-	-	-
Total Deferred Inflows of Resources	68,663	888,121	23,210
Total Liabilities and Deferred Inflows of Resources	23,469,844	7,674,433	13,578,912
NET POSITION			
Net Investment in Capital Assets	37,091,600	24,718,306	18,630,457
Restricted for Debt Service	-	79,913	138,796
Unrestricted	36,126,235	2,237,509	6,593,451
TOTAL NET POSITION	$ 73,217,835	$ 27,035,728	$ 25,362,704

Business-Type Activities			Governmental Activities
Technology Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
$ 10,861	$ 15,557	$ 4,984,826	$ 102,424
-	3,471	166,307	203,468
-	3,372	146,013	-
-	-	214,430	-
-	20,931	20,931	-
-	33,168	33,168	-
335,000	50,000	385,000	-
-	-	1,320,000	-
-	-	657,848	-
-	-	176,408	-
-	6,138	310,524	179,198
3,095	5,346	82,300	-
348,956	137,983	8,497,755	485,090
409,044	-	409,044	-
714,348	170,000	884,348	-
-	-	17,270,722	-
-	-	16,552,022	-
-	-	439,068	-
-	-	465,300	-
-	6,138	310,523	-
24,891	3,932	204,345	-
67,127	9,868	602,355	-
1,215,410	189,938	37,137,727	-
1,564,366	327,921	45,635,482	485,090
2,994	618	28,371	-
8,884	1,924	86,617	-
909,365	638,380	2,427,171	-
-	3,899,992	3,899,992	-
-	60,547	60,547	-
921,243	4,601,461	6,502,698	-
2,485,609	4,929,382	52,138,180	485,090
2,556,566	7,806,117	90,803,046	-
-	-	218,709	-
420,696	1,697,890	47,075,781	779,224
$ 2,977,262	$ 9,504,007	$ 138,097,536	$ 779,224

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

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

For the Year Ended December 31, 2025

	Business-Type Activities		
	Electric	**Water**	**Water Reclamation**
OPERATING REVENUES			
Charges for Services	$ 41,017,125	$ 3,762,077	$ 4,124,929
Miscellaneous	56,301	828	5,310
Total Operating Revenues	41,073,426	3,762,905	4,130,239
OPERATING EXPENSES			
Administration	-	-	-
Operations	35,955,398	2,630,356	2,906,673
Depreciation and Amortization	2,717,650	1,066,889	1,698,145
Total Operating Expenses	38,673,048	3,697,245	4,604,818
OPERATING INCOME (LOSS)	2,400,378	65,660	(474,579)
NON-OPERATING REVENUES (EXPENSES)			
Taxes	-	-	-
Investment Income	1,015,692	74,324	236,064
Interest Expense	(503,949)	(87,040)	(96,601)
Gain on Sale of Assets	4,935	-	-
Total Non-Operating Revenues (Expenses)	516,678	(12,716)	139,463
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL GRANTS AND CONTRIBUTIONS	2,917,056	52,944	(335,116)
TRANSFERS			
Transfers In	758,641	-	-
Transfers (Out)	(3,766,561)	(1,034,369)	(703,881)
Total Transfers	(3,007,920)	(1,034,369)	(703,881)
CAPITAL GRANTS AND CONTRIBUTIONS	804,933	5,819,592	804,190
CHANGE IN NET POSITION	714,069	4,838,167	(234,807)
NET POSITION, JANUARY 1, AS REPORTED	72,503,766	20,558,625	25,597,511
Error Correction	-	1,638,936	-
NET POSITION, JANUARY 1, AS RESTATED	72,503,766	22,197,561	25,597,511
NET POSITION, DECEMBER 31	$ 73,217,835	$ 27,035,728	$ 25,362,704

	Business-Type Activities			Governmental Activities
	Technology Center	Nonmajor Enterprise Funds	Total	Internal Service Funds
	$ 1,058,661	$ 2,127,544	$ 52,090,336	$ 3,107,231
	-	-	62,439	6,103
	1,058,661	2,127,544	52,152,775	3,113,334
	-	-	-	2,326,063
	749,609	1,081,284	43,323,320	614,478
	193,167	380,734	6,056,585	27,034
	942,776	1,462,018	49,379,905	2,967,575
	115,885	665,526	2,772,870	145,759
	-	58,562	58,562	-
	9,621	204,993	1,540,694	7,934
	(41,318)	(8,874)	(737,782)	-
	-	-	4,935	-
	(31,697)	254,681	866,409	7,934
	84,188	920,207	3,639,279	153,693
	-	50,000	808,641	-
	-	(706,381)	(6,211,192)	-
	-	(656,381)	(5,402,551)	-
	-	49,096	7,477,811	-
	84,188	312,922	5,714,539	153,693
	2,893,074	9,191,085	130,744,061	625,531
	-	-	1,638,936	-
	2,893,074	9,191,085	132,382,997	625,531
	$ 2,977,262	$ 9,504,007	$ 138,097,536	$ 779,224

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-Type Activities		
	Electric	**Water**	**Water Reclamation**
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	$ 41,444,368	$ 4,519,836	$ 4,501,053
Receipts from Interfund Services Transactions	-	-	-
Payments to Suppliers	(30,800,858)	(1,535,905)	(1,253,228)
Payments to Employees	(3,585,269)	(1,102,334)	(1,239,974)
Payments to Other Funds	(1,409,257)	(551,570)	(664,539)
Net Cash from Operating Activities	5,648,984	1,330,027	1,343,312
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	758,641	-	-
Transfers (Out)	(3,766,561)	(1,034,369)	(703,881)
Repayment of Loans to/from Other Funds	-	-	-
Receipts from Property and other Taxes	-	-	-
Net Cash from Noncapital Financing Activities	(3,007,920)	(1,034,369)	(703,881)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Assets Purchased	(9,156,352)	(6,063,003)	(7,972,265)
Receipts from Capital Grants	804,933	6,658,699	-
Receipts from Sale of Assets	4,935	-	-
Issuance of Long-Term Debt	-	-	6,681,481
Principal Payments on Long-Term Debt	(1,721,542)	(398,316)	(294,340)
Interest Payments on Long-Term Debt	(664,097)	(87,607)	(97,746)
Net Cash from Capital and Related Financing Activities	(10,732,123)	109,773	(1,682,870)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales of Investments	6,512,709	-	-
Purchases of Investments	(769,803)	-	-
Interest Received on Investments	1,017,753	74,324	244,558
Net Cash from Investing Activities	6,760,659	74,324	244,558
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,330,400)	479,755	(798,881)
CASH AND CASH EQUIVALENTS, JANUARY 1	14,431,252	977,237	6,764,139
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 13,100,852	$ 1,456,992	$ 5,965,258

Business-Type Activities			Governmental Activities
Technology Center	Nonmajor Enterprise Funds	Total	Internal Service
$ 1,038,995	$ 1,741,853	$ 53,246,105	$ -
-	-	-	3,112,318
(274,063)	(894,542)	(34,758,596)	(877,274)
(4,214)	(185,136)	(6,116,927)	(1,978,182)
(485,239)	(15,178)	(3,125,783)	-
275,479	646,997	9,244,799	256,862
-	50,000	808,641	-
-	(706,381)	(6,211,192)	-
-	2,183	2,183	-
-	115,321	115,321	-
-	(538,877)	(5,285,047)	-
(5,625)	(403,043)	(23,600,288)	(136,954)
-	49,096	7,512,728	-
-	-	4,935	-
-	-	6,681,481	-
(320,500)	(55,000)	(2,789,698)	-
(40,498)	(7,569)	(897,517)	-
(366,623)	(416,516)	(13,088,359)	(136,954)
-	-	6,512,709	-
-	-	(769,803)	-
9,621	210,580	1,556,836	7,934
9,621	210,580	7,299,742	7,934
(81,523)	(97,816)	(1,828,865)	127,842
658,584	4,323,899	27,155,111	768,783
$ 577,061	$ 4,226,083	$ 25,326,246	$ 896,625

(This statement is continued on the following pages.)

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-Type Activities		
	Electric	Water	Water Reclamation
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	$ 2,400,378	$ 65,660	$ (474,579)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities			
Depreciation and Amortization	2,717,650	1,066,889	1,698,145
Changes in Assets and Liabilities			
Accounts Receivable	(56,136)	10,664	321,862
Other Receivables	427,078	766,024	19,564
Prepaid Items	106,067	(34,304)	(55,554)
Inventory	270,284	-	-
Special Assessments	-	-	29,388
Pension Items - IMRF	(18,304)	(2,301)	(6,171)
OPEB Items	9,220	1,159	3,108
Lease Revenue Items	-	(19,757)	-
Public-private partnership items	-	-	-
Unearned Revenue	-	-	-
Accounts Payable	(294,374)	(533,951)	(247,549)
Accrued Payroll	24,568	1,322	6,274
Other Payables	10,713	-	-
Compensated Absences	51,840	8,622	48,824
NET CASH FROM OPERATING ACTIVITIES	$ 5,648,984	$ 1,330,027	$ 1,343,312
CASH AND INVESTMENTS			
Cash and Cash Equivalents	$ 13,100,852	$ 1,456,992	$ 5,965,258
Investments	21,293,219	-	-
TOTAL CASH AND INVESTMENTS	$ 34,394,071	$ 1,456,992	$ 5,965,258
NONCASH TRANSACTIONS			
Capital Contributions	$ -	$ -	$ 804,190
Capital Assets in Accounts Payable	788,583	514,108	547,947
Capital Assets Acquired through Leases	201,655	-	168,828
IEPA Loan Receivable	-	799,829	875,562
IEPA Loan Payable	-	(799,829)	(875,562)
Operator-funded capital improvements recognized under GASB 94	-	-	-
PPP receivable and deferred inflow recognized under GASB 94 (Base Fee)	-	-	-
TOTAL NONCASH TRANSACTIONS	$ 990,238	$ 514,108	$ 1,520,965

Technology Center	Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service
Business-Type Activities			
$ 115,885	$ 665,526	$ 2,772,870	$ 145,759
193,167	380,734	6,056,585	27,034
(11,712)	(68,611)	196,067	(1,016)
-	-	1,212,666	-
(3,816)	(18,703)	(6,310)	13,326
-	(2,714)	267,570	-
-	-	29,388	-
(3,137)	(679)	(30,592)	-
1,582	342	15,411	-
(7,954)	(13,112)	(40,823)	-
-	(241,694)	(241,694)	-
-	(62,274)	(62,274)	-
(8,362)	5,514	(1,078,722)	14,352
(161)	6	32,009	52,476
-	2,662	13,375	-
(13)	-	109,273	4,931
$ 275,479	$ 646,997	$ 9,244,799	$ 256,862
$ 577,061	$ 4,226,083	$ 25,326,246	$ 896,625
-	-	21,293,219	-
$ 577,061	$ 4,226,083	$ 46,619,465	$ 896,625
$ -	$ -	$ 804,190	$ -
-	-	1,850,638	-
-	-	370,483	-
-	-	1,675,391	-
-	-	(1,675,391)	-
-	3,298,779	3,298,779	-
-	959,070	959,070	-
$ -	$ 4,257,849	$ 7,283,160	$ -

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF NET POSITION
FIDUCIARY FUNDS

December 31, 2025

		Pension Trust Funds
ASSETS		
Cash and Short-Term Investments	$	632,050
Investments, at Fair Value		
Annuity Contracts		231,078
Investments Held in the Illinois Firefighters' Pension Investment Fund		16,137,234
Investments Held in the Illinois Police Officers' Pension Investment Fund		18,980,285
Prepaid Items		5,791
Total Assets		35,986,438
LIABILITIES		
Accounts Payable		6,990
Total Liabilities		6,990
NET POSITION RESTRICTED FOR PENSIONS	$	35,979,448

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS

For the Year Ended December 31, 2025

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer Contributions	$ 2,091,172
Employee Contributions	397,668
Total Contributions	2,488,840
Investment Income	
Net Appreciation in Fair Value of Investments	4,888,779
Interest	392,754
Total Investment Income	5,281,533
Less Investment Expense	(45,045)
Net Investment Income	5,236,488
Total Additions	7,725,328
DEDUCTIONS	
Benefits and Refunds	2,027,128
Administrative Expenses	79,903
Total Deductions	2,107,031
CHANGE IN NET POSITION	5,618,297
NET POSITION RESTRICTED FOR PENSIONS	
January 1	30,361,151
December 31	$ 35,979,448

See accompanying notes to financial statements.

CITY OF ROCHELLE, ILLINOIS

INDEX TO NOTES TO FINANCIAL STATEMENTS

December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Rochelle, 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 was incorporated in 1853 and is a municipal corporation governed by an elected board under the mayor/council form of government. The City is considered to be a primary government as defined by GASB Statement No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statement No. 14 and 34*, since its council is separately elected and fiscally independent. In accordance with these pronouncements, the basic financial statements include all funds for which the City is financially accountable.

Based on these criteria, the City is not considered a component unit of any other governmental unit.

Pension Trust Funds

The City's financial statements include the Police Pension Plan and Firefighters' Pension Plan 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 each governed by a five-member pension board. Two members appointed by the Mayor, one elected pension beneficiary and two elected police officers and firefighters constitute the individual 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 Police Pension Plan and Firefighters' Pension Plan are fiscally dependent on the City. Separate financial statements are not available for the Police Pension Plan and Firefighters' Pension Plan.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service 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 which are generally used to account for assets that the City holds in a fiduciary capacity.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City.

The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated in the process of consolidation. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Capital Improvement Fund is used to account for resources restricted, committed or assigned by the City for construction or major capital projects and improvements.

The City reports the following major proprietary funds:

The Electric Utility Fund accounts for the activities of the electric system.

The Water Fund accounts for the activities of the water system.

The Water Reclamation Fund accounts for the activities of the water reclamation system.

The Technology Center Fund accounts for the activities of the technology center and advanced communications. This fund did not meet the criteria for major fund reporting; however, management has elected to report it as such.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following proprietary fund type:

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis. These are reported as part of the governmental activities on the government-wide financial statements as they provide services to the City's governmental funds/activities. The Administrative Services Fund is used to allocate administrative costs to other city funds. The Network Administration Fund is used to allocate network administration costs to other city funds.

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund.

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, except for sales taxes and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due, unless due the first day of the following fiscal year.

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. Fines and permit revenue are considered to be measurable and available only when cash is received by the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 both the measurable and available 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 and deferred inflows of resource 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 purposes of the statement of cash flows, the City's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes

Property taxes for 2024 are levied in December 2024 and attach as an enforceable lien on the property on January 1, 2024. Tax bills are prepared by the County and issued on or about May 1, 2025 and August 1, 2025, and are due and collectible on or about June 1, 2025 and September 1, 2025. The County collects the taxes and remits them periodically to the City. Those 2024 taxes were intended to finance the year ended December 31, 2025. The 2025 levy, which attached as a lien on property as of January 1, 2025, is intended to finance the 2026 fiscal year and is not considered available or earned for current operations and, therefore, is reported as deferred/unavailable revenue at December 31, 2025.

G. Inventory

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

H. Restricted Assets

Certain cash and investments in the Water and Water Reclamation Fund are restricted in accordance with the loans issued by the Illinois Environmental Protection Agency (IEPA). Cash held with paying agent is held for payment of the General Obligation Refunding Bonds, Series 2017 (Airport) as well as the 2018 GO Bonds (Capital Improvements Fund). These assets are reflected as restricted cash and investments.

I. 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.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks 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 the following and an estimated useful life in excess of one year.

Asset Class	Capitalization Threshold
Land	$ -
Vehicles, Machinery, Furniture and Equipment	5,000
Buildings, Land Improvements and Infrastructure (All Systems)	25,000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital 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 using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25-40
Machinery and Equipment	5-20
Land Improvements	20-30
Utility System	5-77
Infrastructure	10-50

Intangible assets represent the City's right-to-use a leased asset. These intangible assets, as defined by GASB Statement No. 87, *Leases* are for leased contracts of nonfinancial assets including equipment. Right-to-use lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, which are generally 5 years.

K. Compensated Absences

In accordance with GASB Statement 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)

L. 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.

M. 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.

N. 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. Bond issuance costs are expensed in the year of issuance.

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)

O. 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.

P. 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 actions include 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 authority to assign fund balance has been delegated to the City Manager and Finance Director through the City's Fund Balance Policy. 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 has a policy to maintain unassigned fund balance in the General Fund at a target level of 10% to 40% of annual budgeted expenditures. Balances in excess of 40% of annual budgeted expenditures may be transferred to the Capital Improvement Fund to support future capital projects.

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 positions are legally restricted by outside parties for a specific purpose. 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. Fund Balance/Net Position (Continued)

At December 31, 2025, the City had $2,718,777 of net position and fund balances that were restricted for capital improvements and maintenance of roadways as a result of enabling legislation adopted by the City.

Q. 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, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

The City, Police Pension Fund and Firefighters' Pension Fund 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 except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the City's funds. 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 for the City adopted by the City Council and one policy each for the Police Pension Fund and Firefighters' Pension Fund approved by their respective boards.

In accordance with the City's investment policy, the City's monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds. Investments in The Illinois Funds are valued at the share price, the price for which the investment could be sold.

It is the policy of the City 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 City 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 objectives of the policy are safety (preservation of capital and protection of investment principal), liquidity and yield.

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 110% of all bank balances in excess of federal depository insurance, evidenced by a written collateral agreement with the collateral held by an agent of the City in the City's name. At December 31, 2025, all of the City's deposits were fully collateralized or insured.

City Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools. Unless matched to a specific cash flow, the City does not directly invest in securities maturing more than five years from the date of purchase.

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in The Illinois Funds, even though the investment policy allows other investments. 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 possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's agent separate from where the investment was purchased.

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 Illinois Funds and the money market mutual 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. The City's investment policy is silent on concentration of credit risk.

The City does not hold any investments required to be reported at fair value.

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	$ 4,899,246	$ 2,304,341	$ -	$ 7,203,587
Land Right of Way	3,050,985	-	-	3,050,985
Construction in Progress	3,643,602	1,181,360	2,757,181	2,067,781
Total Capital Assets not Being Depreciated	11,593,833	3,485,701	2,757,181	12,322,353
Capital Assets Being Depreciated				
Buildings	4,061,764	2,757,181	-	6,818,945
Machinery and Equipment	11,301,573	1,154,450	-	12,456,023
Bridges	10,560,931	-	-	10,560,931
Streets	42,182,841	-	-	42,182,841
Stormwater	6,902,060	-	-	6,902,060
Sidewalks	4,727,150	636,174	-	5,363,324
Railroad Spur	22,358,066	-	-	22,358,066
Street Lights	313,630	-	-	313,630
Total Capital Assets Being Depreciated	102,408,015	4,547,805	-	106,955,820
Intangible Assets Being Amortized				
Equipment	780,395	351,918	137,966	994,347
Total Intangible Assets Being Amortized	780,395	351,918	137,966	994,347
Total Assets Being Depreciated and Amortized	103,188,410	4,899,723	137,966	107,950,167
Less Accumulated Depreciation for				
Buildings	2,539,231	181,770	-	2,721,001
Machinery and Equipment	9,364,426	553,449	-	9,917,875
Bridges	3,461,134	211,219	-	3,672,353
Streets	20,314,420	1,052,960	-	21,367,380
Stormwater	4,846,948	172,551	-	5,019,499
Sidewalks	1,725,497	134,083	-	1,859,580
Railroad Spur	4,027,388	464,890	-	4,492,278
Street Lights	191,143	10,454	-	201,597
Total Accumulated Depreciation	46,470,187	2,781,376	-	49,251,563
Less Accumulated Amortization for				
Equipment	343,531	253,542	137,966	459,107
Total Accumulated Amortization	343,531	253,542	137,966	459,107
Total Accumulated Depreciation and Amortization	46,813,718	3,034,918	137,966	49,710,670
Total Capital and Intangible Assets Being Depreciated and Amortized, Net	56,374,692	1,864,805	-	58,239,497
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 67,968,525	$ 5,350,506	$ 2,757,181	$ 70,561,850

3. CAPITAL ASSETS (Continued)

	Beginning Balances, Reclassified*	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	$ 4,651,633	$ -	$ -	$ 4,651,633
Construction in Progress	9,629,616	23,404,816	4,493,375	28,541,057
Total Capital Assets not Being Depreciated	14,281,249	23,404,816	4,493,375	33,192,690
Capital Assets Being Depreciated				
Infrastructure	78,282,794	2,601,922	-	80,884,716
Equipment	11,000,149	814,340	-	11,814,489
Other Tangible Assets	2,134,356	-	-	2,134,356
Structures and Improvements	3,759,901	2,992,779	-	6,752,680
Buildings	4,449,850	-	-	4,449,850
General	8,658,951	5,625	-	8,664,576
Generation	19,515,767	-	-	19,515,767
Transmission	2,684,406	-	-	2,684,406
Distribution	77,409,854	1,809,281	-	79,219,135
Total Capital Assets Being Depreciated	207,896,028	8,223,947	-	216,119,975
Intangible Assets Being Amortized				
Equipment	651,601	370,483	137,078	885,006
Total Intangible Assets Being Amortized	651,601	370,483	137,078	885,006
Total Assets Being Depreciated and Amortized	208,547,629	8,594,430	137,078	217,004,981
Less Accumulated Depreciation for				
Infrastructure	39,800,454	2,416,956	-	42,217,410
Equipment	7,241,143	377,914	-	7,619,057
Other Tangible Assets	1,958,172	44,086	-	2,002,258
Structures and Improvements	1,901,080	264,011	-	2,165,091
Buildings	1,785,360	88,543	-	1,873,903
General	5,918,893	234,953	-	6,153,846
Generation	9,420,807	465,398	-	9,886,205
Transmission	2,684,406	-	-	2,684,406
Distribution	44,774,313	1,995,039	-	46,769,352
Total Accumulated Depreciation	115,484,628	5,886,900	-	121,371,528
Less Accumulated Amortization for				
Equipment	252,121	164,421	137,078	279,464
Total Accumulated Amortization	252,121	164,421	137,078	279,464
Total Accumulated Depreciation and Amortization	115,736,749	6,051,321	137,078	121,650,992
Total Capital and Intangible Assets Being Depreciated and Amortized, Net	92,810,880	2,543,109	-	95,353,989
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 107,092,129	$ 25,947,925	$ 4,493,375	$ 128,546,679

3. CAPITAL ASSETS (Continued)

*Certain accumulated depreciation balances were reclassified between asset classes. Total accumulated depreciation beginning balance was unchanged from prior year.

