VILLAGE OF ROCHESTER, ILLINOIS

ANNUAL FINANCIAL REPORT
AND
INDEPENDENT AUDITORS' REPORT

Year Ended April 30, 2025

CONTENTS

CONTENTS - CONTINUED

ECK, SCHAFER & PUNKE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

227 South Seventh Street
Springfield, Illinois 62701
217-525-1111
Fax 217-525-1120
www.espcpa.com

Independent Auditors' Report

To the Board of Trustees
Village of Rochester, Illinois

Opinion

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

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

Report on 2024 Financial Statements

The financial statements of the Village as of and for the year ended April 30, 2024, were audited by other auditors whose report dated December 16, 2024, expressed an unmodified opinion on those statements.

Basis for Opinions

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

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 Village of Rochester, Illinois' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of assessed valuations, rates, extensions and collections and schedule of legal debt margin but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Eck, Schafer & Punke, LLP

Springfield, Illinois
January 12, 2026

Village of Rochester, Illinois

STATEMENT OF NET POSITION

April 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
Current assets			
Cash and cash equivalents	$ 4,215,836	$ 2,110,729	$ 6,326,565
Restricted cash and cash equivalents	841	-	841
Receivables			
Accounts	-	329,709	329,709
Property taxes	426,979	-	426,979
Other	319,232	-	319,232
Prepaid expenses	27,289	28,648	55,937
Total current assets	4,990,177	2,469,086	7,459,263
Noncurrent assets			
Capital assets			
Capital assets not being depreciated	727,034	643,121	1,370,155
Capital assets being depreciated, net	817,455	5,312,845	6,130,300
Total capital assets	1,544,489	5,955,966	7,500,455
Deferred charges			
Connection fees	-	76,853	76,853
Total noncurrent assets	1,544,489	6,032,819	7,577,308
Deferred outflows of resources related to pensions	371,648	187,058	558,706
Total assets and deferred outflows of resources	$ 6,906,314	$ 8,688,963	$ 15,595,277

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

	Governmental Activities	Business-Type Activities	Total
LIABILITIES AND DEFERRED INFLOWS			
Current liabilities			
Accounts payable	$ 51,942	$ 119,084	$ 171,026
Customer deposits payable	415	152,305	152,720
Accrued payroll	59,346	26,368	85,714
Accrued compensated absences payable	93,764	23,658	117,422
Accrued interest payable	-	8,270	8,270
Unearned revenue	426,979	-	426,979
Bonds payable, current portion	-	130,000	130,000
Notes payable, current portion	-	41,446	41,446
Total current liabilities	632,446	501,131	1,133,577
Noncurrent liabilities			
Bonds payable, net of current portion	-	425,000	425,000
Notes payable, net of current portion	-	39,228	39,228
Net pension liability	516,418	229,996	746,414
Total noncurrent liabilities	516,418	694,224	1,210,642
Total liabilities	1,148,864	1,195,355	2,344,219
Deferred inflows of resources related to pensions	226,012	76,878	302,890
Total liabilities and deferred inflows of resources	$ 1,374,876	$ 1,272,233	$ 2,647,109
NET POSITION			
Net investment in capital assets	$ 1,544,489	$ 5,320,292	$ 6,864,781
Restricted for			
Highways and streets	570,237	-	570,237
Public safety	841	-	841
Economic development	1,695,224	-	1,695,224
Unrestricted	1,720,647	2,096,438	3,817,085
Total net position	$ 5,531,438	$ 7,416,730	$ 12,948,168

Village of Rochester, Illinois

STATEMENT OF ACTIVITIES

Year Ended April 30, 2025

		Program Revenues		Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS AND PROGRAMS						
Primary government						
Governmental activities						
General government	$ 402,194	$ 27,793	$ 1,800	$ (372,601)	$ -	$ (372,601)
Culture and recreation	105,950	-	-	(105,950)	-	(105,950)
Public safety	1,301,302	28,515	-	(1,272,787)	-	(1,272,787)
Highway and streets	364,363	-	-	(364,363)	-	(364,363)
Economic development	594,731	-	-	(594,731)	-	(594,731)
Interest expense	899	-	-	(899)	-	(899)
Total governmental activities	2,769,439	56,308	1,800	(2,711,331)	-	(2,711,331)
Business-type activities						
Water utility	1,183,997	1,488,465	-	-	304,468	304,468
Sewer utility	1,228,015	1,031,045	-	-	(196,970)	(196,970)
Interest expense	27,653	-	-	-	(27,653)	(27,653)
Total business-type activities	2,439,665	2,519,510	-	-	79,845	79,845
Total primary government	$ 5,209,104	$ 2,575,818	$ 1,800	$ (2,711,331)	79,845	(2,631,486)
General revenues						
Income taxes				686,529	-	686,529
Sales and use taxes				410,551	-	410,551
Property taxes				1,558,368	-	1,558,368
Motor fuel tax				174,772	-	174,772
Other taxes				104,463	-	104,463
Utility taxes				205,202	-	205,202
Investment income				116,977	30,257	147,234
Miscellaneous				242,535	30,624	273,159
Gain on sale of assets				2,000	-	2,000
Total general revenues				3,501,397	60,881	3,562,278
Change in net position				790,066	140,726	930,792
Net position at beginning of year				4,741,372	7,276,004	12,017,376
Net position at end of year				$ 5,531,438	$ 7,416,730	$ 12,948,168

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

Village of Rochester, Illinois

BALANCE SHEET - GOVERNMENTAL FUNDS

April 30, 2025

	General	TIF	Motor Fuel Tax	Total
ASSETS				
Cash, cash equivalents	$ 1,982,479	$ 1,695,224	$ 538,133	$ 4,215,836
Restricted cash and cash equivalents	841	-	-	841
Receivables				
Property taxes	426,979	-	-	426,979
Other	305,270	-	13,962	319,232
Prepaid insurance	27,289	-	-	27,289
Total assets	$ 2,742,858	$ 1,695,224	$ 552,095	$ 4,990,177
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities				
Due to other funds	$ 18,142	$ -	$ (18,142)	$ -
Accounts payable	51,942	-	-	51,942
Accrued payroll	153,110	-	-	153,110
Deposits	415	-	-	415
Total liabilities	223,609	-	(18,142)	205,467
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied in current year	426,979	-	-	426,979
Tax revenue	31,104	-	-	31,104
Total deferred inflows of resources	458,083	-	-	458,083
Total liabilities and deferred inflows of resources	681,692	-	(18,142)	663,550
FUND BALANCE				
Nonspendable for prepaid items	27,289	-	-	27,289
Restricted	841	1,695,224	570,237	2,266,302
Unassigned	2