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

GOVERNMENTAL ACTIVITIES	
General Government	$ 185,502
Public Safety	434,716
Public Works	2,386,886
Public Service Enterprises	27,814
TOTAL DEPRECIATION/AMORTIZATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 3,034,918

Depreciation/amortization expense was charged to business-type activity funds as follows:

BUSINESS-TYPE ACTIVITIES	
Electric	$ 2,717,650
Water	1,061,625
Water Reclamation	1,698,145
Technology Center	193,167
Landfill	39,365
Airport	172,579
TOTAL DEPRECIATION/AMORTIZATION EXPENSE - BUSINESS-TYPE ACTIVITIES	$ 5,882,531

4. LONG-TERM DEBT

During the fiscal period, the following changes occurred in liabilities reported in the governmental activities:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
TIF Alternate Revenue Bonds	$ 3,730,000	$ -	$ 320,000	$ 3,410,000	$ 335,000
General Obligation Bonds	1,850,000	-	595,000	1,255,000	615,000
General Obligation Debt Certificates	495,000	-	165,000	330,000	165,000
Unamortized Bond Premium	176,566	-	28,836	147,730	-
Installment Purchase Contracts	516,411	-	143,548	372,863	145,362
Lease Liability	438,596	351,918	225,160	565,354	223,792
Compensated Absences (2)	1,392,922	446,735	-	1,839,657	919,829
Net Pension Liability - Police (1)	9,515,047	-	652,227	8,862,820	-
Net Pension Liability - Firefighters' (1)	2,321,356	-	1,699,582	621,774	-
Net Pension Liability - IMRF (1)	515,636	-	370,670	144,966	-
Other Postemployment Benefit Liability (1)	519,137	-	33,444	485,693	58,384
TOTAL GOVERNMENTAL ACTIVITIES	$ 21,470,671	$ 798,653	$ 4,233,467	$ 18,035,857	$ 2,462,367

(1) These liabilities are primarily retired by the General Fund.

(2) The amount displayed as additions or reductions represents the net change in the liability.

During the fiscal period, the following changes occurred in liabilities reported in the business-type activities:

	Balances January 1, Restated (2)	Additions	Reductions/ Refundings	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
General Obligation Debt Certificates	$ 1,345,000	$ -	$ 320,000	$ 1,025,000	$ 335,000
General Obligation Bonds	275,000	-	55,000	220,000	50,000
Alternate Revenue Bonds	18,295,000	-	1,270,000	17,025,000	1,320,000
IEPA Loans (2) (3)	10,565,383	7,298,678	654,191	17,209,870	657,848
Loan Payable	334,611	-	334,611	-	-
Unamortized Premium	1,749,998	-	159,928	1,590,070	-
Lease Liability	400,889	370,483	155,896	615,476	176,408
Asset Retirement Obligation	465,300	-	-	465,300	-
Compensated Absences (1)	509,112	111,935	-	621,047	310,524
Net Pension Liability - IMRF	726,855	-	522,510	204,345	-
Other Postemployment Benefit Liability	731,801	-	47,146	684,655	82,300
TOTAL BUSINESS-TYPE ACTIVITIES	$ 35,398,949	$ 7,781,096	$ 3,519,282	$ 39,660,763	$ 2,932,080

(1) The amount displayed as additions or reductions represents the net change in the liability.

(2) Beginning balances for the IEPA loans were restated. See Note 13 for additional information.

4. LONG-TERM DEBT (Continued)

(3) During the fiscal year ended December 31, 2025, an Illinois EPA loan was issued for $5,393,194 and was fully forgiven within the fiscal year. As such, there is no balance for this IEPA loan at year end. This loan is not presented in the table above.

Bonds payable and other long-term obligations at December 31, 2025, are comprised of the following, excluding the refunded bonds that are defeased in-substance:

General Obligation Debt

	Total	Current
$2,000,000 Limited Tax Debt Certificates, due in annual installments of $165,000 to $170,000 from June 1, 2016 to June 1, 2027, interest at 2.00% to 4.50%, retired by the Capital Improvements Fund, a governmental fund.	$ 330,000	$ 165,000
$3,140,000 2017A Limited Tax Refunding Debt Certificates, due in annual installments of $65,000 to $350,000 from June 30, 2018 to June 30, 2028, interest at 2% to 4%, retired by the Technology Center Fund.	1,025,000	335,000
$485,000 2017B General Obligation Refunding Bonds, due in annual installments of $5,000 to $60,000 from January 1, 2018, to January 1, 2029, interest at 2.000% to 3.125%, retired by the Airport Fund, a nonmajor enterprise fund.	220,000	50,000
$4,500,000 2018 General Obligation Bonds, due in annual installments of $485,000 to $640,000 from January 1, 2020, to January 1, 2027, interest at 3% to 4%, retired by the Capital Improvements Fund, a governmental fund.	1,255,000	615,000
TOTAL GENERAL OBLIGATION DEBT	$ 2,830,000	$ 1,165,000

4. LONG-TERM DEBT (Continued)

TIF Alternate Revenue Bonds

	Total	Current
$2,955,000 Series 2013 General Obligation Refunding (Tax Increment Financing Alternate Revenue Source) Bonds, due in annual installments of $60,000 to $260,000, through December 1, 2030, interest from 2% to 4%.	$ 1,160,000	$ 205,000
$2,500,000 Series 2023A General Obligation Refunding (Tax Increment Financing Alternate Revenue Source) Bonds, due in annual installments of $125,000 to $220,000, through December 1, 2038, interest from 4% to 5%.	2,250,000	130,000
TOTAL TIF ALTERNATE REVENUE BONDS	$ 3,410,000	$ 335,000

IEPA Loans

	Total	Current
$600,000 Illinois EPA low interest loan related to the Askvig Subdivision project, through May 2027, interest at 2.50%.	$ 57,160	$ 37,871
$4,879,732 Illinois EPA low interest loan related to the Well #12 Project, through November 2036, interest at 1.86%.	2,234,690	184,875
$3,270,006 Illinois EPA low interest loan related to the Well #11 Project, through June 2038, interest at 1.32%.	1,903,494	135,145
$3,049,830 Illinois EPA low interest loan related to the Well #12 Project, due in semiannual installments through May 2040, interest at 1.38%.	1,181,141	74,114
$7,000,000 Illinois EPA low interest loan related to the Water Reclamation Plant Improvements Project, through January 2041, interest at 1.18%.	3,921,591	225,843
$11,640,600 Illinois EPA low interest loan related to the Water Reclamation Plant Improvements Project, through October 2045, interest at 1.00%.*	7,911,794	-
TOTAL IEPA LOANS	$17,209,870	$ 657,848

*This loan is still in the disbursement period, and therefore, a debt service to maturity schedule is not available as of December 31, 2025.

4. LONG-TERM DEBT (Continued)

Alternate Revenue Bonds - Electric

	Total	Current
$7,775,000 2021A General Obligation Bonds (Electric System Alternate Revenue Source), due in annual installments of $425,000 to $685,000 from May 1, 2022, to May 1, 2035, interest at 2% to 4%, retired by the Electric System Fund.	$ 5,945,000	$ 505,000
$8,895,000 2022 General Obligation Bonds (Electric System Alternate Revenue Source), due in annual installments of $515,000 to $775,000 from May 1, 2022, to May 1, 2035, interest at 2% to 4%, retired by the Electric System Fund.	6,745,000	570,000
$4,795,000 2023 General Obligation Bonds (Electric System Alternate Revenue Source), due in annual installments of $225,000 to $430,000 from May 1, 2024, to May 1, 2038, interest at 4% to 5%, retired by the Electric System Fund.	4,335,000	245,000
TOTAL ALTERNATE REVENUE BONDS - ELECTRIC	$ 17,025,000	$ 1,320,000

Installment Purchase Contracts (Direct Placement)

	Total	Current
$350,000 Revolving Loan related to the purchase of a fire truck, due in annual installments of $24,115 to $17,830, through November 2039, interest at 1.89%.	$ 245,000	$ 17,500
$491,101 Loan related to the purchase of 2 dump trucks, due in annual installments of $130,723, through December 2026, interest at 1.90%.	127,863	127,862
TOTAL INSTALLMENT PURCHASE CONTRACTS	$ 372,863	$ 145,362

4. LONG-TERM DEBT (Continued)

Debt Service to Maturity

The annual requirements to amortize all debt outstanding (except compensated absences, net pension liabilities and OPEB liabilities) as of December 31, 2025, are as follows:

Fiscal Year Ending December 31,	Business-Type Activities General Obligation Debt Principal	Business-Type Activities General Obligation Debt Interest	Governmental Activities General Obligation Debt Principal	Governmental Activities General Obligation Debt Interest
2026	$ 385,000	$ 33,394	$ 780,000	$ 49,038
2027	405,000	19,869	805,000	16,512
2028	395,000	7,834	-	-
2029	60,000	938	-	-
TOTAL	$ 1,245,000	$ 62,035	$ 1,585,000	$ 65,550

Fiscal Year Ending December 31,	Governmental Activities TIF Alternate Revenue Bonds Principal	Governmental Activities TIF Alternate Revenue Bonds Interest	Governmental Activities Installment Purchase Contracts Principal	Governmental Activities Installment Purchase Contracts Interest
2026	$ 335,000	$ 144,750	$ 145,362	$ 6,910
2027	350,000	131,075	17,500	4,300
2028	375,000	116,262	17,500	3,969
2029	395,000	100,450	17,500	3,638
2030	415,000	83,150	17,500	3,308
2031-2035	905,000	243,750	87,500	11,577
2036-2040	635,000	51,400	70,001	3,308
TOTAL	$ 3,410,000	$ 870,837	$ 372,863	$ 37,010

Fiscal Year Ending December 31,	Business-Type Activities Alternate Revenue Bonds Principal	Business-Type Activities Alternate Revenue Bonds Interest	Business-Type Activities Illinois EPA Loans Principal	Business-Type Activities Illinois EPA Loans Interest
2026	$ 1,320,000	$ 603,075	$ 657,848	$ 126,651
2027	1,380,000	546,550	648,210	117,117
2028	1,435,000	487,600	637,997	107,798
2029	1,495,000	426,225	647,212	98,583
2030	1,550,000	368,650	656,564	89,232
2031-2035	8,600,000	1,000,950	3,428,098	300,878
2036-2040	1,245,000	75,900	2,377,821	78,145
2041-2045	-	-	244,326	792
TOTAL	$ 17,025,000	$ 3,508,950	$ 9,298,076	$ 919,196

4. LONG-TERM DEBT (Continued)

Direct Placements

The City has entered into direct placements of debt with vendors, local banks and the Illinois Finance Authority to finance the purchase of certain capital assets of the City. Terms of the respective contracts are disclosed in the Contractual Commitments sections on the previous pages.

Alternate Revenue Bonds

The City issued the 2013 General Obligation Refunding (TIF Alternate Revenue Source) Bonds. These bonds are payable from a pledge of the incremental taxes generated in the Lighthouse Pointe TIF District. The remaining pledge as of December 31, 2025 was $1,300,937. During the current fiscal year, the pledge of incremental taxes generated in the TIF of $246,075 (total principal and interest) was 35.50% of the total incremental taxes received.

The City issued the 2021A General Obligation Bonds (Electric System Alternate Revenue Source) Bonds. These bonds are payable from a pledge of the City's electric revenues. The remaining pledge as of December 31, 2025 was $6,929,525. During the current fiscal year, the pledge of electric revenues of $694,450 (total principal and interest) was 1.69% of the total electric revenues received.

The City issued the 2022 General Obligation Bonds (Electric System Alternate Revenue Source) Bonds. These bonds are payable from a pledge of the City's electric revenues. The remaining pledge as of December 31, 2025 was $7,862,025. During the current fiscal year, the pledge of electric revenues of $787,650 (total principal and interest) was 1.92% of the total electric revenues received.

The City issued the 2023 General Obligation Bonds (Electric System Alternate Revenue Source) Bonds. These bonds are payable from a pledge of the City's electric revenues. The remaining pledge as of December 31, 2025 was $5,742,400. During the current fiscal year, the pledge of electric revenues of $445,175 (total principal and interest) was 1.09% of the total electric revenues received.

The City issued the 2023A General Obligation (TIF Alternate Revenue Source) Bonds. These bonds are payable from a pledge of the incremental taxes generated in the Downtown TIF District. The remaining pledge as of December 31, 2025 was $2,979,900. During the current fiscal year, the pledge of incremental taxes generated in the TIF of $231,750 (total principal and interest) was 39.14% of the total incremental taxes received.

4. LONG-TERM DEBT (Continued)

Lease Liabilities

The City entered into various lease arrangements for the right-to-use public works vehicles. Payments ranging from $149 to $652 are due in monthly installments through 2030. Total intangible right-to-use assets acquired under these agreements are $223,619.

The City entered into various lease arrangements for the right-to-use public safety vehicles. Payments ranging from $63 to $1,966 are due in monthly installments through 2030. Total intangible right-to-use assets acquired under these agreements are $525,729.

The City entered into various lease arrangements for the right-to-use general government vehicles. Payments ranging from $549 to $4,050 are due in monthly installments through 2030. Total intangible right-to-use assets acquired under these agreements are $244,999.

The City entered into various lease arrangements for the right-to-use enterprise vehicles for technology, water, and electric operations. Payments ranging from $58 to $1,058 are due in monthly installments through 2030. Total intangible right-to-use assets acquired under these agreements are $885,006.

Obligations of the City under leases payable, typically paid from the General, Golf, Electric, Water Reclamation, Water and Technology Funds, including future interest payments at December 31, 2025 were as follows:

Fiscal Year	Leases			
Ending	Governmental Activities		Business-Type Activities	
December 31,	Principal	Interest	Principal	Interest
2026	$ 223,792	$ 11,272	$ 176,408	$ 13,512
2027	166,691	6,350	179,033	8,969
2028	124,658	2,492	160,526	4,583
2029	46,344	198	77,218	934
2030	3,869	10	22,291	-
TOTAL	$ 565,354	$ 20,322	$ 615,476	$ 27,998

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 58-142 years.

5. INDUSTRIAL REVENUE BONDS

The City has approved the issuance of industrial revenue bonds for the benefit of private business enterprises. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of December 31, 2025, there was one bond outstanding. The aggregate principal amount payable was $1,750,000.

6. 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 Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org.

The aggregate amount recognized for the pension plans is:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
IMRF	$ 349,311	$ 3,056,491	$ 48,499	$ 459,743
Police Pension	8,862,820	2,617,261	1,545,112	1,456,679
Firefighters' Pension	621,774	674,583	2,397,290	47,028
TOTAL	$ 9,833,905	$ 6,348,335	$ 3,990,901	$ 1,963,450

A. Plan Descriptions

<u>Illinois Municipal Retirement Fund</u>

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.

6. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Administration (Continued)

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, 2024, the latest actuarial valuation date, IMRF membership consisted of:

Inactive Employees or their Beneficiaries Currently Receiving Benefits	134
Inactive Employees Entitled to but not yet Receiving Benefits	30
Active Employees	93
TOTAL	257

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.

6. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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 calendar year 2025 was 5.55% of covered payroll.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2024
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.

6. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the IMRF 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the employer's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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	33.50%	4.35%
International Equity	18.00%	5.40%
Fixed Income	24.50%	5.20%
Real Estate	10.50%	6.40%
Alternative Investments	12.50%	4.85% to 6.25%
Cash Equivalents	1.00%	3.60%
TOTAL	100.00%	

6. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2024	$ 48,970,884	$ 47,728,393	$ 1,242,491
Changes for the Period			
Service Cost	666,180	-	666,180
Interest	3,448,810	-	3,448,810
Difference Between Expected and Actual Experience	1,030,028	-	1,030,028
Changes in Assumptions	-	-	-
Employer Contributions	-	461,583	(461,583)
Employee Contributions	-	381,395	(381,395)
Net Investment Income	-	4,787,917	(4,787,917)
Benefit Payments and Refunds	(3,468,372)	(3,468,372)	-
Other (Net Transfer)	-	407,303	(407,303)
Net Changes	1,676,646	2,569,826	(893,180)
BALANCES AT DECEMBER 31, 2024	$ 50,647,530	$ 50,298,219	$ 349,311

6. 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 December 31, 2025, the City recognized pension expense of $459,743.

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	$ 1,310,499	$ -
Changes in Assumption	-	48,499
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,233,953	-
Contributions After Measurement Date	512,039	-
TOTAL	$ 3,056,491	$ 48,499

$512,039 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 for the measurement period ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending December 31,	
2026	$ 1,074,240
2027	1,982,519
2028	(317,272)
2029	(243,534)
2030	-
Thereafter	-
TOTAL	$ 2,495,953

6. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (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 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)	$ 6,124,767	$ 349,311	$ (4,251,157)

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 of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership

At December 31, 2025, the valuation date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	25
Inactive Plan Members Entitled to but not yet Receiving Benefits	5
Active Plan Members	26
TOTAL	56

6. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided

The Police Pension Plan provides retirement 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. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.50% of salary for each year of service. The monthly benefit 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 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.

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

6. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Contributions (Continued)

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 adopted a funding policy to fund 100% of the past service cost by 2040. The employer contribution rate for calendar year 2025 was 59.82% of covered payroll.

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.

6. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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, IL 61602 or at www.ipopif.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 December 31, 2025.

Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was $18,980,285 at December 31, 2025. 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 December 31, 2025. 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 December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

6. 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 and for fiscal year ended December 31, 2025, using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2025
Measurement Date	December 31, 2025
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	2.50% to 17.91%
Interest Rate	6.75%
Cost of Living Adjustments	3.25%
Asset Valuation Method	Fair value

Mortality rates were based on 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.

6. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate (Continued)

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.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2025	$ 25,746,501	$ 16,231,454	$ 9,515,047
Changes for the Period			
Service Cost	524,305	-	524,305
Interest	1,692,264	-	1,692,264
Difference Between Expected and Actual Experience	1,462,193	-	1,462,193
Changes in Assumptions	-	-	-
Changes of Benefit Terms	-	-	-
Employer Contributions	-	1,336,657	(1,336,657)
Employee Contributions	-	220,498	(220,498)
Net Investment Income	-	2,824,390	(2,824,390)
Benefit Payments and Refunds	(1,351,849)	(1,351,849)	-
Administrative Expense	-	(50,556)	50,556
Net Changes	2,326,913	2,979,140	(652,227)
BALANCES AT DECEMBER 31, 2025	$ 28,073,414	$ 19,210,594	$ 8,862,820

The plan fiduciary net position as a percentage of the total pension liability was 68.43%.

6. 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

For the year ended December 31, 2025, the City recognized police pension expense of $1,456,679.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 2,560,586	$ 182,757
Changes in Assumption	56,675	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,362,355
TOTAL	$ 2,617,261	$ 1,545,112

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

Year Ending December 31,	
2026	$ 501,694
2027	92,972
2028	142,032
2029	52,195
2030	283,256
Thereafter	-
TOTAL	$ 1,072,149

6. 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	$ 12,796,267	$ 8,862,820	$ 5,665,239

Firefighters' Pension Plan

Plan Administration

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the City. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension 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.

Plan Membership

At December 31, 2025, the valuation date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	9
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	19
TOTAL	30

6. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided

The Firefighters' Pension Plan provides retirement 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 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 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the 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 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

Employees are required by ILCS to contribute 9.455% of their base salary to the Firefighter's 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, as actuarially determined by an enrolled actuary. However,

6. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Contributions (Continued)

effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City has adopted a funding policy to fund 100% of the past service cost by 2040. The employer contribution rate for calendar year 2025 was 40.40% 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.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund'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, IL 60148 or at www.ifpif.org.

6. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' 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 Fund has the following recurring fair value measurements as of December 31, 2025: the annuity contracts are valued using quoted matrix pricing models (Level 2 inputs).

Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IFPIF was $16,137,234 at December 31, 2025. 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 December 31, 2025. 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.

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 December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.55%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

6. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of and for fiscal year ended December 31, 2025, using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2025
Measurement Date	December 31, 2025
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	2.50% to 17.64%
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. 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 employer 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.

6. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' 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 JANUARY 1, 2025	$ 16,451,053	$ 14,129,697	$ 2,321,356
Changes for the Period			
Service Cost	397,858	-	397,858
Interest	1,087,655	-	1,087,655
Difference Between Expected and Actual Experience	129,341	-	129,341
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Employer Contributions	-	754,515	(754,515)
Employee Contributions	-	177,170	(177,170)
Net Investment Income	-	2,412,098	(2,412,098)
Benefit Payments and Refunds	(675,279)	(675,279)	-
Administrative Expense	-	(29,347)	29,347
Net Changes	939,575	2,639,157	(1,699,582)
BALANCES AT DECEMBER 31, 2025	$ 17,390,628	$ 16,768,854	$ 621,774

The plan fiduciary net position as a percentage of the total pension liability was 96.42%.

6. 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 December 31, 2025, the City recognized firefighters' pension expense of $47,028.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the Fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 261,998	$ 1,152,127
Changes in Assumption	412,585	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,245,163
TOTAL	$ 674,583	$ 2,397,290

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

Year Ending December 31,	
2026	$ (207,205)
2027	(733,233)
2028	(551,705)
2029	(413,900)
2030	47,524
Thereafter	135,812
TOTAL	$ (1,722,707)

6. 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)	$ 3,059,870	$ 621,774	$ (1,381,431)

B. Schedule of Fiduciary Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	$ 233,117	$ 398,933	$ 632,050
Investments, at Fair Value			
Annuity Contracts	-	231,078	231,078
Investments Held in the Illinois Firefighters' Pension Investment Fund	-	16,137,234	16,137,234
Investments Held in the Illinois Police Officers' Pension Investment Fund	18,980,285	-	18,980,285
Prepaid Items	2,726	3,065	5,791
Total Assets	19,216,128	16,770,310	35,986,438
LIABILITIES			
Accounts Payable	5,534	1,456	6,990
Total Liabilities	5,534	1,456	6,990
NET POSITION RESTRICTED FOR PENSIONS	$ 19,210,594	$ 16,768,854	$ 35,979,448

6. DEFINED BENEFIT PENSION PLANS (Continued)

C. Schedule of Changes in Fiduciary Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer Contributions	$ 1,336,657	$ 754,515	$ 2,091,172
Employee Contributions	220,498	177,170	397,668
Total Contributions	1,557,155	931,685	2,488,840
INVESTMENT INCOME			
Net Appreciation on Fair Value of Investments	2,740,821	2,147,958	4,888,779
Interest Earned	98,501	294,253	392,754
Less Investment Expense	(14,932)	(30,113)	(45,045)
Net Investment Income	2,824,390	2,412,098	5,236,488
Total Additions	4,381,545	3,343,783	7,725,328
DEDUCTIONS			
Benefits and Refunds	1,351,849	675,279	2,027,128
Administrative Expenses	50,556	29,347	79,903
Total Deductions	1,402,405	704,626	2,107,031
CHANGE IN NET POSITION	2,979,140	2,639,157	5,618,297
NET POSITION RESTRICTED FOR PENSIONS			
January 1	16,231,454	14,129,697	30,361,151
December 31	$ 19,210,594	$ 16,768,854	$ 35,979,448

7. RISK MANAGEMENT

The City is exposed to various risks of loss, including but not limited to, property and casualty, general and public officials' liability, workers' compensation and employee's health. The City purchases third party indemnity insurance to limit its exposure to losses. Settled claims from these risks have not exceeded commercial insurance coverage in the current fiscal year or the two prior fiscal years.

8. 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.

C. Northern Illinois Municipal Power Agency

Northern Illinois Municipal Power Agency (NIMPA) is a joint municipal electric power agency and a body politic and corporate, municipal corporation and unit of local government of the State of Illinois. NIMPA was created by contract under Illinois' municipal joint action agency statutes as of May 24, 2004 for the purpose of effecting the joint development of electric energy resources for the production, transmission and distribution of electric power and energy. NIMPA's members currently consist of three Illinois municipalities, the Cities of Batavia, Geneva and Rochelle.

The City currently purchases power and energy from NIMPA under a power sales agreement, under which the City is allocated a percentage entitlement to NIMPA's 120 MW ownership interest in the Prairie State project. The Prairie State project is an approximately 1,620 MW "mine mouth" coal fired power generating facility located in Washington County, Illinois. The City's entitlement share of the Prairie State project is 25% or 30 MW.

NIMPA's outstanding debt service obligation is to be paid by its members through their wholesale power charges through the remainder of the long-term contract, which is $349 million as of December 31, 2025.

9. PUBLIC-PRIVATE PARTNERSHIPS

Effective July 1, 2021, the City entered into a Conditional Amended and Restated Host Agreement and Agreement for the Operation and Development of City of Rochelle Landfill No. 2 (Host Agreement) with Rochelle Waste Disposal, LLC (Operator). Under the Host Agreement, the Operator has the right to operate, maintain, and develop the City's landfill through December 31, 2040, or until all permitted disposal capacity has been exhausted, whichever occurs first.

In accordance with GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, the City recognizes operator-funded capital improvements when control of the improvements is obtained. During the term of the Host Agreement, the Operator has constructed certain improvements to the landfill, including landfill improvements, which have been recognized as capital assets by the City. A corresponding deferred inflow of resources has been recognized and is being recognized as revenue in a systematic and rational manner over the remaining term of the Host Agreement.

The Host Agreement also requires the Operator to pay the City a fixed Base Fee of $75,000 annually, payable in equal quarterly installments. The City has recognized a public-private partnership receivable for the present value of the remaining fixed payments and a corresponding deferred inflow of resources. The receivable was measured using a discount rate of 4.00%.

At December 31, 2025, the City reported the following balances related to the public-private partnership:

Public-private partnership receivable - current	$ 41,908
Public-private partnership receivable - noncurrent	800,999
TOTAL PUBLIC-PRIVATE PARTNERSHIP RECEIVABLE	$ 842,907
Deferred inflow of resources - operator-funded improvements	$ 3,100,767
Deferred inflow of resources - fixed Base Fee	799,225
TOTAL DEFERRED INFLOW OF RESOURCES - PUBLIC-PRIVATE PARTNERSHIP	$ 3,899,992

During the year ended December 31, 2025, the City recognized $43,682 of revenue related to the systematic recognition of the deferred inflow associated with the fixed Base Fee. The City also recognized revenue related to the operator-funded improvements in accordance with GASB Statement No. 94. The City received variable payments of $715,580 for host fees, $166,601 for solid waste fees, and $58,787 for supplemental host fees during the year ended December 31, 2025.

10. INDIVIDUAL FUND DISCLOSURES

A. Due From/To Other Funds

Due from/to other funds at December 31, 2025, consisted of the following:

Fund	Receivable	Payable
General	$ 339,036	$ -
Capital Improvement	-	138,703
Nonmajor Governmental	188,023	355,188
Nonmajor Enterprise	-	33,168
TOTAL	$ 527,059	$ 527,059

Due from/to amounts are to cover temporary cash deficits. Repayment is expected within one year.

B. Advances From/To Other Funds

Advances from/to other funds at December 31, 2025 consisted of the following:

Fund	Advance From	Advance To
Electric Utility	$ 409,044	$ -
Technology Center	-	409,044
TOTAL	$ 409,044	$ 409,044

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

- $409,044 advanced from the Electric Utility Fund to the Technology Center Fund is for funding of cash shortfalls. Repayment is not expected within one year.

C. Interfund Transfers

Interfund transfers during the year ended December 31, 2025 consisted of the following:

	Transfer In	Transfer Out
General Fund	$ 3,758,826	$ 379,082
Capital Improvement Fund	4,193,872	-
Electric Fund	758,641	3,766,561
Water Fund	-	1,034,369
Water Reclamation Fund	-	703,881
Nonmajor Governmental Funds	1,130,000	3,301,065
Nonmajor Enterprise Funds	50,000	706,381
TOTAL	$ 9,891,339	$ 9,891,339

10. INDIVIDUAL FUND DISCLOSURES (Continued)

C. Interfund Transfers (Continued)

The purposes of significant interfund transfers are as follows:

- The $3,758,826 transferred to the General Fund was made up of $2,473,588 from the Electric Fund, $245,925 from the Water Fund, $257,929 from the Water Reclamation Fund, $75,003 from the Nonmajor Governmental Funds, and $706,381 from the Nonmajor Enterprise Funds for annual transfers as permitted under bond ordinances. The transfers will not be repaid.

- The $4,193,872 transferred to the Capital Improvement Fund was made up of $179,083 from the General Fund, $237,877 from the Water Fund, $237,877 from the Water Reclamation Fund, $622,973 from the Electric Fund, and $2,916,062 from Nonmajor Governmental Funds for various capital expenditures and projects. These transfers will not be repaid.

D. Fund Balance Deficits

The following funds had a fund balance deficit at December 31, 2025:

Fund	Deficit
Capital Improvement	$ 721,082
Social Security	27,902
Eastern Gateway TIF	16,152

The City plans to use current resources to pay for future liabilities.

11. RECEIVABLES

The following receivables are included in due from other governments on the statement of net position at December 31, 2025:

GOVERNMENTAL ACTIVITIES	
Telecommunications Tax	$ 92,845
Use Tax	21,880
Sales Tax	1,418,831
Auto Rental Tax	256
Video Gaming Tax	50,848
Cannabis Tax	2,627
Motor Fuel Tax	38,242
Miscellaneous	14,050
TOTAL GOVERNMENTAL ACTIVITIES	$ 1,639,579

11. RECEIVABLES (Continued)

BUSINESS-TYPE ACTIVITIES	
IEPA Loans Receivable	$ 1,675,391
TOTAL BUSINESS-TYPE ACTIVITIES	$ 1,675,391

12. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

In addition to providing the pension benefits described, 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 plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The activity of the plan is reported in the City's governmental activities.

B. Benefits Provided

The City provides OPEB to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans.

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; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary. The City also offers an early retirement incentive in which the City will pay two years of insurance premiums up to the coverage level held at the time of agreement for participating employees. 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.

C. Membership

At December 31, 2024 (most recent data available), membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	15
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	124
TOTAL	139

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

D. Total OPEB Liability

The City's total OPEB liability of $1,170,348 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2025.

E. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2025, as determined by an actuarial valuation as of January 1, 2025, actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Cost Method	Entry-Age Normal
Actuarial Value of Assets	Not Applicable
Salary Increases	2.75%
Discount Rate	4.83%
Healthcare Cost Trend Rates	7.58% to 7.93% 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) Improved Generationally using MP-2021 Improvement Rates.

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

F. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT JANUARY 1, 2025	$ 1,250,938
Changes for the Period	
Service Cost	69,587
Interest	48,168
Changes Between Expected and Actual Experience	-
Changes in Assumptions	(57,661)
Changes in Benefit Plan	-
Benefit Payments	(140,684)
Net Changes	(80,590)
BALANCES AT DECEMBER 31, 2025	$ 1,170,348

There were changes in assumptions related to the discount rate since the previous measurement date.

G. 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 4.83% 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 (3.83%) or 1 percentage point higher (5.83%) than the current rate:

	1% Decrease (3.83%)	Current Discount Rate (4.83%)	1% Increase (5.83%)
Total OPEB Liability	$ 1,247,855	$ 1,170,348	$ 1,097,966

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

G. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 5.00% to 7.93% 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 (4.00% to 6.93%) or 1 percentage point higher (6.00% to 8.93%) than the current rate:

	1% Decrease (varies)	Current Healthcare Rate (varies)	1% Increase (varies)
Total OPEB Liability	$ 1,053,857	$ 1,170,348	$ 1,305,007

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

For the year ended December 31, 2025, the City recognized OPEB expense of $167,028. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 587,078	$ -
Changes in Assumptions	58,021	148,058
TOTAL	$ 645,099	$ 148,058

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

Year Ending December 31,	
2026	$ 49,273
2027	49,273
2028	49,273
2029	49,273
2030	51,411
Thereafter	248,538
TOTAL	$ 497,041

13. LESSOR DISCLOSURES

In accordance with GASB Statement No. 87, *Leases*, the City's lessor activity as of December 31, 2025, is as follows:

Lessor Type	Term	Payments	Interest
Cell tower	12/2014 - 11/2039	$2,200 monthly (4% annual increase)	1.591%
Cell tower	03/2016 - 03/2036	$1,600 monthly (4% annual increase)	1.446%
Dark fiber	11/2019 - 11/2029	$1,500 monthly	1.164%
Collocation	06/2017 - 06/2032	$2,360 monthly (3% annual increase)	1.305%
Dark fiber	10/2019 - 10/2029	$750 monthly	1.164%
Dark fiber	03/2020 - 02/2030	$375 monthly	1.164%
Dark fiber	04/2022 - 03/2032	$375 monthly (3% annual increase)	2.632%
Collocation	04/2020 - 03/2030	$1,488 monthly	1.164%
Collocation	03/2020 - 02/2028	$634 monthly	0.893%
Dark fiber	04/2021 - 03/2031	$6,567 monthly (3% annual increase)	1.251%
Land	04/2011 - 03/2051	$2,083 monthly (increases every 5 years)	1.839%

The cumulative lease receivable and related deferred inflow of resources related to these lease agreements at December 31, 2025 is $2,641,460 and $2,427,171, respectively.

14. RESTATEMENT

Error Correction

During the fiscal year ended December 31, 2025, the City determined one of the IEPA loans reported as a liability in the Water Fund in the prior year was forgiven, and therefore should have been reported as grant income in the prior year. As such, liabilities were overstated by $1,638,936 and revenues and net income were understated by $1,638,936 for the fiscal year ended December 31, 2024. The effect of correcting the error is as follows:

	Business-Type Activities	Water Fund
BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	$ 130,744,061	$ 20,558,625
Error correction	1,638,936	1,638,936
Total net restatement	1,638,936	1,638,936
BEGINNING NET POSITION, AS RESTATED	$ 132,382,997	$ 22,197,561

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROCHELLE, ILLINOIS

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

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes	$ 6,185,134	$ 6,708,788	$ 523,654
Licenses and Permits	253,750	221,814	(31,936)
Intergovernmental	2,428,252	2,351,450	(76,802)
Charges for Services	1,503,512	1,730,919	227,407
Fines and Forfeitures	75,000	77,041	2,041
Investment Income	600,000	521,493	(78,507)
Miscellaneous	60,000	59,316	(684)
Total Revenues	11,105,648	11,670,821	565,173
EXPENDITURES			
Current			
General Government	2,601,031	2,570,663	(30,368)
Public Safety	9,672,917	10,056,934	384,017
Public Works	2,326,206	2,554,915	228,709
Public Service Enterprises	234,200	280,729	46,529
Conservation and Development	26,800	15,623	(11,177)
Debt Service			
Principal	130,723	327,226	196,503
Interest and Fiscal Charges	-	4,675	4,675
Total Expenditures	14,991,877	15,810,765	818,888
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,886,229)	(4,139,944)	(253,715)
OTHER FINANCING SOURCES (USES)			
Transfers In	3,758,826	3,758,826	-
Transfers (Out)	(381,000)	(379,082)	1,918
Issuance of Lease Liability	-	351,918	351,918
Total Other Financing Sources (Uses)	3,377,826	3,731,662	353,836
NET CHANGE IN FUND BALANCE	$ (508,403)	(408,282)	$ 100,121
FUND BALANCE, JANUARY 1		11,771,326	
FUND BALANCE, DECEMBER 31		$ 11,363,044	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

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

Last Eight Fiscal Years

MEASUREMENT DATE DECEMBER 31,	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
TOTAL OPEB LIABILITY								
Service Cost	$ 22,383	$ 20,668	$ 22,685	$ 22,055	$ 22,552	$ 51,763	$ 57,008	$ 69,587
Interest	36,035	32,780	18,612	13,386	13,549	30,465	27,169	48,168
Differences Between Expected and Actual Experience	-	-	28,316	110,432	316,530	-	325,103	-
Changes of Assumptions	(28,984)	56,576	18,530	(23,402)	(98,582)	25,877	4,906	(57,661)
Changes in Benefit Plan	-	-	-	-	-	-	52,246	-
Benefit Payments, Including Refunds of Member Contributions	(268,861)	(284,773)	(175,766)	(96,178)	(96,197)	(89,419)	(97,829)	(140,684)
Net Change in Total OPEB Liability	(239,427)	(174,749)	(87,623)	26,293	157,852	18,686	368,603	(80,590)
Total OPEB Liability - Beginning	1,181,303	941,876	767,127	679,504	705,797	863,649	882,335	1,250,938
TOTAL OPEB LIABILITY - ENDING	$ 941,876	$ 767,127	$ 679,504	$ 705,797	$ 863,649	$ 882,335	$ 1,250,938	$ 1,170,348
Covered-Employee Payroll	$ 7,728,322	$ 9,004,571	$ 9,844,341	$ 9,852,990	$ 10,402,766	$ 11,234,197	$ 12,317,946	$ 13,417,805
Employer's Total OPEB Liability as a Percentage of Covered-Employee Payroll	12.19%	8.52%	6.90%	7.16%	8.30%	7.85%	10.16%	8.72%

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

In 2019, there were changes in assumptions related to the inflation rate, total payroll increases, mortality rates, mortality improvement rates, retirement rates, termination rates, disability rates and the discount rate.

In 2018, 2020, 2021 and 2022, there were changes in assumptions related to the discount rate and health care trend rate.

In 2023, there were changes in assumptions related to the discount rate.

In 2024, there were changes in assumptions related to the discount rate, healthcare cost trend rates, mortality rates, and other demographics. There were also changes in the benefit plan related to the City adding an Early Retirement incentive for members retiring before December 1, 2024.

In 2025, 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.

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	**2016***	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Actuarially Determined Contribution	$ 491,358	$ 768,000	$ 704,122	$ 593,621	$ 770,238	$ 719,006	$ 539,847	$ 391,175	$ 454,950	$ 512,039
Contributions in Relation to the Actuarially Determined Contribution	491,358	768,000	704,122	593,621	770,238	719,006	539,847	391,175	454,950	512,039
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 4,153,491	$ 6,432,161	$ 6,209,189	$ 6,348,888	$ 6,951,606	$ 6,925,837	$ 7,400,794	$ 7,999,255	$ 8,487,876	$ 9,226,721
Contributions as a Percentage of Covered Payroll	11.83%	11.94%	11.34%	9.35%	11.08%	10.38%	7.29%	4.89%	5.36%	5.55%

*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 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 19 years; the asset valuation method was five-year smoothed market and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually and postretirement benefit increases of 2.75% compounded annually.

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016*	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	$ 389,808	$ 499,765	$ 557,874	$ 614,329	$ 715,312	$ 827,035	$ 856,534	$ 774,425	$ 943,531	$ 1,001,575
Contributions in Relation to the Actuarially Determined Contribution	388,135	497,804	556,593	613,234	764,747	949,365	1,010,949	1,376,327	1,191,322	1,336,657
CONTRIBUTION DEFICIENCY (Excess)	$ 1,673	$ 1,961	$ 1,281	$ 1,095	$ (49,435)	$ (122,330)	$ (154,415)	$ (601,902)	$ (247,791)	$ (335,082)
Covered Payroll	$ 1,212,418	$ 1,882,279	$ 1,382,454	$ 1,535,637	$ 1,686,765	$ 1,755,785	$ 1,802,961	$ 1,886,894	$ 2,669,987	$ 2,234,533
Contributions as a Percentage of Covered Payroll	32.01%	26.45%	40.26%	39.93%	45.34%	54.07%	56.07%	72.94%	44.62%	59.82%

*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1/January 1 of the prior fiscal years. 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 2.25% to 17.66% plus 2.25% for inflation compounded annually and postretirement benefit increases of 3.25% compounded annually.

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016*	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	$ 345,086	$ 444,861	$ 464,988	$ 482,180	$ 477,231	$ 536,159	$ 551,335	$ 403,847	$ 431,064	$ 409,332
Contributions in Relation to the Actuarially Determined Contribution	345,372	443,122	463,931	481,321	528,813	658,021	706,853	867,710	702,509	754,515
CONTRIBUTION DEFICIENCY (Excess)	$ (286)	$ 1,739	$ 1,057	$ 859	$ (51,582)	$ (121,862)	$ (155,518)	$ (463,863)	$ (271,445)	$ (345,183)
Covered Payroll	$ 666,530	$ 1,034,788	$ 1,026,548	$ 1,092,625	$ 1,192,781	$ 1,177,993	$ 1,218,932	$ 1,384,849	$ 1,760,343	$ 1,867,554
Contributions as a Percentage of Covered Payroll	51.82%	42.82%	45.19%	44.05%	44.33%	55.86%	57.99%	62.66%	39.91%	40.40%

*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1/January 1 of the prior fiscal years. 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 2.25% to 17.39% plus 2.25% for inflation compounded annually and postretirement benefit increases of 3.25% compounded annually.

CITY OF ROCHELLE, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL PENSION LIABILITY										
Service Cost	$ 633,562	$ 642,258	$ 645,899	$ 627,215	$ 607,200	$ 615,069	$ 625,180	$ 649,341	$ 673,246	$ 666,180
Interest	2,620,202	2,791,955	2,904,572	2,931,686	3,006,770	3,126,537	3,165,672	3,264,642	3,343,922	3,448,810
Difference Between Expected and Actual Experience	803,929	(40,100)	174,541	106,700	620,227	(180,664)	420,893	203,874	834,798	1,030,028
Changes of Assumptions	43,813	(90,079)	(1,220,831)	1,131,604	-	(296,225)	-	-	(88,299)	-
Benefit Payments, Including Refunds of Member Contributions	(1,693,209)	(1,832,637)	(1,975,021)	(2,291,605)	(2,515,722)	(2,656,622)	(2,803,339)	(2,914,106)	(3,158,457)	(3,468,372)
Net Change in Total Pension Liability	2,408,297	1,471,397	529,160	2,505,600	1,718,475	608,095	1,408,406	1,203,751	1,605,210	1,676,646
Total Pension Liability - Beginning	35,512,493	37,920,790	39,392,187	39,921,347	42,426,947	44,145,422	44,753,517	46,161,923	47,365,674	48,970,884
TOTAL PENSION LIABILITY - ENDING	$ 37,920,790	$ 39,392,187	$ 39,921,347	$ 42,426,947	$ 44,145,422	$ 44,753,517	$ 46,161,923	$ 47,365,674	$ 48,970,884	$ 50,647,530
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	$ 687,703	$ 725,858	$ 768,001	$ 714,809	$ 595,621	$ 770,237	$ 719,873	$ 555,121	$ 391,175	$ 461,583
Contributions - Member	280,253	343,977	289,447	291,631	286,662	312,822	313,921	333,584	357,782	381,395
Net Investment Income	165,264	2,260,861	6,163,738	(2,311,367)	7,120,133	6,234,317	8,091,993	(7,184,326)	4,924,784	4,787,917
Benefit Payments, Including Refunds of Member Contributions	(1,693,209)	(1,832,637)	(1,975,021)	(2,291,605)	(2,515,722)	(2,656,622)	(2,803,339)	(2,914,106)	(3,158,457)	(3,468,372)
Other (Net Transfer)	2,251	353,618	(966,725)	1,023,266	415,760	(68,888)	(71,750)	(169,541)	1,431,729	407,303
Net Change in Plan Fiduciary Net Position	(557,738)	1,851,677	4,279,440	(2,573,266)	5,902,454	4,591,866	6,250,698	(9,379,268)	3,947,013	2,569,826
Plan Fiduciary Net Position - Beginning	33,415,517	32,857,779	34,709,456	38,988,896	36,415,630	42,318,084	46,909,950	53,160,648	43,781,380	47,728,393
PLAN FIDUCIARY NET POSITION - ENDING	$ 32,857,779	$ 34,709,456	$ 38,988,896	$ 36,415,630	$ 42,318,084	$ 46,909,950	$ 53,160,648	$ 43,781,380	$ 47,728,393	$ 50,298,219
EMPLOYER'S NET PENSION LIABILITY	$ 5,063,011	$ 4,682,731	$ 932,451	$ 6,011,317	$ 1,827,338	$ (2,156,433)	$ (6,998,725)	$ 3,584,294	$ 1,242,491	$ 349,311

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.65%	88.11%	97.66%	85.83%	95.86%	104.82%	115.16%	92.43%	97.46%	99.31%
Covered Payroll	$ 6,035,344	$ 6,126,370	$ 6,432,163	$ 6,303,438	$ 6,370,283	$ 6,951,609	$ 6,913,521	$ 7,363,289	$ 7,950,706	$ 8,611,638
Employer's Net Pension Liability as a Percentage of Covered Payroll	83.89%	76.44%	14.50%	95.37%	28.69%	(31.02%)	(101.23%)	48.68%	15.63%	4.06%

Changes in assumptions related to retirement age and mortality were made in 2015. There was a change in the discount rate assumption from 2015 to 2016. Changes in assumptions related to retirement age and mortality were made in 2017. There was a change in the discount rate assumption from 2017 to 2018. There was a change in the inflation rate, projected payroll increases and mortality rates from 2019 to 2020. There were changes in mortality rates assumptions from 2022 to 2023.

CITY OF ROCHELLE, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE, DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PENSION LIABILITY										
Service Cost	$ 228,616	$ 244,048	$ 368,621	$ 405,981	$ 433,368	$ 455,298	$ 473,164	$ 443,457	$ 464,171	$ 524,305
Interest	734,327	1,090,246	1,135,689	1,230,475	1,328,898	1,299,520	1,358,056	1,509,094	1,599,710	1,692,264
Differences Between Actual and Expected Experience	(17,329)	240,607	788,319	366,156	(271,542)	(890,895)	1,571,858	677,561	540,975	1,462,193
Changes in Assumptions	(367,219)	-	-	239,595	-	-	-	-	79,903	-
Changes in Benefit Terms	-	-	-	33,828	-	-	(7,670)	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(565,736)	(924,236)	(879,106)	(897,669)	(908,978)	(871,116)	(1,019,626)	(1,299,845)	(1,275,320)	(1,351,849)
Net Change in Total Pension Liability	12,659	650,665	1,413,523	1,378,366	581,746	(7,193)	2,375,782	1,330,267	1,409,439	2,326,913
Total Pension Liability - Beginning	16,601,247	16,613,906	17,264,571	18,678,094	20,056,460	20,638,206	20,631,013	23,006,795	24,337,062	25,746,501
TOTAL PENSION LIABILITY - ENDING	$ 16,613,906	$ 17,264,571	$ 18,678,094	$ 20,056,460	$ 20,638,206	$ 20,631,013	$ 23,006,795	$ 24,337,062	$ 25,746,501	$ 28,073,414
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	$ 388,135	$ 497,804	$ 556,593	$ 613,234	$ 764,747	$ 949,365	$ 1,010,949	$ 1,376,327	$ 1,191,322	$ 1,336,657
Contributions - Member	90,544	140,386	142,282	152,182	167,158	173,998	174,063	181,008	198,209	220,498
Net Investment Income	328,130	1,200,675	(601,025)	1,775,027	1,156,849	1,032,826	(1,798,236)	1,677,625	1,365,854	2,824,390
Benefit Payments, Including Refunds of Member Contributions	(565,736)	(924,236)	(879,106)	(897,669)	(908,978)	(871,116)	(1,019,626)	(1,299,845)	(1,275,320)	(1,351,849)
Administrative Expense	(17,314)	(20,897)	(22,890)	(22,338)	(22,693)	(20,213)	(27,091)	(20,101)	(20,268)	(50,556)
Net Change in Plan Fiduciary Net Position	223,759	893,732	(804,146)	1,620,436	1,157,083	1,264,860	(1,659,941)	1,915,014	1,459,797	2,979,140
Plan Fiduciary Net Position - Beginning	10,160,860	10,384,619	11,278,351	10,474,205	12,094,641	13,251,724	14,516,584	12,856,643	14,771,657	16,231,454
PLAN FIDUCIARY NET POSITION - ENDING	$ 10,384,619	$ 11,278,351	$ 10,474,205	$ 12,094,641	$ 13,251,724	$ 14,516,584	$ 12,856,643	$ 14,771,657	$ 16,231,454	$ 19,210,594
EMPLOYER'S NET PENSION LIABILITY	$ 6,229,287	$ 5,986,220	$ 8,203,889	$ 7,961,819	$ 7,386,482	$ 6,114,429	$ 10,150,152	$ 9,565,405	$ 9,515,047	$ 8,862,820

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	62.51%	65.33%	56.08%	60.30%	64.21%	70.36%	55.88%	60.70%	63.04%	68.43%
Covered Payroll	$ 1,212,418	$ 1,882,279	$ 1,382,454	$ 1,535,637	$ 1,686,765	$ 1,755,785	$ 1,802,961	$ 2,502,865	$ 2,669,987	$ 2,234,533
Employer's Net Pension Liability as a Percentage of Covered Payroll	513.79%	318.03%	593.43%	518.47%	437.91%	348.24%	562.97%	382.18%	356.37%	396.63%

2016 - There were changes in assumptions related to mortality rates, disability rates, turnover rates and retirement rates.

2019 - There were changes in assumptions related to projected individual payroll increases, projected total payroll increases, inflation rate, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates.

2024 - There were changes in assumptions related to the inflation rate, pay increases, mortality rates, and other demographics

CITY OF ROCHELLE, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE, DECEMBER 31,	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
TOTAL PENSION LIABILITY										
Service Cost	$ 157,858	$ 168,513	$ 261,695	$ 239,261	$ 293,897	$ 299,707	$ 327,502	$ 335,730	$ 383,725	$ 397,858
Interest	606,381	890,290	921,520	945,071	976,501	960,358	941,290	977,717	1,001,599	1,087,655
Differences Between Actual and Expected Experience	(193,311)	78,353	(121,881)	(558,905)	74,830	(1,753,505)	(55,846)	(274,159)	159,204	129,341
Changes in Assumptions	(352,959)	-	-	277,673	-	-	-	-	433,433	-
Changes of Benefit Terms	-	-	-	118,668	-	-	(31,899)	-	-	-
Benefit Payments, Including Refunds of Member Contributions	(395,431)	(611,828)	(737,152)	(687,723)	(658,451)	(626,651)	(621,973)	(640,094)	(730,817)	(675,279)
Net Change in Total Pension Liability	(177,462)	525,328	324,182	334,045	686,777	(1,120,091)	559,074	399,194	1,247,144	939,575
Total Pension Liability - Beginning	13,672,862	13,495,400	14,020,728	14,344,910	14,678,955	15,365,732	14,245,641	14,804,715	15,203,909	16,451,053
TOTAL PENSION LIABILITY - ENDING	$ 13,495,400	$ 14,020,728	$ 14,344,910	$ 14,678,955	$ 15,365,732	$ 14,245,641	$ 14,804,715	$ 15,203,909	$ 16,451,053	$ 17,390,628
PLAN FIDUCIARY NET POSITION										
Contributions - Employer	$ 345,372	$ 443,122	$ 463,931	$ 481,321	$ 528,813	$ 658,021	$ 706,853	$ 867,710	$ 702,509	$ 754,515
Contributions - Member	62,958	98,666	101,913	103,308	112,777	111,379	116,424	127,533	166,448	177,170
Net Investment Income	283,880	871,095	(250,637)	1,306,011	1,421,035	1,158,271	(1,784,519)	1,590,177	1,309,640	2,412,098
Benefit Payments, Including Refunds of Member Contributions	(395,431)	(611,828)	(737,152)	(687,723)	(658,451)	(626,651)	(621,973)	(640,094)	(730,817)	(675,279)
Administrative Expense	(11,138)	(16,019)	(21,478)	(12,516)	(17,813)	(17,698)	-	(17,452)	(17,863)	(29,347)
Net Change in Plan Fiduciary Net Position	285,641	785,036	(443,423)	1,190,401	1,386,361	1,283,322	(1,583,215)	1,927,874	1,429,917	2,639,157
Plan Fiduciary Net Position - Beginning	7,867,783	8,153,424	8,938,460	8,495,037	9,685,438	11,071,799	12,355,121	10,771,906	12,699,780	14,129,697
PLAN FIDUCIARY NET POSITION - ENDING	$ 8,153,424	$ 8,938,460	$ 8,495,037	$ 9,685,438	$ 11,071,799	$ 12,355,121	$ 10,771,906	$ 12,699,780	$ 14,129,697	$ 16,768,854
EMPLOYER'S NET PENSION LIABILITY	$ 5,341,976	$ 5,082,268	$ 5,849,873	$ 4,993,517	$ 4,293,933	$ 1,890,520	$ 4,032,809	$ 2,504,129	$ 2,321,356	$ 621,774

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	60.42%	63.75%	59.22%	65.98%	72.06%	86.73%	72.76%	83.53%	85.89%	96.42%
Covered Payroll	$ 666,530	$ 1,034,788	$ 1,026,548	$ 1,092,625	$ 1,192,781	$ 1,177,993	$ 1,218,932	$ 1,384,849	$ 1,760,343	$ 1,867,554
Employer's Net Pension Liability as a Percentage of Covered Payroll	801.46%	491.14%	569.86%	457.02%	359.99%	160.49%	330.85%	180.82%	131.87%	33.29%

2016 - There were changes in assumptions related to mortality rates, disability rates, turnover rates and retirement rates.

2019 - There were changes in assumptions related to projected individual payroll increases, projected total payroll increases, inflation rate, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates.

2024 - There were changes in assumptions related to the inflation rate, pay increases, mortality rates, and other demographics

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Annual Money-Weighted Rate of Return, Net of Investment Expense	3.27%	11.91%	(5.70%)	17.84%	10.39%	8.11%	(5.83%)	13.57%	10.22%	17.79%

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual Money-Weighted Rate of Return, Net of Investment Expense	3.37%	8.86%	0.13%	13.13%	13.00%	11.54%	(15.04%)	15.49%	10.76%	17.55%

(See independent auditor's report.)

1. BUDGETS

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects, Internal Service and Enterprise Funds. All annual appropriations lapse at fiscal year end.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

> The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
>
> Public hearings are conducted by the City to obtain taxpayer comments.
>
> Subsequently, the budget is legally enacted through passage of an ordinance.
>
> Formal budgetary integration is employed as a management control device during the year for all funds.
>
> The legal level of budgetary control is at the fund level. The City Manager can transfer budgeted amounts between departments; however, any revision altering both revenues and budgeted expenditures for any fund must be approved by a two-thirds council action. The budget was not amended in 2025.

2. EXCESS EXPENDITURES OVER BUDGET

The following governmental funds over expended budgets in fiscal year 2025:

Fund	Budget	Actual
General	$ 14,991,877	$ 15,810,765
Insurance	396,000	419,006
IMRF	154,000	167,813
Social Security	265,000	300,708
Foreign Fire Insurance	64,000	69,723

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property	$ 2,149,141	$ 2,155,143	$ 6,002
Road and Bridge	215,000	227,359	12,359
Local Use	244,462	84,741	(159,721)
Telecommunications	350,000	367,801	17,801
State Sales	2,850,000	3,489,956	639,956
Video Gaming	376,531	383,788	7,257
Total Taxes	6,185,134	6,708,788	523,654
Licenses and Permits			
Licenses			
Amusement	20,000	30,360	10,360
Liquor	45,000	43,860	(1,140)
Franchise	135,000	116,351	(18,649)
Other	250	300	50
Permits			
Building	53,500	30,943	(22,557)
Total Licenses and Permits	253,750	221,814	(31,936)
Intergovernmental			
Shared Income Tax	1,661,646	1,703,532	41,886
Replacement Tax	360,000	322,336	(37,664)
Federal Grants	406,606	178,370	(228,236)
State Grants	-	147,212	147,212
Total Intergovernmental	2,428,252	2,351,450	(76,802)
Charges for Services			
Fire Protection	108,512	108,512	-
Ambulance Fees	950,000	1,256,224	306,224
Police Services	80,000	79,869	(131)
Planning/Zoning Fees	260,000	180,889	(79,111)
Grave Opening Fees	30,000	23,050	(6,950)
Cemetery Lot Sales	25,000	44,150	19,150
Water Reclamation Solid Waste	50,000	38,225	(11,775)
Total Charges for Services	1,503,512	1,730,919	227,407

(This schedule is continued on the following page.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)			
Fines and Forfeitures			
Circuit Court	$ 75,000	$ 77,041	$ 2,041
Total Fines and Forfeitures	75,000	77,041	2,041
Investment Income	600,000	521,493	(78,507)
Miscellaneous			
Miscellaneous	60,000	59,316	(684)
Total Miscellaneous	60,000	59,316	(684)
TOTAL REVENUES	$ 11,105,648	$ 11,670,821	$ 565,173

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT			
Mayor and Council			
Salaries	$ 25,250	$ 25,321	$ 71
Travel Expenditures and Dues	3,000	5,086	2,086
Conferences	2,000	4,323	2,323
Supplies and Equipment	1,000	491	(509)
Other Professional Services	2,000	-	(2,000)
Printing	1,500	-	(1,500)
Community Relations	7,500	4,056	(3,444)
Equipment	18,000	-	(18,000)
Total Mayor and Council	60,250	39,277	(20,973)
City Clerk			
Salaries	143,281	163,664	20,383
Health Insurance	4,363	4,352	(11)
Life Insurance	80	105	25
Postage	4,000	2,178	(1,822)
Telephone	600	401	(199)
Publishing	200	39	(161)
Printing	2,800	2,970	170
Travel Expenditures and Dues	1,800	2,065	265
Tuition and Training	2,500	1,297	(1,203)
Publications	140	140	-
Conferences	3,000	472	(2,528)
Office Supplies	1,500	2,279	779
Other Professional Services	21,726	38,451	16,725
Equipment	2,000	2,511	511
Furniture	300	-	(300)
Miscellaneous Charges	17,750	14,932	(2,818)
Total City Clerk	206,040	235,856	29,816
Municipal Building			
Maintenance (Buildings)	325,000	351,800	26,800
Maintenance (Grounds)	7,500	8,265	765
Maintenance (Other)	3,000	3,139	139
Network Administration	344,725	344,725	-
Janitorial Services	38,000	35,707	(2,293)
Other Professional Services	16,000	25,372	9,372
Utilities	4,500	2,987	(1,513)
Garbage Disposal/Recycling	1,500	741	(759)
Property Tax	2,500	1,916	(584)
Maintenance Supplies	4,500	4,532	32
Office Supplies	6,000	4,320	(1,680)
General Supplies	4,000	2,876	(1,124)
Equipment	25,000	16,455	(8,545)
Public Relations	20,000	17,990	(2,010)
Administrative Services	480,852	480,852	-
Total Municipal Building	1,283,077	1,301,677	18,600

(This schedule is continued on the following pages.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT (Continued)			
City Attorney			
Legal	$ 110,000	$ 131,362	$ 21,362
Total City Attorney	110,000	131,362	21,362
City Manager			
Other Professional Services	900	-	(900)
Telephone	650	792	142
Dues	12,500	7,518	(4,982)
Travel	6,500	5,294	(1,206)
Training	2,500	744	(1,756)
Tuition	-	1,800	1,800
Publications	-	1,984	1,984
Conferences	9,000	3,273	(5,727)
Office Supplies	700	1,067	367
Equipment	500	-	(500)
Public Relations	8,500	5,964	(2,536)
Total City Manager	41,750	28,436	(13,314)
Building, Zoning and Engineering			
Salaries	596,024	593,596	(2,428)
Health Insurance	98,078	96,763	(1,315)
Life Insurance	442	207	(235)
Maintenance (Building)	2,800	1,399	(1,401)
Maintenance (Equipment)	1,900	2,137	237
Maintenance (Vehicles)	5,500	1,312	(4,188)
Engineering	8,700	5,120	(3,580)
Other Professional Services	81,800	86,899	5,099
Telephone	3,400	3,180	(220)
Printing	3,000	207	(2,793)
Dues	5,300	3,711	(1,589)
Travel	8,100	301	(7,799)
Training	9,100	3,909	(5,191)
Publications	3,300	2,381	(919)
Public Relations	17,000	7,121	(9,879)
Utilities	100	-	(100)
Lease or rentals	28,200	10,797	(17,403)
Supplies (Equipment)	4,300	1,019	(3,281)
Office Supplies	2,320	1,199	(1,121)
Operating Supplies	150	75	(75)
Small Tools	500	552	52
Gasoline and Oil	3,000	2,101	(899)
Capital Improvements	11,500	7,565	(3,935)
Software	5,200	770	(4,430)
Nuisance Abatement	-	150	150
Miscellaneous	200	1,584	1,384
Total Building, Zoning and Engineering	899,914	834,055	(65,859)
Total General Government	2,601,031	2,570,663	(30,368)

(This schedule is continued on the following pages.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY			
Police Department			
Salaries	$ 3,085,542	$ 3,307,646	$ 222,104
Health Insurance	548,696	558,226	9,530
Life Insurance	1,500	1,502	2
Pension Contribution	1,322,785	1,336,657	13,872
Uniform Allowance	25,000	53,683	28,683
Maintenance (Vehicles)	30,000	32,249	2,249
Medical Services	500	2,041	1,541
Other Professional Services	65,000	99,157	34,157
Postage	500	-	(500)
Telephone	33,000	36,199	3,199
Printing and Publishing	5,500	2,128	(3,372)
Dues	65,000	81,389	16,389
Travel	10,000	9,034	(966)
Training	25,000	16,155	(8,845)
Tuition Reimbursement	5,000	-	(5,000)
Utilities	1,400	486	(914)
Lease or Rentals	199,596	169,173	(30,423)
Animal Control	6,000	4,575	(1,425)
Supplies (Vehicles)	-	389	389
Office Supplies	10,000	3,793	(6,207)
Operating Supplies	60,000	108,569	48,569
Gas and Oil	75,000	60,971	(14,029)
K9 Supplies	10,000	6,394	(3,606)
Prisoner Supplies	-	185	185
Capital Improvements	80,700	86,933	6,233
Miscellaneous	11,700	4,733	(6,967)
Total Police Department	5,677,419	5,982,267	304,848
Fire Department			
Salaries	2,421,784	2,571,765	149,981
Health Insurance	352,046	318,595	(33,451)
Life Insurance	1,000	833	(167)
Pension Contribution	741,959	754,515	12,556
Uniform Allowance	18,000	15,104	(2,896)
Maintenance (Building)	10,000	9,335	(665)
Maintenance (Equipment)	10,000	14,720	4,720
Maintenance (Vehicles)	30,000	44,619	14,619
Medical Services	5,000	4,667	(333)
Other Professional Services	120,000	91,621	(28,379)
Postage	500	30	(470)
Telephone	7,000	8,960	1,960
Printing and Publishing	1,250	1,325	75
Dues	1,000	1,150	150
Travel	4,000	8,968	4,968
Training	30,000	31,621	1,621
Tuition Reimbursement	3,000	1,350	(1,650)

(This schedule is continued on the following pages.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY (Continued)			
Fire Department (Continued)			
Utilities	$ 1,500	$ 891	$ (609)
Leases or rentals	10,000	1,911	(8,089)
Community Relations	3,000	1,964	(1,036)
Supplies (Building)	6,000	6,927	927
Supplies (Equipment)	5,000	4,061	(939)
Supplies (Vehicles)	6,000	3,061	(2,939)
Equipment	122,459	93,049	(29,410)
Office Supplies	500	580	80
Operating Supplies	30,000	34,974	4,974
Janitorial Supplies	1,500	1,500	-
Gas and Oil	20,000	21,978	1,978
Software	33,000	24,593	(8,407)
Total Fire Department	3,995,498	4,074,667	79,169
Total Public Safety	9,672,917	10,056,934	384,017
PUBLIC WORKS			
Streets			
Salaries	1,230,857	1,347,817	116,960
Health Insurance	239,474	255,563	16,089
Life Insurance	900	567	(333)
Uniform Allowance	8,500	9,699	1,199
Maintenance (Building)	6,500	5,852	(648)
Maintenance (Equipment)	50,000	54,700	4,700
Maintenance (Streets)	25,000	28,373	3,373
Maintenance (Snow Removal)	5,000	840	(4,160)
Maintenance (Service Vehicles)	30,000	31,220	1,220
Maintenance (Other)	80,000	75,835	(4,165)
Janitorial Services	2,500	3,694	1,194
Other Professional Services	15,000	20,204	5,204
Postage	25	-	(25)
Telephone	6,250	5,811	(439)
Printing and Publishing	300	-	(300)
Dispatching/Radio	-	2,058	2,058
Travel	5,000	95	(4,905)
Training	20,000	4,014	(15,986)
Publications	200	140	(60)
Utilities	2,500	1,162	(1,338)
Street Lighting	1,000	416	(584)
Lease or Rentals	40,000	178,251	138,251
Supplies (Vehicles)	30,000	37,769	7,769
Supplies (Streets)	75,000	68,961	(6,039)
Supplies (Snow Removal)	110,000	163,851	53,851
Supplies (Safety)	4,000	4,207	207
Supplies (Other)	41,000	29,234	(11,766)
Office Supplies	2,500	694	(1,806)
Operating Supplies	15,000	15,364	364

(This schedule is continued on the following pages.)

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
PUBLIC WORKS (Continued)			
Streets (Continued)			
Gas and Oil	$ 60,000	$ 68,321	$ 8,321
Capital Outlay	219,500	139,759	(79,741)
Miscellaneous	200	444	244
Total Streets	2,326,206	2,554,915	228,709
Total Public Works	2,326,206	2,554,915	228,709
PUBLIC SERVICE ENTERPRISES			
Cemetery			
Salaries	80,972	79,300	(1,672)
Health Insurance	15,653	15,939	286
Life Insurance	75	31	(44)
Maintenance (Buildings)	2,000	1,141	(859)
Maintenance (Equipment)	750	572	(178)
Maintenance (Vehicles)	250	-	(250)
Other Professional Services	45,000	41,611	(3,389)
Telephone	1,500	1,151	(349)
Utilities	2,200	2,941	741
Leases/rentals	8,500	67,917	59,417
Supplies (Vehicles)	250	40	(210)
Supplies (Other)	22,300	21,685	(615)
Operating Supplies	750	542	(208)
Gas and Oil	3,000	1,999	(1,001)
Equipment	5,000	-	(5,000)
Vehicles	20,000	19,942	(58)
Other Improvements	25,000	24,360	(640)
Miscellaneous	1,000	1,558	558
Total Cemetery	234,200	280,729	46,529
Total Public Service Enterprises	234,200	280,729	46,529
CONSERVATION AND DEVELOPMENT			
Economic Development			
Life Insurance	-	3	3
Other Professional Services	15,000	15,300	300
Telephone	1,500	142	(1,358)
Dues	1,500	-	(1,500)
Travel	2,000	-	(2,000)
Training	1,500	-	(1,500)
Community Relations	2,500	238	(2,262)
Office Supplies	800	(60)	(860)
Miscellaneous	2,000	-	(2,000)
Total Economic Development	26,800	15,623	(11,177)
Total Conservation and Development	26,800	15,623	(11,177)

(This schedule is continued on the following page.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
DEBT SERVICE			
Principal	$ 130,723	$ 327,226	$ 196,503
Interest and Fiscal Charges	-	4,675	4,675
Total Debt Service	130,723	331,901	201,178
TOTAL EXPENDITURES	$ 14,991,877	$ 15,810,765	$ 818,888

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental	$ 1,110,000	$ -	$ (1,110,000)
Investment Income	6,000	-	(6,000)
Total Revenues	1,116,000	-	(1,116,000)
EXPENDITURES			
General Government			
Contractual Services	1,500	825	(675)
Capital Outlay	7,067,000	3,897,426	(3,169,574)
Debt Service			
Principal	760,000	760,000	-
Interest and Fiscal Charges	100,000	79,838	(20,162)
Total Expenditures	7,928,500	4,738,089	(3,190,411)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,812,500)	(4,738,089)	2,074,411
OTHER FINANCING SOURCES (USES)			
Transfers In	6,962,000	4,193,872	(2,768,128)
Total Other Financing Sources (Uses)	6,962,000	4,193,872	(2,768,128)
NET CHANGE IN FUND BALANCE	$ 149,500	(544,217)	$ (693,717)
FUND BALANCE (DEFICIT), JANUARY 1		(176,865)	
FUND BALANCE (DEFICIT), DECEMBER 31		$ (721,082)	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ROCHELLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2025

	Special Revenue				
	Railroad	Audit	Insurance	Motor Fuel Tax	Hotel/Motel Tax
ASSETS					
Cash and Investments	$ 668,836	$ 1,396	$ -	$ 1,052,668	$ 269,191
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	-	31,994	455,134	-	-
Accounts	104,375	-	-	-	20,834
Grants	297,688	-	-	-	-
Accrued Interest	-	-	-	-	4,673
Prepaid Items	-	-	402,761	-	-
Due from Other Governments	-	-	-	38,242	-
Due from Other Funds	188,023	-	-	-	-
TOTAL ASSETS	$ 1,258,922	$ 33,390	$ 857,895	$ 1,090,910	$ 294,698
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 819,337	$ -	$ -	$ -	$ 11,440
Accrued Payroll	723	-	-	-	693
Due to Other Funds	-	-	311,134	-	-
Total Liabilities	820,060	-	311,134	-	12,133
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes	-	31,994	455,134	-	-
Unavailable Revenue - Grants	297,688	-	-	-	-
Total Deferred Inflows of Resources	297,688	31,994	455,134	-	-
Total Liabilities and Deferred Inflows of Resources	1,117,748	31,994	766,268	-	12,133
FUND BALANCES					
Nonspendable - Prepaid Items	-	-	402,761	-	-
Restricted for					
Audit	-	1,396	-	-	-
Maintenance of Roadways	-	-	-	1,090,910	-
Tourism	-	-	-	-	282,565
Employee Retirement	-	-	-	-	-
Capital Improvements	-	-	-	-	-
Economic Development	-	-	-	-	-
Public Safety	-	-	-	-	-
Assigned for					
Railroad	141,174	-	-	-	-
Ambulance Replacement	-	-	-	-	-
Stormwater	-	-	-	-	-
Golf Course	-	-	-	-	-
Economic Development	-	-	-	-	-
Unassigned (Deficit)	-	-	(311,134)	-	-
Total Fund Balances (Deficit)	141,174	1,396	91,627	1,090,910	282,565
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,258,922	$ 33,390	$ 857,895	$ 1,090,910	$ 294,698

Special Revenue								Capital Projects
IMRF Fund	Social Security	Lighthouse Pointe TIF	Foreign Fire Insurance	Overweight Truck Permits	Northern Gateway TIF	Eastern Gateway TIF	Downtown TIF	Ambulance Replacement
$ 24,092	$ -	$ 1,650,767	$ 37,510	$ 162,882	$ 212,382	$ -	$ 2,701,700	$ 949,538
114,902	319,936	-	-	-	-	-	-	-
-	-	-	-	730	-	-	-	8,775
-	-	-	-	-	-	-	184,128	-
-	-	11,643	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
$ 138,994	$ 319,936	$ 1,662,410	$ 37,510	$ 163,612	$ 212,382	$ -	$ 2,885,828	$ 958,313
$ -	$ -	$ -	$ -	$ 1,766	$ 26	$ -	$ 40,803	$ -
-	-	-	-	-	-	-	-	-
-	27,902	-	-	-	-	16,152	-	-
-	27,902	-	-	1,766	26	16,152	40,803	-
114,902	319,936	-	-	-	-	-	-	-
-	-	-	-	-	-	-	184,128	-
114,902	319,936	-	-	-	-	-	184,128	-
114,902	347,838	-	-	1,766	26	16,152	224,931	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	161,846	-	-	-	-
-	-	-	-	-	-	-	-	-
24,092	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	1,662,410	-	-	212,356	-	2,574,075	-
-	-	-	37,510	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	958,313
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	86,822	-
-	(27,902)	-	-	-	-	(16,152)	-	-
24,092	(27,902)	1,662,410	37,510	161,846	212,356	(16,152)	2,660,897	958,313
$ 138,994	$ 319,936	$ 1,662,410	$ 37,510	$ 163,612	$ 212,382	$ -	$ 2,885,828	$ 958,313

(This statement is continued on the following page.)

CITY OF ROCHELLE ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2025

	Capital Projects				
	Stormwater	Utility Tax	Sales Tax	Golf Course	Total
ASSETS					
Cash and Investments	$ 128,899	$ 244,377	$ 672,312	$ 25,509	$ 8,802,059
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	-	-	-	-	921,966
Accounts	-	64,314	-	-	199,028
Grants	-	-	-	-	481,816
Accrued Interest	-	-	-	-	16,316
Prepaid Items	-	-	-	26,434	429,195
Due from Other Governments	-	-	485,018	-	523,260
Due from Other Funds	-	-	-	-	188,023
TOTAL ASSETS	$ 128,899	$ 308,691	$ 1,157,330	$ 51,943	$ 11,561,663
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 104	$ -	$ -	$ -	$ 873,476
Accrued Payroll	-	-	-	4,476	5,892
Due to Other Funds	-	-	-	-	355,188
Total Liabilities	104	-	-	4,476	1,234,556
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes	-	-	-	-	921,966
Unavailable Revenue - Grants	-	-	-	-	481,816
Total Deferred Inflows of Resources	-	-	-	-	1,403,782
Total Liabilities and Deferred Inflows of Resources	104	-	-	4,476	2,638,338
FUND BALANCES					
Nonspendable - Prepaid Items	-	-	-	26,434	429,195
Restricted for					
Audit	-	-	-	-	1,396
Maintenance of Roadways	-	-	-	-	1,252,756
Tourism	-	-	-	-	282,565
Employee Retirement	-	-	-	-	24,092
Capital Improvements	-	308,691	1,157,330	-	1,466,021
Economic Development	-	-	-	-	4,448,841
Public Safety	-	-	-	-	37,510
Assigned for					
Railroad	-	-	-	-	141,174
Ambulance Replacement	-	-	-	-	958,313
Stormwater	128,795	-	-	-	128,795
Golf Course	-	-	-	21,033	21,033
Economic Development	-	-	-	-	86,822
Unassigned (Deficit)	-	-	-	-	(355,188)
Total Fund Balances (Deficit)	128,795	308,691	1,157,330	47,467	8,923,325
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 128,899	$ 308,691	$ 1,157,330	$ 51,943	$ 11,561,663

CITY OF ROCHELLE, ILLINOIS

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

For the Year Ended December 31, 2025

	Special Revenue				
	Railroad	**Audit**	**Insurance**	**Motor Fuel Tax**	**Hotel/Motel Tax**
REVENUES					
Taxes	$ -	$ 31,079	$ 386,075	$ -	$ 263,488
Licenses and Permits	-	-	-	-	-
Intergovernmental	58,763	-	-	431,240	-
Charges for Services	1,198,523	-	-	-	-
Investment Income	12,952	1	-	89,981	10,328
Miscellaneous	-	-	-	-	32,710
Total Revenues	1,270,238	31,080	386,075	521,221	306,526
EXPENDITURES					
Current					
General Government	-	31,315	4,189	-	-
Public Safety	-	-	293,304	-	-
Public Works	399,008	-	117,322	-	-
Public Service Enterprises	-	-	4,191	-	-
Conservation and Development	-	-	-	-	186,697
Capital Outlay	1,175,822	-	-	-	22,524
Debt Service					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	1,574,830	31,315	419,006	-	209,221
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(304,592)	(235)	(32,931)	521,221	97,305
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers (Out)	(357,738)	-	-	-	(210,000)
Total Other Financing Sources (Uses)	(357,738)	-	-	-	(210,000)
NET CHANGE IN FUND BALANCES	(662,330)	(235)	(32,931)	521,221	(112,695)
FUND BALANCES (DEFICIT), JANUARY 1	803,504	1,631	124,558	569,689	395,260
FUND BALANCES (DEFICIT), DECEMBER 31	$ 141,174	$ 1,396	$ 91,627	$ 1,090,910	$ 282,565

Special Revenue								Capital Projects
IMRF Fund	Social Security	Lighthouse Pointe TIF	Foreign Fire Insurance	Overweight Truck Permits	Northern Gateway TIF	Eastern Gateway TIF	Downtown TIF	Ambulance Replacement
$ 100,261	$ 290,795	$ 693,108	$ 56,899	$ -	$ 239,515	$ 17,049	$ 592,178	$ -
-	-	-	-	39,532	-	-	-	-
22,045	-	-	-	-	-	-	603,918	-
-	-	-	-	-	-	-	-	-
522	-	34,755	702	1,288	2,292	-	46,333	26,180
-	-	-	-	-	-	-	-	-
122,828	290,795	727,863	57,601	40,820	241,807	17,049	1,242,429	26,180
10,069	21,050	99,931	-	-	166,587	4,259	722,314	-
45,310	96,226	-	14,851	-	-	-	-	-
107,402	174,410	-	-	-	-	-	-	-
5,032	9,022	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	54,872	-	-	-	1,075,343	15,853
-	-	195,000	-	-	-	-	125,000	17,500
-	-	51,075	-	-	-	-	106,750	4,961
167,813	300,708	346,006	69,723	-	166,587	4,259	2,029,407	38,314
(44,985)	(9,913)	381,857	(12,122)	40,820	75,220	12,790	(786,978)	(12,134)
-	-	-	-	-	-	-	820,000	200,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	820,000	200,000
(44,985)	(9,913)	381,857	(12,122)	40,820	75,220	12,790	33,022	187,866
69,077	(17,989)	1,280,553	49,632	121,026	137,136	(28,942)	2,627,875	770,447
$ 24,092	$ (27,902)	$ 1,662,410	$ 37,510	$ 161,846	$ 212,356	$ (16,152)	$ 2,660,897	$ 958,313

(This statement is continued on the following page.)

CITY OF ROCHELLE, ILLINOIS

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

For the Year Ended December 31, 2025

	Capital Projects				
	Stormwater	Utility Tax	Sales Tax	Golf Course	Total
REVENUES					
Taxes	$ -	$ 712,251	$ 1,793,117	$ -	$ 5,175,815
Licenses and Permits	-	-	-	-	39,532
Intergovernmental	-	-	-	60,000	1,175,966
Charges for Services	1,155	-	-	337,185	1,536,863
Investment Income	1,822	6,126	119,387	7,402	360,071
Miscellaneous	-	-	-	27,667	60,377
Total Revenues	2,977	718,377	1,912,504	432,254	8,348,624
EXPENDITURES					
Current					
General Government	-	-	-	-	1,059,714
Public Safety	-	-	-	-	449,691
Public Works	5,105	-	-	-	803,247
Public Service Enterprises	-	-	-	-	18,245
Conservation and Development	-	-	-	378,041	564,738
Capital Outlay	15,818	-	-	103,192	2,463,424
Debt Service					
Principal	-	-	-	23,982	361,482
Interest and Fiscal Charges	-	-	-	-	162,786
Total Expenditures	20,923	-	-	505,215	5,883,327
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,946)	718,377	1,912,504	(72,961)	2,465,297
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	110,000	1,130,000
Transfers (Out)	-	(787,118)	(1,946,209)	-	(3,301,065)
Total Other Financing Sources (Uses)	-	(787,118)	(1,946,209)	110,000	(2,171,065)
NET CHANGE IN FUND BALANCES	(17,946)	(68,741)	(33,705)	37,039	294,232
FUND BALANCES (DEFICIT), JANUARY 1	146,741	377,432	1,191,035	10,428	8,629,093
FUND BALANCES (DEFICIT), DECEMBER 31	$ 128,795	$ 308,691	$ 1,157,330	$ 47,467	$ 8,923,325

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RAILROAD FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental	$ 6,040,000	$ 58,763	$ (5,981,237)
Charges for Services	1,125,000	1,198,523	73,523
Investment Income	10,000	12,952	2,952
Total Revenues	7,175,000	1,270,238	(5,904,762)
EXPENDITURES			
Current			
Public Works			
Personal Services	96,573	45,604	(50,969)
Commodities	60,000	578	(59,422)
Other Services	37,600	36,785	(815)
Contractual Services	464,753	316,041	(148,712)
Capital Outlay	6,635,000	1,175,822	(5,459,178)
Total Expenditures	7,293,926	1,574,830	(5,719,096)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(118,926)	(304,592)	(185,666)
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(363,000)	(357,738)	5,262
Total Other Financing Sources (Uses)	(363,000)	(357,738)	5,262
NET CHANGE IN FUND BALANCE	$ (481,926)	(662,330)	$ (180,404)
FUND BALANCE, JANUARY 1		803,504	
FUND BALANCE, DECEMBER 31		$ 141,174	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AUDIT FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	$ 31,000	$ 31,079	$ 79
Investment Income	10	1	(9)
Total Revenues	31,010	31,080	70
EXPENDITURES			
Current			
General Government			
Contractual Services	31,315	31,315	-
Total Expenditures	31,315	31,315	-
NET CHANGE IN FUND BALANCE	$ (305)	(235)	$ 70
FUND BALANCE, JANUARY 1		1,631	
FUND BALANCE, DECEMBER 31		$ 1,396	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INSURANCE FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	$ 375,000	$ 386,075	$ 11,075
Investment Income	100	-	(100)
Total Revenues	375,100	386,075	10,975
EXPENDITURES			
Current			
Contractual Services			
General Government	3,960	4,189	229
Public Safety	277,200	293,304	16,104
Public Works	110,880	117,322	6,442
Public Service Enterprises	3,960	4,191	231
Total Expenditures	396,000	419,006	23,006
NET CHANGE IN FUND BALANCE	$ (20,900)	(32,931)	$ (12,031)
FUND BALANCE, JANUARY 1		124,558	
FUND BALANCE, DECEMBER 31		$ 91,627	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental			
State Motor Fuel Tax	$ 440,845	$ 431,240	$ (9,605)
Grants	280,000	-	(280,000)
Investment Income	65,000	89,981	24,981
Total Revenues	785,845	521,221	(264,624)
EXPENDITURES			
None	-	-	-
Total Expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	785,845	521,221	(264,624)
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(1,104,000)	-	1,104,000
Total Other Financing Sources (Uses)	(1,104,000)	-	1,104,000
NET CHANGE IN FUND BALANCE	$ (318,155)	521,221	$ 839,376
FUND BALANCE, JANUARY 1		569,689	
FUND BALANCE, DECEMBER 31		$ 1,090,910	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Hotel/Motel Tax	$ 275,000	$ 263,488	$ (11,512)
Investment Income	800	10,328	9,528
Miscellaneous	29,307	32,710	3,403
Total Revenues	305,107	306,526	1,419
EXPENDITURES			
Current			
Conservation and Development			
Personal Services	33,954	30,111	(3,843)
Commodities	6,000	68	(5,932)
Contractual Services	92,000	110,650	18,650
Miscellaneous	42,000	45,868	3,868
Capital Outlay	280,000	22,524	(257,476)
Total Expenditures	453,954	209,221	(244,733)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(148,847)	97,305	246,152
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(210,000)	(210,000)	-
Total Other Financing Sources (Uses)	(210,000)	(210,000)	-
NET CHANGE IN FUND BALANCE	$ (358,847)	(112,695)	$ 246,152
FUND BALANCE, JANUARY 1		395,260	
FUND BALANCE, DECEMBER 31		$ 282,565	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
IMRF FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	$ 100,000	$ 100,261	$ 261
Intergovernmental			
Replacement Taxes	22,045	22,045	-
Investment Income	400	522	122
Total Revenues	122,445	122,828	383
EXPENDITURES			
Current			
Pension Contributions			
General Government	9,240	10,069	829
Public Safety	41,580	45,310	3,730
Public Works	98,560	107,402	8,842
Public Service Enterprises	4,620	5,032	412
Total Expenditures	154,000	167,813	13,813
NET CHANGE IN FUND BALANCE	$ (31,555)	(44,985)	$ (13,430)
FUND BALANCE, JANUARY 1		69,077	
FUND BALANCE, DECEMBER 31		$ 24,092	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SECURITY FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	$ 290,000	$ 290,795	$ 795
Investment Income	25	-	(25)
Total Revenues	290,025	290,795	770
EXPENDITURES			
Current			
Payroll Taxes			
General Government	18,550	21,050	2,500
Public Safety	84,800	96,226	11,426
Public Works	153,700	174,410	20,710
Public Service Enterprises	7,950	9,022	1,072
Total Expenditures	265,000	300,708	35,708
NET CHANGE IN FUND BALANCE	$ 25,025	(9,913)	$ (34,938)
FUND BALANCE (DEFICIT), JANUARY 1		(17,989)	
FUND BALANCE (DEFICIT), DECEMBER 31		$ (27,902)	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIGHTHOUSE POINTE TIF FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	$ 696,337	$ 693,108	$ (3,229)
Investment Income	7,500	34,755	27,255
Total Revenues	703,837	727,863	24,026
EXPENDITURES			
Current			
General Government			
Contractual Services	174,965	99,931	(75,034)
Capital outlay	688,000	-	(688,000)
Debt Service			
Principal	195,000	195,000	-
Interest and Fiscal Charges	51,075	51,075	-
Total Expenditures	1,109,040	346,006	(763,034)
NET CHANGE IN FUND BALANCE	$ (405,203)	381,857	$ 787,060
FUND BALANCE, JANUARY 1		1,280,553	
FUND BALANCE, DECEMBER 31		$ 1,662,410	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOREIGN FIRE INSURANCE FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Foreign Fire Insurance Tax	$ 32,000	$ 56,899	$ 24,899
Investment Income	500	702	202
Total Revenues	32,500	57,601	25,101
EXPENDITURES			
Current			
Public Safety			
Contractual Services	9,000	14,851	5,851
Capital Outlay	55,000	54,872	(128)
Total Expenditures	64,000	69,723	5,723
NET CHANGE IN FUND BALANCE	$ (31,500)	(12,122)	$ 19,378
FUND BALANCE, JANUARY 1		49,632	
FUND BALANCE, DECEMBER 31		$ 37,510	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OVERWEIGHT TRUCK PERMITS FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Licenses and Permits	$ 33,000	$ 39,532	$ 6,532
Investment Income	600	1,288	688
Total Revenues	33,600	40,820	7,220
EXPENDITURES			
Current			
Public Works			
Contractual Services	4,500	-	(4,500)
Total Expenditures	4,500	-	(4,500)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	29,100	40,820	11,720
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(75,000)	-	75,000
Total Other Financing Sources (Uses)	(75,000)	-	75,000
NET CHANGE IN FUND BALANCE	$ (45,900)	40,820	$ 86,720
FUND BALANCE, JANUARY 1		121,026	
FUND BALANCE, DECEMBER 31		$ 161,846	

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NORTHERN GATEWAY TIF FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	$ 226,186	$ 239,515	$ 13,329
Investment Income	600	2,292	1,692
Total Revenues	226,786	241,807	15,021
EXPENDITURES			
Current			
General Government			
Other Services	246,750	166,587	(80,163)
Total Expenditures	246,750	166,587	(80,163)
NET CHANGE IN FUND BALANCE	$ (19,964)	75,220	$ 95,184
FUND BALANCE, JANUARY 1		137,136	
FUND BALANCE, DECEMBER 31		$ 212,356	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EASTERN GATEWAY TIF FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	$ -	$ 17,049	$ 17,049
Total Revenues	-	17,049	17,049
EXPENDITURES			
Current			
General Government			
Other Services	175,000	4,259	(170,741)
Total Expenditures	175,000	4,259	(170,741)
NET CHANGE IN FUND BALANCE	$ (175,000)	12,790	$ 187,790
FUND BALANCE (DEFICIT), JANUARY 1		(28,942)	
FUND BALANCE (DEFICIT), DECEMBER 31		$ (16,152)	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DOWNTOWN TIF FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property Taxes	$ 572,590	$ 592,178	$ 19,588
Intergovernmental	1,151,740	603,918	(547,822)
Investment Income	50,000	46,333	(3,667)
Total Revenues	1,774,330	1,242,429	(531,901)
EXPENDITURES			
Current			
General Government			
Other Services	151,750	722,314	570,564
Capital Outlay	4,228,100	1,075,343	(3,152,757)
Debt Service			
Principal	125,000	125,000	-
Interest and Fiscal Charges	106,750	106,750	-
Total Expenditures	4,611,600	2,029,407	(2,582,193)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,837,270)	(786,978)	2,050,292
OTHER FINANCING SOURCES (USES)			
Transfers In	820,000	820,000	-
Total Other Financing Sources (Uses)	820,000	820,000	-
NET CHANGE IN FUND BALANCE	$ (2,017,270)	33,022	$ 2,050,292
FUND BALANCE, JANUARY 1		2,627,875	
FUND BALANCE, DECEMBER 31		$ 2,660,897	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMBULANCE REPLACEMENT FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment Income	$ 3,000	$ 26,180	$ 23,180
Total Revenues	3,000	26,180	23,180
EXPENDITURES			
Capital Outlay	655,000	15,853	(639,147)
Debt Service			
Principal	17,500	17,500	-
Interest and Fiscal Charges	4,961	4,961	-
Total Expenditures	677,461	38,314	(639,147)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(674,461)	(12,134)	662,327
OTHER FINANCING SOURCES (USES)			
Transfers In	200,000	200,000	-
Total Other Financing Sources (Uses)	200,000	200,000	-
NET CHANGE IN FUND BALANCE	$ (474,461)	187,866	$ 662,327
FUND BALANCE, JANUARY 1		770,447	
FUND BALANCE, DECEMBER 31		$ 958,313	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STORMWATER FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Charges for Services	$ 2,600	$ 1,155	$ (1,445)
Investment Income	1,500	1,822	322
Total Revenues	4,100	2,977	(1,123)
EXPENDITURES			
Current			
Public Works			
Contractual Services	4,360	5,105	745
Capital Outlay	117,000	15,818	(101,182)
Total Expenditures	121,360	20,923	(100,437)
NET CHANGE IN FUND BALANCE	$ (117,260)	(17,946)	$ 99,314
FUND BALANCE, JANUARY 1		146,741	
FUND BALANCE, DECEMBER 31		$ 128,795	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
UTILITY TAX FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Utility Taxes	$ 880,000	$ 712,251	$ (167,749)
Investment Income	16,000	6,126	(9,874)
Total Revenues	896,000	718,377	(177,623)
EXPENDITURES			
None	-	-	-
Total Expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	896,000	718,377	(177,623)
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(1,286,000)	(787,118)	498,882
Total Other Financing Sources (Uses)	(1,286,000)	(787,118)	498,882
NET CHANGE IN FUND BALANCE	$ (390,000)	(68,741)	$ 321,259
FUND BALANCE, JANUARY 1		377,432	
FUND BALANCE, DECEMBER 31		$ 308,691	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SALES TAX FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Sales Tax	$ 1,515,000	$ 1,793,117	$ 278,117
Investment Income	67,000	119,387	52,387
Total Revenues	1,582,000	1,912,504	330,504
EXPENDITURES			
None	-	-	-
Total Expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,582,000	1,912,504	330,504
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(2,529,000)	(1,946,209)	582,791
Total Other Financing Sources (Uses)	(2,529,000)	(1,946,209)	582,791
NET CHANGE IN FUND BALANCE	$ (947,000)	(33,705)	$ 913,295
FUND BALANCE, JANUARY 1		1,191,035	
FUND BALANCE, DECEMBER 31		$ 1,157,330	

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GOLF COURSE FUND

For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental	$ 110,000	$ 60,000	$ (50,000)
Charges for Services	280,000	337,185	57,185
Investment Income	800	7,402	6,602
Miscellaneous	7,500	27,667	20,167
Total Revenues	398,300	432,254	33,954
EXPENDITURES			
Current			
Conservation and Development			
Personal Services	238,009	268,081	30,072
Commodities	35,000	44,042	9,042
Contractual Services	57,500	58,171	671
Miscellaneous	3,000	7,747	4,747
Capital Outlay	174,250	103,192	(71,058)
Debt Service			
Principal	-	23,982	23,982
Total Expenditures	507,759	505,215	(2,544)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(109,459)	(72,961)	36,498
OTHER FINANCING SOURCES (USES)			
Transfers In	110,000	110,000	-
Total Other Financing Sources (Uses)	110,000	110,000	-
NET CHANGE IN FUND BALANCE	$ 541	37,039	$ 36,498
FUND BALANCE, JANUARY 1		10,428	
FUND BALANCE, DECEMBER 31		$ 47,467	

(See independent auditor's report.)

NONMAJOR ENTERPRISE FUNDS

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

December 31, 2025

	Landfill	Airport	Total Nonmajor Enterprise
CURRENT ASSETS			
Cash and Investments	$ 4,214,577	$ 11,506	$ 4,226,083
Receivables			
Property Taxes	-	60,547	60,547
Accounts	371,459	16,562	388,021
Leases	-	12,397	12,397
Public private partnerships	41,908	-	41,908
Prepaid Items	15,675	15,495	31,170
Inventory	-	66,400	66,400
Restricted Assets			
Cash Held at Paying Agent	-	53,372	53,372
Total Current Assets	4,643,619	236,279	4,879,898
NONCURRENT ASSETS			
Leases Receivable	-	678,611	678,611
Public private partnerships receivable	800,999	-	800,999
Subtotal Noncurrent Assets	800,999	678,611	1,479,610
CAPITAL ASSETS			
Nondepreciable	708,563	1,873,554	2,582,117
Depreciable	4,296,979	5,875,937	10,172,916
Accumulated Depreciation	(731,944)	(4,005,492)	(4,737,436)
Total Capital Assets	4,273,598	3,743,999	8,017,597
Total Noncurrent Assets	5,074,597	4,422,610	9,497,207
Total Assets	9,718,216	4,658,889	14,377,105
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items	-	39,377	39,377
OPEB Items	-	8,387	8,387
Unamortized Loss on Refunding	-	8,520	8,520
Total Deferred Outflows of Resources	-	56,284	56,284
Total Assets and Deferred Outflows of Resources	9,718,216	4,715,173	14,433,389

(This schedule is continued on the following page.)

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (Continued)

December 31, 2025

	Landfill	Airport	Total Nonmajor Enterprise
CURRENT LIABILITIES			
Accounts Payable	$ 12,367	$ 3,190	$ 15,557
Accrued Payroll	-	3,471	3,471
Accrued Interest Payable	-	3,372	3,372
Unearned Revenue	-	20,931	20,931
Due to Other Funds	-	33,168	33,168
General Obligation Bonds Payable	-	50,000	50,000
Compensated Absences Payable	-	6,138	6,138
OPEB Liability	-	5,346	5,346
Total Current Liabilities	12,367	125,616	137,983
LONG-TERM LIABILITIES			
General Obligation Bonds Payable	-	170,000	170,000
Compensated Absences Payable	-	6,138	6,138
Net Pension Liability	-	3,932	3,932
OPEB Liability	-	9,868	9,868
Total Long-Term Liabilities	-	189,938	189,938
Total Liabilities	12,367	315,554	327,921
DEFERRED INFLOWS OF RESOURCES			
Pension Items	-	618	618
OPEB Items	-	1,924	1,924
Leases	-	638,380	638,380
Public Private Partnerships	3,899,992	-	3,899,992
Deferred Property Taxes	-	60,547	60,547
Total Deferred Inflows of Resources	3,899,992	701,469	4,601,461
Total Liabilities and Deferred Inflows of Resources	3,912,359	1,017,023	4,929,382
NET POSITION			
Net Investment in Capital Assets	4,273,598	3,532,519	7,806,117
Unrestricted	1,532,259	165,631	1,697,890
TOTAL NET POSITION	$ 5,805,857	$ 3,698,150	$ 9,504,007

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2025

	Landfill	Airport	Total Nonmajor Enterprise
OPERATING REVENUES			
Charges for Services	$ 1,690,668	$ 436,876	$ 2,127,544
Total Operating Revenues	1,690,668	436,876	2,127,544
OPERATING EXPENSES			
Personal Services	-	187,467	187,467
Commodities	6,192	233,579	239,771
Contractual Services	539,760	114,286	654,046
Depreciation/Amortization	208,155	172,579	380,734
Total Operating Expenses	754,107	707,911	1,462,018
OPERATING INCOME (LOSS)	936,561	(271,035)	665,526
OTHER INCOME (EXPENSE)			
Taxes	-	58,562	58,562
Investment Income	204,352	641	204,993
Interest Expense	-	(8,874)	(8,874)
Total Other Income (Expense)	204,352	50,329	254,681
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL GRANTS AND CONTRIBUTIONS	1,140,913	(220,706)	920,207
TRANSFERS			
Transfers In	-	50,000	50,000
Transfers (Out)	(706,381)	-	(706,381)
Total Transfers	(706,381)	50,000	(656,381)
CAPITAL GRANTS AND CONTRIBUTIONS	-	49,096	49,096
CHANGE IN NET POSITION	434,532	(121,610)	312,922
NET POSITION, JANUARY 1	5,371,325	3,819,760	9,191,085
NET POSITION, DECEMBER 31	$ 5,805,857	$ 3,698,150	$ 9,504,007

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2025

	Landfill	Airport	Total Nonmajor Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	$ 1,350,192	$ 391,661	$ 1,741,853
Payments to Suppliers	(545,061)	(349,481)	(894,542)
Payments to Employees	-	(185,136)	(185,136)
Payments to Other Funds	-	(15,178)	(15,178)
Net Cash from Operating Activities	805,131	(158,134)	646,997
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	-	50,000	50,000
Transfers Out	(706,381)	-	(706,381)
Interfund Loans	-	2,183	2,183
Receipts from Property and other Taxes	-	115,321	115,321
Net Cash from Noncapital Financing Activities	(706,381)	167,504	(538,877)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Assets Purchased	(403,043)	-	(403,043)
Receipts from Capital Grants	-	49,096	49,096
Principal Payments on Long-Term Debt	-	(55,000)	(55,000)
Interest Payments on Long-Term Debt	-	(7,569)	(7,569)
Net Cash from Capital and Related Financing Activities	(403,043)	(13,473)	(416,516)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	204,352	6,228	210,580
Net Cash from Investing Activities	204,352	6,228	210,580
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(99,941)	2,125	(97,816)
CASH AND CASH EQUIVALENTS, JANUARY 1	4,314,518	9,381	4,323,899
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 4,214,577	$ 11,506	$ 4,226,083

(This schedule is continued on the following page.)

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)
NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2025

	Landfill	Airport	Total Nonmajor Enterprise
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	$ 936,561	$ (271,035)	$ 665,526
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities			
Depreciation and amortization	208,155	172,579	380,734
Changes in Assets and Liabilities			
Accounts Receivables	(98,782)	30,171	(68,611)
Prepaid Items	(11,221)	(7,482)	(18,703)
Inventory	-	(2,714)	(2,714)
Pension Items - IMRF	-	(679)	(679)
OPEB Items	-	342	342
Lease Revenue Items	-	(13,112)	(13,112)
Public-private partnership items	(241,694)	-	(241,694)
Unearned Revenue	-	(62,274)	(62,274)
Accounts Payable	12,112	(6,598)	5,514
Accrued Payroll	-	6	6
Compensated Absences	-	2,662	2,662
NET CASH FROM OPERATING ACTIVITIES	$ 805,131	$ (158,134)	$ 646,997
CASH AND INVESTMENTS			
Cash and Cash Equivalents	$ 4,214,577	$ 11,506	$ 4,226,083
TOTAL CASH AND INVESTMENTS	$ 4,214,577	$ 11,506	$ 4,226,083
NONCASH TRANSACTIONS			
Operator-funded capital improvements recognized under GASB 94	$ 3,298,779	$ -	$ 3,298,779
PPP receivable and deferred inflow recognized under GASB 94 (Base Fee)	959,070	-	959,070
TOTAL NONCASH TRANSACTIONS	$ 4,257,849	$ -	$ 4,257,849

INTERNAL SERVICE FUNDS

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

December 31, 2025

	Administrative Services	Network Administration	Total Internal Service Funds
CURRENT ASSETS			
Cash and Investments	$ 244,717	$ 651,908	$ 896,625
Receivables			
Other	61,082	-	61,082
Prepaid Items	230	-	230
Total Current Assets	306,029	651,908	957,937
NONCURRENT ASSETS			
None	-	-	-
Subtotal Noncurrent Assets	-	-	-
CAPITAL ASSETS			
Depreciable	326,670	174,940	501,610
Accumulated Depreciation	(147,883)	(47,350)	(195,233)
Total Capital Assets	178,787	127,590	306,377
Total Noncurrent Assets	178,787	127,590	306,377
Total Assets	484,816	779,498	1,264,314
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	484,816	779,498	1,264,314
CURRENT LIABILITIES			
Accounts Payable	64,350	38,074	102,424
Accrued Payroll	188,149	15,319	203,468
Compensated Absences Payable	105,897	73,301	179,198
Total Current Liabilities	358,396	126,694	485,090
LONG-TERM LIABILITIES			
None	-	-	-
Total Long-Term Liabilities	-	-	-
Total Liabilities	358,396	126,694	485,090
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
Total Deferred Inflows of Resources	-	-	-
Total Liabilities and Deferred Inflows of Resources	358,396	126,694	485,090
NET POSITION			
Unrestricted	126,420	652,804	779,224
TOTAL NET POSITION	$ 126,420	$ 652,804	$ 779,224

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2025

	Administrative Services	Network Administration	Total Internal Service Funds
OPERATING REVENUES			
Charges for Services	$ 1,728,329	$ 1,378,902	$ 3,107,231
Miscellaneous	5,958	145	6,103
Total Operating Revenues	1,734,287	1,379,047	3,113,334
OPERATING EXPENSES			
Administration	1,717,810	608,253	2,326,063
Commodities	-	131,106	131,106
Contractual Services	-	483,372	483,372
Depreciation	10,384	16,650	27,034
Total Operating Expenses	1,728,194	1,239,381	2,967,575
OPERATING INCOME	6,093	139,666	145,759
OTHER INCOME (EXPENSE)			
Investment Income	-	7,934	7,934
CHANGE IN NET POSITION	6,093	147,600	153,693
NET POSITION, JANUARY 1	120,327	505,204	625,531
NET POSITION, DECEMBER 31	$ 126,420	$ 652,804	$ 779,224

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2025

	Administrative Services	Network Administration	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Interfund Service Transactions	$ 1,733,271	$ 1,379,047	$ 3,112,318
Payments to Suppliers	(275,761)	(601,513)	(877,274)
Payments to Employees	(1,387,737)	(590,445)	(1,978,182)
Net Cash from Operating Activities	69,773	187,089	256,862
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
None	-	-	-
Net Cash from Noncapital Financing Activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	(2,254)	(134,700)	(136,954)
Net Cash from Capital and Related Financing Activities	(2,254)	(134,700)	(136,954)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	7,934	7,934
Net Cash from Investing Activities	-	7,934	7,934
NET INCREASE IN CASH AND CASH EQUIVALENTS	67,519	60,323	127,842
CASH AND CASH EQUIVALENTS, JANUARY 1	177,198	591,585	768,783
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 244,717	$ 651,908	$ 896,625
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income	$ 6,093	$ 139,666	$ 145,759
Adjustments to Reconcile Operating Income to Net Cash From Operating Activities			
Depreciation	10,384	16,650	27,034
Changes in Assets and Liabilities			
Accounts Receivables	(1,016)	-	(1,016)
Prepaid Items	8,075	5,251	13,326
Accounts Payable	6,638	7,714	14,352
Accrued Payroll	49,496	2,980	52,476
Compensated Absences	(9,897)	14,828	4,931
NET CASH FROM OPERATING ACTIVITIES	$ 69,773	$ 187,089	$ 256,862
CASH AND INVESTMENTS			
Cash and Cash Equivalents	$ 244,717	$ 651,908	$ 896,625
TOTAL CASH AND INVESTMENTS	$ 244,717	$ 651,908	$ 896,625
NONCASH TRANSACTIONS			
None	$ -	$ -	$ -
TOTAL NONCASH TRANSACTIONS	$ -	$ -	$ -

(See independent auditor's report.)

FIDUCIARY FUNDS

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF PLAN NET POSITION
PENSION TRUST FUNDS

December 31, 2025

	Pension Trust		
	Police Pension	**Firefighters' Pension**	**Total**
ASSETS			
Cash and Short-Term Investments	$ 233,117	$ 398,933	$ 632,050
Investments, at Fair Value			
Annuity Contracts	-	231,078	231,078
Investments Held in the Illinois Firefighters' Pension Investment Fund	-	16,137,234	16,137,234
Investments Held in the Illinois Police Officers' Pension Investment Fund	18,980,285	-	18,980,285
Prepaid Items	2,726	3,065	5,791
Total Assets	19,216,128	16,770,310	35,986,438
LIABILITIES			
Accounts Payable	5,534	1,456	6,990
Total Liabilities	5,534	1,456	6,990
NET POSITION RESTRICTED FOR PENSIONS	$ 19,210,594	$ 16,768,854	$ 35,979,448

(See independent auditor's report.)

CITY OF ROCHELLE, ILLINOIS

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS

For the Year Ended December 31, 2025

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer Contributions	$ 1,336,657	$ 754,515	$ 2,091,172
Employee Contributions	220,498	177,170	397,668
Total Contributions	1,557,155	931,685	2,488,840
Investment Income			
Net Appreciation in Fair Value of Investments	2,740,821	2,147,958	4,888,779
Interest	98,501	294,253	392,754
Total Investment Income	2,839,322	2,442,211	5,281,533
Less Investment Expense	(14,932)	(30,113)	(45,045)
Net Investment Income	2,824,390	2,412,098	5,236,488
Total Additions	4,381,545	3,343,783	7,725,328
DEDUCTIONS			
Benefits and Refunds	1,351,849	675,279	2,027,128
Administrative Expenses	50,556	29,347	79,903
Total Deductions	1,402,405	704,626	2,107,031
CHANGE IN NET POSITION	2,979,140	2,639,157	5,618,297
NET POSITION RESTRICTED FOR PENSIONS			
January 1	16,231,454	14,129,697	30,361,151
December 31	$ 19,210,594	$ 16,768,854	$ 35,979,448

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

CITY OF ROCHELLE, ILLINOIS

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT

For the Year Ended December 31, 2025

CSFA Number	Program Name	State	Federal	Match	Total
420-00-1758	Site Improvements	$ 221,297	$ -	$ -	$ 221,297
420-00-2560	Rebuild Downtown & Main Streets Capital Grant	754,026	-	-	754,026
420-35-3069	Magasites Development Program	-	-	-	-
420-60-2511	Aviation Fuel Tax Program	-	-	-	-
420-75-1632	Community Development Block Grant Public Infrastructure Program	-	804,190	-	804,190
494-10-0343	State and Community Highway Safety/National Priority Safety Program	-	8,181	-	8,181
494-60-2421	COVID-19 Airport Relief Program	-	-	-	-
532-30-3183	Energy Efficiency Conservation Block Grant	-	-	-	-
569-00-2537	FY 25 ILETSB - Officer Recruitment and Retention	117,000	-	-	117,000
	All other federal expenditures	-	5,986,245	-	5,986,245
	TOTALS	$ 1,092,323	$ 6,798,616	$ -	$ 7,890,939

(See independent auditor's report.)

STATISTICAL SECTION

This part of the City of Rochelle, Illinois' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents	Page(s)

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

CITY OF ROCHELLE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year Ending December 31,	**2016**	**2017**	**2018**	**2019**
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	$ 50,119,377	$ 49,454,386	$ 51,569,571	$ 56,955,178
Restricted	2,793,415	3,603,895	4,821,676	5,704,813
Unrestricted	(11,717,240)	(10,156,454)	(10,607,508)	(10,454,471)
TOTAL GOVERNMENTAL ACTIVITIES	$ 41,195,552	$ 42,901,827	$ 45,783,739	$ 52,205,520
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	$ 66,767,303	$ 66,624,091	$ 68,151,628	$ 72,056,083
Restricted	6,791,996	7,581,483	8,564,665	9,843,922
Unrestricted	18,127,812	19,287,555	20,199,507	21,818,321
TOTAL BUSINESS-TYPE ACTIVITIES	$ 91,687,111	$ 93,493,129	$ 96,915,800	$ 103,718,326
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	$ 116,886,680	$ 116,078,477	$ 119,721,199	$ 129,011,261
Restricted	9,585,411	11,185,378	13,386,341	15,548,735
Unrestricted	6,410,572	9,131,101	9,591,999	11,363,850
TOTAL PRIMARY GOVERNMENT	$ 132,882,663	$ 136,394,956	$ 142,699,539	$ 155,923,846

Data Source

Audited Financial Statements

	2020	2021	2022	2023	2024	2025
	$ 58,859,625	$ 56,052,242	$ 57,018,451	$ 62,402,793	$ 64,618,401	$ 67,985,695
	5,013,689	6,716,537	5,864,305	7,365,060	6,951,461	7,644,296
	(5,597,443)	(2,912,534)	614,030	(2,586,783)	(1,248,907)	(1,639,218)
	$ 58,275,871	$ 59,856,245	$ 63,496,786	$ 67,181,070	$ 70,320,955	$ 73,990,773
	$ 79,346,069	$ 82,675,832	$ 80,061,755	$ 77,348,124	$ 79,385,523	$ 90,803,046
	563,537	96,626	96,991	-	218,709	218,709
	35,080,354	30,520,400	33,125,292	43,753,343	51,139,829	47,075,781
	$ 114,989,960	$ 113,292,858	$ 113,284,038	$ 121,101,467	$ 130,744,061	$ 138,097,536
	$ 138,205,694	$ 138,728,074	$ 137,080,206	$ 139,750,917	$ 144,003,924	$ 158,788,741
	5,577,226	6,813,163	5,961,296	7,365,060	7,170,170	7,863,005
	29,482,911	27,607,866	33,739,322	41,166,560	49,890,922	45,436,563
	$ 173,265,831	$ 173,149,103	$ 176,780,824	$ 188,282,537	$ 201,065,016	$ 212,088,309

CITY OF ROCHELLE, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year Ending December 31,	2016*	2017	2018	2019
EXPENSES				
Governmental Activities				
General Government	$ 2,371,762	$ 2,223,886	$ 2,625,102	$ 2,151,923
Public Safety	4,865,637	6,178,925	7,114,566	7,242,733
Public Works	2,545,336	3,476,945	3,890,595	4,129,244
Public Service Enterprises	115,159	119,565	230,942	153,869
Conservation and Development	629,061	726,054	657,933	545,596
Interest	91,162	134,347	141,853	271,801
Total Governmental Activities Expenses	10,618,117	12,859,722	14,660,991	14,495,166
BUSINESS-TYPE ACTIVITIES				
Electric	23,889,662	36,247,916	35,119,696	33,569,899
Water**	3,086,559	4,682,269	5,624,050	6,026,110
Water Reclamation**	-	-	-	-
Communications	476,654	-	-	-
Technology Center	646,669	1,184,320	1,149,385	1,161,545
Landfill	471,220	567,450	379,612	379,992
Airport	491,928	583,104	641,746	585,281
Total Business-Type Activities Expenses	29,062,692	43,265,059	42,914,489	41,722,827
TOTAL PRIMARY GOVERNMENT EXPENSES	$ 39,680,809	$ 56,124,781	$ 57,575,480	$ 56,217,993
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	$ 1,162,738	$ 2,505,643	$ 2,536,084	$ 2,953,400
Public Safety	394,864	546,731	690,712	651,916
Public Works	238,358	324,057	423,402	417,931
Public Service Enterprises	223,469	234,906	214,115	207,445
Conservation and Development	-	-	-	-
Operating Grants and Contributions	253,482	354,304	383,263	348,271
Capital Grants and Contributions	308,156	5,606	1,788,889	3,812,585
Total Governmental Activities Program Revenues	2,581,067	3,971,247	6,036,465	8,391,548
Business-Type Activities				
Charges for Services				
Electric	37,475,729	26,749,579	38,988,537	39,026,749
Water**	5,050,143	3,870,287	6,175,344	6,183,478
Water Reclamation**	-	-	-	-
Communications	628,911	343,615	-	-
Technology Center	1,185,971	761,308	1,287,994	1,394,169
Landfill	1,233,518	840,940	807,633	656,506
Airport	361,269	443,835	308,849	367,352
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	25,511	1,294,396	1,881	905,050
Total Business-Type Activities Program Revenues	45,961,052	34,303,960	47,570,238	48,533,304
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	$ 48,542,119	$ 38,275,207	$ 53,606,703	$ 56,924,852

2020	2021	2022	2023	2024	2025
$ 2,333,766	$ 2,383,960	$ 1,978,163	$ 3,151,801	$ 4,904,669	$ 4,163,835
6,689,478	6,284,213	7,724,663	8,530,843	9,822,263	10,590,279
4,385,718	6,255,947	6,343,274	5,375,282	3,620,425	6,303,385
140,131	212,432	197,664	234,241	252,570	321,650
376,860	399,595	436,521	480,756	545,304	563,495
258,405	235,492	198,764	284,332	245,765	203,274
14,184,358	15,771,639	16,879,049	18,057,255	19,390,996	22,145,918
35,499,007	35,116,085	36,365,267	37,092,479	37,603,501	39,176,997
3,063,276	3,332,190	4,313,536	3,962,469	3,765,718	3,784,285
3,276,009	4,213,447	4,814,149	5,159,937	4,990,873	4,701,419
-	-	-	-	-	-
870,283	890,176	1,180,920	1,316,476	1,104,002	984,094
445,106	555,521	1,178,106	739,760	565,431	754,107
489,087	589,650	723,142	664,847	720,220	716,785
43,642,768	44,697,069	48,575,120	48,935,968	48,749,745	50,117,687
$ 57,827,126	$ 60,468,708	$ 65,454,169	$ 66,993,223	$ 68,140,741	$ 72,263,605
$ 1,145,510	$ 1,073,874	$ 1,467,864	$ 1,478,398	$ 1,289,930	$ 1,417,237
729,978	1,052,005	1,254,668	1,325,368	1,250,357	1,521,646
418,161	358,212	346,017	296,135	310,064	262,901
224,452	287,731	277,614	318,609	391,082	67,200
-	-	-	-	-	337,185
1,255,248	441,057	1,268,735	407,703	550,149	816,822
1,623,130	295,321	210,321	941,237	428,873	1,056,421
5,396,479	3,508,200	4,825,219	4,767,450	4,220,455	5,479,412
36,430,535	35,466,187	39,893,952	44,907,203	44,586,423	41,017,125
3,199,659	3,324,397	3,347,084	4,097,823	3,794,146	3,762,077
3,485,392	3,795,872	4,130,672	4,292,436	4,685,817	4,124,929
-	-	-	-	-	-
1,522,874	1,439,758	1,410,075	1,566,361	1,197,051	1,058,661
700,373	727,444	703,273	774,421	872,089	1,690,668
214,312	345,050	464,141	386,394	451,387	436,876
-	-	-	569,217	1,475,877	-
387,556	54,167	494,772	38,196	3,492,180	7,477,811
45,940,701	45,152,875	50,443,969	56,632,051	60,554,970	59,568,147
$ 51,337,180	$ 48,661,075	$ 55,269,188	$ 61,399,501	$ 64,775,425	$ 65,047,559

CITY OF ROCHELLE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2016*	2017	2018	2019
NET (EXPENSE) REVENUE				
Governmental Activities	$ (8,037,050)	$ (8,888,475)	$ (8,624,526)	$ (6,103,618)
Business-Type Activities	16,898,360	(8,961,099)	4,655,749	6,810,477
TOTAL PRIMARY GOVERNMENT NET REVENUES (EXPENSES)	$ 8,861,310	$ (17,849,574)	$ (3,968,777)	$ 706,859
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property and Replacement***	$ 3,120,172	$ 3,376,985	$ 3,455,154	$ 3,575,806
Local Sales and Use	2,092,098	3,103,976	3,379,510	3,653,642
Telecommunications	241,024	298,393	304,444	317,761
Hotel/Motel	176,766	225,959	252,426	263,299
Utility	243,024	385,033	444,058	489,247
Other	109,493	158,963	177,277	178,915
Intergovernmental - Unrestricted				
Shared Income Tax	581,502	879,364	916,864	1,019,048
Replacement Taxes***	-	-	-	-
Grants	78,747	78,022	369,607	75,000
Investment Income	7,884	33,906	123,024	210,623
Miscellaneous	423,491	67,454	133,531	64,468
Sale of Transmission Assets	-	-	-	-
Gain on Sale of Capital Assets	-	10,249	168,845	-
Transfers In	1,866,078	2,353,969	2,076,297	2,677,590
Total Governmental Activities	8,940,279	10,972,273	11,801,037	12,525,399
Business-Type Activities				
Property Taxes	-	-	-	-
Replacement Taxes	63,084	61,739	19,287	61,013
Investment Income	28,917	95,728	301,569	398,054
Miscellaneous	138,425	354,412	250,360	373,355
Sale of Transmission Assets	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-
Transfers	(1,866,078)	(2,353,969)	(2,076,297)	(2,677,590)
Total Business-Type Activities	(1,635,652)	(1,842,090)	(1,505,081)	(1,845,168)
TOTAL PRIMARY GOVERNMENT	$ 7,304,627	$ 9,130,183	$ 10,295,956	$ 10,680,231
CHANGE IN NET POSITION				
Governmental Activities	$ 903,229	$ 2,083,798	$ 3,176,511	$ 6,421,781
Business-Type Activities	15,262,708	(10,803,189)	3,150,668	4,965,309
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	$ 16,165,937	$ (8,719,391)	$ 6,327,179	$ 11,387,090

*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.
**The Water and Water Reclamation Fund was split into two separate funds as of the start of fiscal year 2020.
***Starting in fiscal year 2021, the City split the Property and Replacement Taxes into two separate categories.

Data Source

Audited Financial Statements

2020	2021	2022	2023	2024	2025
$ (8,787,879)	$ (12,263,439)	$ (12,053,830)	$ (13,289,805)	$ (15,170,541)	$ (16,666,506)
2,297,933	455,806	1,868,849	7,696,083	11,805,225	9,450,460
$ (6,489,946)	$ (11,807,633)	$ (10,184,981)	$ (5,593,722)	$ (3,365,316)	$ (7,216,046)
$ 3,747,149	$ 3,925,817	$ 3,933,447	$ 4,193,719	$ 4,408,386	$ 4,732,562
3,476,277	4,246,783	4,890,269	4,614,153	4,732,668	5,367,814
294,976	265,957	306,911	339,828	344,559	367,801
105,727	242,022	281,442	268,037	262,358	263,488
496,334	536,084	695,811	779,799	773,312	712,251
150,281	341,250	366,606	397,481	436,529	440,687
1,040,397	1,263,654	1,539,199	1,508,709	1,604,123	1,703,532
-	433,191	876,498	729,208	427,996	344,381
75,000	75,000	75,000	598,524	-	-
120,034	19,020	5,854	859,809	1,055,392	881,564
36,197	93,625	360,038	205,455	120,435	119,693
3,730,000	-	-	-	-	-
-	-	110,932	-	-	-
1,585,858	2,401,410	2,252,364	2,479,367	4,144,668	5,402,551
14,858,230	13,843,813	15,694,371	16,974,089	18,310,426	20,336,324
-	-	-	61,447	65,207	58,562
59,498	59,398	-	-	-	-
197,758	99,271	47,149	1,004,818	1,827,201	1,540,694
231,817	89,833	101,083	1,534,448	89,629	62,439
9,989,799	-	-	-	-	-
80,681	-	163,046	-	-	4,935
(1,585,858)	(2,401,410)	(2,252,364)	(2,479,367)	(4,144,668)	(5,402,551)
8,973,695	(2,152,908)	(1,941,086)	121,346	(2,162,631)	(3,735,921)
$ 23,831,925	$ 11,690,905	$ 13,753,285	$ 17,095,435	$ 16,147,795	$ 16,600,403
$ 6,070,351	$ 1,580,374	$ 3,640,541	$ 3,684,284	$ 3,139,885	$ 3,669,818
11,271,628	(1,697,102)	(72,237)	7,817,429	9,642,594	5,714,539
$ 17,341,979	$ (116,728)	$ 3,568,304	$ 11,501,713	$ 12,782,479	$ 9,384,357

CITY OF ROCHELLE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year Ending December 31,	**2016**	**2017**	**2018**	**2019**
GENERAL FUND				
Nonspendable	$ -	$ -	$ -	$ 54,802
Restricted				
Cemetery	141,244	142,281	118,555	121,731
Community Development	267	-	-	-
Unrestricted				
Assigned for Subsequent Years' Budget	-	-	-	-
Unassigned	1,975,346	1,992,109	2,646,925	3,483,358
TOTAL GENERAL FUND	$ 2,116,857	$ 2,134,390	$ 2,765,480	$ 3,659,891
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable Prepaid Items	$ 294,061	$ 13,789	$ 13,581	$ 564,360
Restricted				
Audit	16,518	14,051	3,662	2,662
Maintenance of Roadways	239,433	396,015	586,421	807,163
Tourism	195,302	161,373	174,498	199,873
Employee Retirement	153,014	2,553	30,475	27,569
Insurance	-	58,062	-	99,483
Capital Improvements	1,864,478	2,423,859	7,773,430	8,087,647
Economic Development	140,428	373,361	579,373	809,383
Public Safety	42,731	32,340	55,262	49,302
Assigned for				
Railroad	656,813	1,873,310	1,796,258	1,604,639
Ambulance Replacement	40,565	60,711	205,079	83,018
Stormwater	117,286	108,260	128,646	178,523
Golf Course	22,483	34,650	48,468	47,016
Unassigned	(1,040,345)	(625,916)	(303,391)	(149,153)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	$ 2,742,767	$ 4,926,418	$ 11,091,762	$ 12,411,485

Data Source

Audited Financial Statements

	2020	2021	2022	2023	2024	2025
	$ 48,167	$ 22,225	$ 103,163	$ 108,088	$ 129,809	$ 201,280
	122,500	122,550	122,550	131,115	131,115	131,115
	-	-	-	-	-	-
	-	955,178	1,297,046	-	-	277,411
	8,265,364	8,331,743	10,209,776	11,609,779	11,510,402	10,753,238
	$ 8,436,031	$ 9,431,696	$ 11,732,535	$ 11,848,982	$ 11,771,326	$ 11,363,044
	$ 13,646	$ -	$ 37,784	$ 113,883	$ 133,451	$ 429,195
	2,885	6,559	9,311	4,036	1,631	1,396
	280,785	989,573	1,303,308	1,526,564	690,715	1,252,756
	157,334	221,696	408,712	278,460	395,260	282,565
	29,464	44,100	67,080	96,243	69,077	24,092
	97,700	66,966	47,644	18,772	-	-
	3,191,020	3,650,951	2,584,137	1,522,663	1,568,467	1,466,021
	1,071,598	1,567,467	1,281,323	3,732,143	4,045,564	4,448,841
	46,757	46,675	40,240	55,064	49,632	37,510
	1,805,310	1,529,976	1,091,645	473,132	803,504	141,174
	780	160,628	620,570	675,885	770,447	958,313
	180,405	169,278	171,435	168,556	146,741	128,795
	1,847,724	164,605	336,945	31,211	1,535	21,033
	(61,851)	(39,849)	-	(509,771)	(223,796)	(1,076,270)
	$ 8,663,557	$ 8,578,625	$ 8,000,134	$ 8,186,841	$ 8,452,228	$ 8,115,421

CITY OF ROCHELLE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year Ending December 31,	**2016***	**2017**	**2018**	**2019**
REVENUES				
Taxes	$ 5,958,206	$ 7,484,642	$ 7,912,091	$ 8,452,142
Licenses and Permits	184,556	258,990	311,395	344,112
Intergovernmental	1,221,887	1,317,296	3,458,623	5,254,904
Charges for Services	1,776,011	3,180,816	3,207,235	3,678,563
Fines and Forfeitures	50,823	103,713	106,399	87,554
Investment Income	7,884	33,906	123,024	210,623
Miscellaneous	455,901	199,939	473,593	211,459
Total Revenues	9,655,268	12,579,302	15,592,360	18,239,357
EXPENDITURES				
Current				
General Government	1,773,811	2,315,674	2,473,148	2,551,879
Public Safety	4,169,903	5,946,478	5,757,199	6,019,750
Public Works	1,372,779	1,969,887	2,122,787	2,462,170
Public Service Enterprises	91,864	125,360	120,859	163,727
Conservation and Development	564,957	743,017	626,328	521,778
Capital Outlay	2,690,199	1,229,701	4,129,423	7,089,820
Debt Service				
Principal	125,000	300,000	309,668	314,294
Interest and Fiscal Charges	119,788	139,680	133,468	223,045
Total Expenditures	10,908,301	12,769,797	15,672,880	19,346,463
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,253,033)	(190,495)	(80,520)	(1,107,106)
OTHER FINANCING SOURCES (USES)				
Transfers In	3,514,282	4,041,652	3,533,855	5,311,380
Transfers (Out)	(1,648,204)	(1,687,683)	(1,457,558)	(2,633,790)
Bonds Issued	-	-	4,500,000	598,973
Premium on Bonds Issued	-	-	128,005	-
Issuance of Lease Liability	-	-	-	-
Sale of Capital Assets	-	10,249	217,329	-
Loan Proceeds	-	27,461	-	-
Total Other Financing Sources (Uses)	1,866,078	2,391,679	6,921,631	3,276,563
SPECIAL ITEM				
Sale of Transmission Assets	-	-	-	-
NET CHANGE IN FUND BALANCES	$ 613,045	$ 2,201,184	$ 6,841,111	$ 2,169,457
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	2.82%	3.79%	3.06%	4.52%

*The City changed its fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

Data Source

Audited Financial Statements

2020	2021	2022	2023	2024	2025
$ 8,242,094	$ 9,956,395	$ 11,320,311	$ 11,288,795	$ 10,957,812	$ 11,884,603
328,074	246,369	294,773	337,569	296,568	261,346
3,993,775	2,075,033	3,093,255	3,456,173	2,923,065	3,527,416
2,031,310	2,431,319	2,964,871	3,034,869	2,861,827	3,267,782
79,369	94,335	83,419	51,403	83,038	77,041
120,034	19,020	5,854	859,809	1,055,392	881,564
144,195	123,264	393,811	233,554	120,435	119,693
14,938,851	14,945,735	18,156,294	19,262,172	18,298,137	20,019,445
2,278,385	2,339,730	2,406,826	2,727,201	2,949,973	3,631,202
6,360,396	6,995,207	7,626,856	8,939,884	9,924,600	10,506,625
2,354,797	2,550,510	2,549,991	3,165,899	2,725,756	3,358,162
118,694	187,108	172,084	212,895	214,818	298,974
371,916	400,576	555,131	463,180	522,772	580,361
6,556,624	3,425,846	4,194,395	7,167,324	4,699,377	6,360,850
900,185	934,138	1,732,373	1,137,581	1,348,210	1,448,708
285,500	263,047	236,194	309,271	284,741	247,299
19,226,497	17,096,162	19,473,850	24,123,235	22,670,247	26,432,181
(4,287,646)	(2,150,427)	(1,317,556)	(4,861,063)	(4,372,110)	(6,412,736)
5,941,413	4,425,356	7,167,598	7,665,443	8,733,141	9,082,698
(4,355,555)	(2,023,946)	(4,915,234)	(5,186,076)	(4,588,473)	(3,680,147)
-	-	-	2,500,000	-	-
-	-	-	110,171	-	-
-	-	143,675	74,679	365,173	351,918
-	-	152,764	-	50,000	-
-	659,750	491,101	-	-	-
1,585,858	3,061,160	3,039,904	5,164,217	4,559,841	5,754,469
3,730,000	-	-	-	-	-
$ 1,028,212	$ 910,733	$ 1,722,348	$ 303,154	$ 187,731	$ (658,267)
9.23%	7.63%	11.65%	8.38%	8.89%	8.10%

CITY OF ROCHELLE, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Farm Property	Residential Property	Commercial Property	Industrial Property	State Railroad	Local Railroad	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2016	$ 4,885,200	$ 81,882,208	$ 46,606,561	$ 88,391,613	$ 17,648,663	$ 7,520	$ 239,421,765	$ 1.05306	$ 718,337,129	33.33%
2017	7,928,518	84,527,440	47,852,965	99,109,865	17,644,897	7,520	257,071,205	1.00775	771,290,744	33.33%
2018	6,723,087	83,935,586	42,416,179	74,220,535	17,991,900	7,520	225,294,807	1.11420	675,952,016	33.33%
2019	7,024,626	86,099,543	42,486,321	100,621,937	18,626,315	7,520	254,866,262	1.02484	764,675,254	33.33%
2020	7,883,855	88,403,827	46,611,035	97,837,213	19,026,718	7,520	259,770,168	1.04623	779,388,443	33.33%
2021	9,082,201	93,324,615	47,972,109	97,837,213	19,873,811	7,520	268,097,469	1.04307	804,372,844	33.33%
2022	10,825,427	101,965,100	51,828,432	97,775,747	20,781,663	450	283,176,819	1.00636	849,615,419	33.33%
2023	9,897,094	108,850,264	55,514,497	115,832,922	21,470,154	450	311,565,381	0.94124	934,789,622	33.33%
2024	10,903,551	120,657,257	54,156,129	118,360,681	20,443,900	450	324,521,968	0.92812	973,663,270	33.33%
2025	11,201,638	132,609,078	63,649,365	126,490,291	20,443,900	450	354,394,722	0.89720	1,063,290,495	33.33%

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Office of the County Treasurer

CITY OF ROCHELLE, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Levy Year	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
DIRECT CITY RATE										
City of Rochelle	0.64053	0.58893	0.64020	0.56652	0.54273	0.55312	0.54507	0.50576	0.46688	0.42965
City of Rochelle Pension	0.41253	0.41882	0.47122	0.45832	0.50350	0.48995	0.46129	0.43548	0.46124	0.46756
Total Direct City Rate	1.05306	1.00775	1.11142	1.02484	1.04623	1.04307	1.00636	0.94124	0.94124	0.89721
OVERLAPPING RATES										
Ogle County	0.56131	0.56148	0.58330	0.55938	0.55675	0.55313	0.55128	0.53540	0.51880	0.52169
Ogle County Mental Health	0.05298	0.05209	0.05215	0.05924	0.05758	0.05717	0.05562	0.05378	0.05207	0.05251
Ogle County Extension	0.00920	0.00878	0.00896	0.00858	0.00818	0.00807	0.00756	0.00659	0.00615	0.00603
Ogle County Veterans Assistance	0.00514	0.00492	0.00409	0.00458	0.00468	0.00717	0.00788	0.01705	0.01865	0.01785
Ogle County Senior Services	0.01421	0.01418	0.01550	0.01558	0.01582	0.01546	0.01480	0.01399	0.01392	0.01341
Ogle County Pension	0.14436	0.13716	0.12573	0.10841	0.10522	0.09059	0.07560	0.06718	0.06620	0.06790
Rochelle High School 212	2.52178	2.47856	2.44119	2.35295	2.42334	2.35999	2.27729	2.14714	2.06090	2.00690
Rochelle High School 212 Pension	0.04555	0.04513	0.04601	0.04385	0.00426	0.04088	0.04066	0.01811	0.01700	0.01346
Rochelle Grade School 231	3.21174	3.13806	3.19539	3.20986	3.22861	3.20043	3.12874	3.05301	3.00427	2.95379
Rochelle Grade School 231 Pension	0.07129	0.04655	0.05331	0.06513	0.06364	0.06136	0.05742	0.05216	0.04027	0.02193
Kishwaukee College 523	0.66779	0.66490	0.66566	0.65504	0.06484	0.63978	0.60704	0.58371	0.54624	0.54957
Flagg Rochelle Library	0.17386	0.17460	0.17916	0.17740	0.17787	0.18157	0.18030	0.17838	0.17688	0.17995
Flagg Rochelle Library Pension	0.00789	0.01153	0.01334	0.01238	0.01376	0.01480	0.00918	0.00847	0.00795	0.00986
Flagg Rochelle Parks	0.58425	0.58925	0.59180	0.81418	0.77872	0.77004	0.78253	0.66721	0.63193	0.60682
Flagg Rochelle Park Pension	0.00400	0.00039	0.00387	0.00575	0.00105	0.00050	0.00000	0.00000	0.00000	0.00000
Flagg Road	0.35260	0.35438	0.36180	0.36302	0.36232	0.36004	0.35248	0.34167	0.33011	0.31769
Flagg Township	0.17840	0.17859	0.17658	0.17594	0.16813	0.15871	0.13816	0.12536	0.13437	0.14120
Flagg Township Pension	0.02420	0.02145	0.01781	0.01723	0.02081	0.02358	0.02159	0.02954	0.01530	0.00312

Data Source

Office of the County Clerk

CITY OF ROCHELLE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

		2025			2016		
Taxpayer	**Type of Business**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Valuation**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Valuation**
Americold Real Estate LP	Cold Storage	$ 34,764,000	1	9.81%	$ 12,830,677	1	5.55%
Exeter	Distribution & Warehouse	14,400,000	2	4.06%	10,326,690	3	4.46%
Illinois River Energy	Ethanol Plant	13,336,891	3	3.76%	10,107,651	4	4.37%
Lineage Logistics	Cold Storage	12,521,208	4	3.53%			
Ascendas Reit Chicago LLC (Bre/	Cold Storage	9,545,200	5	2.69%			
1600 Ritchie Court LLC	Manufacturing Facility	9,495,023	6	2.68%			
Lineage Master	Manufacturing Facility	6,345,195	7	1.79%			
Pasquesi Farms LLC	Hydroponic Greenhouse	6,092,290	8	1.72%			
Rochelle Railroad Park West 1 Inc	Distribution & Warehouse	5,800,000	9	1.64%			
Seldal Properties LLC	Rental Real Estate	5,491,758	10	1.55%	2,730,199	10	1.18%
The Northern Trust	Data Center				3,225,200	9	1.39%
Rochelle Development Joint Ventu	Distribution & Warehouse				3,464,891	8	1.50%
Total Logistic Control	Distribution & Warehouse				5,502,195	7	2.38%
Nippon Sharyo Manufacturing	Manufacturing Facility				12,234,370	2	5.29%
Sara Lee Corporation	Cold Storage				9,063,424	5	3.92%
Indcor Properties	Distrubtion & Warehouse				6,374,687	6	2.76%
		$ 117,791,565		33.23%	$ 75,859,984		32.80%

Data Source

Supervisor Ogle County Assessments

CITY OF ROCHELLE, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years: Amount	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2016	$ 2,372,996	$ 2,361,297	99.51%	$ -	$ 2,361,297	99.51%
2017	2,445,391	2,437,333	99.67%	-	2,437,333	99.67%
2018	2,504,018	2,498,523	99.78%	-	2,498,523	99.78%
2019	2,612,017	2,583,545	98.91%	24,762	2,608,307	99.86%
2020	2,717,843	2,679,356	98.58%	-	2,679,356	98.58%
2021	2,796,479	2,757,628	98.61%	-	2,757,628	98.61%
2022	2,849,778	2,829,623	99.29%	-	2,829,623	99.29%
2023	2,932,578	2,930,001	99.91%	-	2,930,001	99.91%
2024	3,011,895	3,006,741	99.83%	-	3,006,741	99.83%
2025	3,104,199	N/A	N/A	N/A	N/A	N/A

N/A - Information not available

Note: 2025 property taxes will not be received until the fiscal year 2026

<u>Data Source</u>

Office of the Ogle County Treasurer

CITY OF ROCHELLE, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

	Governmental Activities					Business-Type Activities									
Fiscal Year Ended	General Obligation Bonds	General Obligation TIF Bonds	General Obligation Debt Certificates	Lease Liability	Installment Contract	Revenue Bonds	General Obligation Debt Certificates	General Obligation Bonds	IEPA Revolving Loans	Lease Liability	Installment Contract	Total Primary Government	Percentage of Actual Taxable Value (1) of Property	Per Capita (2)	Debt Outstanding as a Percentage of Personal Income
2016	$ -	$ 2,617,493	$ 1,861,891	$ -	$ -	$ 16,169,536	$ 3,485,000	$ 585,000	$ 3,608,792	$ -	$ -	$ 28,327,712	11.80%	$ 2,977.34	12.56%
2017	-	2,484,869	1,689,682	-	27,461	15,497,305	3,470,715	595,000	5,054,195	-	-	28,819,227	11.21%	3,146.55	14.29%
2018	4,628,005	2,347,244	1,517,437	-	22,793	14,810,075	3,157,468	550,000	6,394,567	-	-	33,427,589	14.84%	3,597.07	15.91%
2019	4,613,782	2,204,620	1,345,192	-	617,472	14,107,845	2,879,221	510,000	6,597,322	-	-	32,875,454	14.59%	3,611.50	14.81%
2020	4,114,560	2,056,995	1,177,947	-	512,286	-	2,595,976	465,000	11,917,700	-	-	22,840,464	8.79%	2,523.25	9.98%
2021	3,585,337	1,904,370	1,010,702	250,645	1,067,899	8,681,124	2,302,729	420,000	11,534,902	170,828	1,300,000	32,228,536	11.86%	3,381.21	11.51%
2022	2,941,114	1,736,496	839,112	283,251	792,695	17,286,602	2,003,501	375,000	11,231,821	119,046	984,809	38,593,447	13.49%	4,059.86	13.82%
2023	2,476,891	4,172,730	670,780	240,435	657,609	21,383,300	1,696,234	325,000	10,596,797	271,009	663,176	43,153,961	13.85%	4,618.85	14.92%
2024	1,892,669	3,856,448	502,449	438,596	516,411	20,012,011	1,377,987	275,000	12,204,319	400,889	334,611	41,811,390	12.88%	4,486.68	13.36%
2025	1,283,446	3,525,167	334,118	565,354	372,863	18,590,722	1,269,348	220,000	17,209,870	615,476	-	43,986,364	12.41%	4,625.27	14.12%

Note: Details of the City's outstanding debt can be found in the notes to financial statements.

(1) Assessed value and actual value of taxable property

(2) See the schedule of Demographic and Economic Information for personal income and population data.

Data Source

City Records

CITY OF ROCHELLE, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2025

Governmental Unit	Gross Debt	Percentage Debt Applicable to the City (1)	City's Share of Debt
City of Rochelle	$ 6,080,948	100.00%	$ 6,080,948
Flagg-Rochelle Community Park District	5,470,000	73.35%	4,012,245
School District 231	5,055,000	75.74%	3,828,657
School District 212	5,475,000	52.65%	2,882,588
Kishwaukee Community College	52,815,000	9.42%	4,975,173
Subtotal	68,815,000		15,698,663
TOTAL	$ 74,895,948		$ 21,779,611

Note: Overlapping information presented as of March 3, 2023 (most recent available).

(1) Percentages based on 2023 EAVs, the most recent available.

Data Source

Official Statement

CITY OF ROCHELLE, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities	Less Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2016	$ 4,479,384	$ 4,070,000	$ -	$ 8,549,384	3.57%	$ 900.79
2017	4,174,551	4,065,715	-	8,240,266	3.21%	899.69
2018	8,492,686	3,707,468	-	12,200,154	5.42%	814.82
2019	8,163,594	3,389,221	-	11,552,815	4.53%	1,269.12
2020	7,349,502	3,060,976	-	10,410,478	4.01%	1,150.07
2021	6,500,409	2,722,729	-	9,223,138	3.44%	1,006.89
2022	5,516,722	2,378,501	-	7,895,223	2.79%	839.29
2023	7,320,401	2,021,234	-	9,341,635	3.00%	999.85
2024	6,251,566	1,652,987	-	7,904,553	2.44%	848.22
2025	5,142,731	1,489,348	-	6,632,079	1.87%	697.38

*See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

Note: Details of the City's outstanding debt can be found in the notes to financial statements.

Data Source

City Records

CITY OF ROCHELLE, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2025

ASSESSED VALUATION - 2025 TAX YEAR	$ 354,394,722
Legal Debt Limit - 8.625% of Assessed Valuation	$ 30,566,545
Amount of Debt Applicable to Debt Limit	3,106,912
LEGAL DEBT MARGIN	$ 27,459,633

<u>Data Source</u>

City Records

CITY OF ROCHELLE, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Levy Years

Levy Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Legal Debt Limit	$ 20,650,127	$ 22,172,391	$ 19,431,677	$ 21,982,215	$ 22,405,177	$ 23,123,407	$ 24,424,001	$ 26,872,514	$ 27,990,020	$ 30,566,545
Total Net Debt Applicable to Limit	5,931,891	5,755,397	19,193,705	4,654,991	12,890,244	7,318,768	6,158,727	5,168,905	4,048,105	3,106,912
LEGAL DEBT MARGIN	$ 14,718,236	$ 16,416,994	$ 237,972	$ 17,327,224	$ 9,514,933	$ 15,804,639	$ 18,265,274	$ 21,703,609	$ 23,941,915	$ 27,459,633
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	28.73%	25.96%	98.78%	21.18%	57.53%	31.65%	25.22%	19.23%	14.46%	10.16%

Data Source

City Records

CITY OF ROCHELLE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2016	9,491	$ 224,908,227	$ 23,697	36.5	2,531	6.3%
2017	9,159	201,690,339	22,021	35.4	2,623	4.5%
2018	9,293	210,114,730	22,610	35.7	2,490	4.7%
2019	9,103	221,940,243	24,381	36.0	3,004	4.1%
2020	9,052	236,800,320	26,160	36.6	2,847	4.7%
2021	9,160	228,890,080	24,988	36.5	2,535	6.3%
2022	9,407	276,358,846	29,378	36.6	2,418	5.7%
2023	9,343	289,156,507	30,949	37.9	2,439	5.9%
2024	9,319	312,904,063	33,577	37.1	2,429	5.2%
2025	9,510	311,442,990	32,749	36.0	2,456	4.5%

Unemployment rate is the 12-month average.

Data Sources

City Records
U.S. Census Bureau
Office of the County Clerk
IL Board of Education

CITY OF ROCHELLE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

	2025			2016		
Employer	**Number of Employees**	**Rank**	**% of Total City Population**	**Number of Employees**	**Rank**	**% of Total City Population**
Rochelle Foods	850	1	8.94%	810	1	8.53%
Lineage	400	2	4.21%			
Rochelle Community Hospital	342	3	3.60%	271	5	2.86%
Elementary School District #231	326	4	3.43%	300	3	3.16%
Americold	300	5	3.15%	232	7	2.44%
Wheatland Tube	292	6	3.07%			
Silgan Containers	200	7	2.10%	200	8	2.11%
Rochelle Township High School D	184	8	1.93%	170	9	1.79%
Bay Valley Foods	150	9	1.58%			
City of Rochelle	146	10	1.54%			
DelMonte Foods						
Central Refrigeration				315	2	3.32%
Tyson Foods				280	4	2.95%
Walmart				235	6	2.48%
Nippon Sharyo						
Ryder				140	10	1.48%
TOTAL	3,190		33.55%	2,953		31.12%

Data Source

Economic Development

CITY OF ROCHELLE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GENERAL FUND										
Mayor and City Council	7	7	7	7	7	7	7	7	7	7
City Manager	2	2	-	-	-	-	-	-	-	-
Municipal Building	1	1	1	1	-	-	-	-	-	-
City Clerk	2	2	1	1	1	2	2	2	2	2
Cemetery	1	1	-	1	1	1	1	1	1	0.5
Community Development	5	5	5	4	4	4	4	4	3	3
Economic Development	1	2	-	-	-	-	-	-	-	-
Engineering	2	2	2	2	2	2	2	2	2	2
Fire	13	13	13	13	13	13	13	17	17	20
Police	25	26	26	26	28	28	27	33	33	36
Street	10	10	10	9	12	12	12	12	12	13
ENTERPRISE FUND										
Airport	2.0	1.5	1.5	1.0	1	1	1	1	1	1.5
Utilities - Administration	0.5	1.0	1.0	1	-	1	1	1	-	-
Utilities - Technology Center	2	2	2	-	-	-	-	-	-	1
Utilities - Communications/ Network Administration	3	3	3	1	1	1	1	1	-	-
Utilities - Electric	28	28	25	25	25	22	22	22	25	27.5
Utilities - Water	5	5	5	4	7	9	9	9	9	10
Utilities - Water Reclamation	9	8	8	8	8	9	10	10	10	8
INTERNAL FUND										
Administrative Services	6	6	9	9	9	8	10	10	8	9
Network Administration	-	-	2	2	2	3	4	4	5	5

Data Source

City Budget File

CITY OF ROCHELLE, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019
COMMUNITY DEVELOPMENT				
New Construction Single Family Permits	4	3	4	1
Number of Permits Issued	329	276	260	313
Building and Engineering Inspections	987	828	659	1,252
POLICE				
DUI Arrests	50	39	51	39
Criminal Arrests	265	452	415	412
Accidents	432	369	367	176
Ordinance Enforcement	6	N/A	N/A	N/A
Total Tickets	789	1,792	1,493	1,113
Total Calls	15,649	15,000	11,553	11,739
FIRE				
Number of Fire Calls Answered	259	272	237	289
Number of EMS Calls Answered	1,564	1,564	1,813	1,752
PUBLIC WORKS				
Trees Planted	30	2	-	-
Trees Removed	45	24	21	33
Street Sweeping (Hours)	900	1,200	1,200	1,200
Snow Removal (Hours)	512	993	1,331	1,137
Catch Basins/Inlets Cleaned	1,200	2,024	755	2,024
Sidewalk Replacement (Square Feet)	10,600	640	14,033	17,250
WATER AND SEWER				
Water MGD Pumped (Millions/Gallons)	2.95	2.81	2.74	2.73
Water MGD Billed (Millions/Gallons)	2.47	2.33	2.41	2.69
Sewer MGD Treated (Millions/Gallons)	2.58	2.82	2.91	3.66
Water Meter Installations (New)	4	2	4	4
Water Meter Exchanges	184	188	195	668
Hydrants Flushed	760	762	762	765
ELECTRIC				
Pole Replacements	77	15	18	35
Electric Meter Installations	1,026	632	157	96

N/A - Not Available

Data Source

City Records

2020	2021	2022	2023	2024	2025
1	3	3	2	-	-
317	361	287	374	393	303
1,268	1,400	1,148	1,496	1,572	1,212
34	33	19	23	31	49
312	258	395	397	407	545
396	306	187	358	196	336
N/A	N/A	N/A	N/A	N/A	N/A
1,148	1,866	521	458	1,365	1,312
14,167	15,572	15,291	15,012	17,339	17,137
332	318	415	374	430	342
1,830	2,377	2,733	2,755	2,627	2,876
8	32	19	22	44	19
18	43	28	25	30	36
550	870	366	558	505	437
1,389	1,812	1,046	1,012	2,448	910
1,340	1,700	845	1,049	-	1,450
16,753	24,660	30,121	35,444	40,660	2,200
2.76	2.98	3.00	2.83	3.03	3.07
2.39	2.39	2.66	2.76	2.71	2.65
2.76	2.76	2.59	2.52	2.97	2.27
2	4	3	4	13	3
65	1,900	583	759	8	10
803	803	803	803	803	803
14	22	39	10	76	96
194	483	417	228	226	552

CITY OF ROCHELLE, ILLINOIS

CAPITAL ASSETS STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019
GENERAL GOVERNMENT				
General Government Buildings	48	48	47	47
PUBLIC SAFETY				
Police				
Number of Squad Cars	17	14	14	15
Fire				
Number of Vehicles	12	11	12	12
PUBLIC WORKS				
Number of Vehicles and Equipment	24	24	24	23
Streets (Lane Miles)	160	160	160	160
Alleys (Miles)	7	13	13	13
Bridges and Structures	20	17	17	17
WATER AND SEWER				
Number of Vehicles and Equipment	16	16	16	17
Water Mains (Miles)	78	78	100	100
Water Towers	4	4	5	5
Wells and Wellhouses	5	5	5	5
Sanitary Sewers (Miles)	74	74	100	100
Lift Stations	13	14	15	16
Number of Manholes	294	1,470	1,470	1,475
Number of Fire Hydrants	762	762	800	800
ELECTRIC				
Number of Vehicles	18	14	15	15
Overhead Line (Miles)	160	151	146	146
Underground Line (Miles)	60	56	65	65
COMMUNICATIONS				
Fiber (Miles)	46	46	46	46

Data Source

City Records

2020	2021	2022	2023	2024	2025
47	47	46	46	48	43
14	14	12	20	24	26
14	14	13	13	14	14
23	23	23	23	23	23
160	160	160	160	160	160
13	13	13	13	13	13
17	17	17	17	17	17
19	19	27	24	25	25
103	103	103	103	103	103
4	4	4	4	4	4
5	5	5	5	5	5
103	103	103	103	103	103
17	17	17	17	17	17
1,485	1,485	1,485	1,485	1,485	1,485
803	803	803	803	803	803
14	11	23	16	18	18
146	145	143	143	142	141
66	67	64	66	68	68
46	50	53	55	58	58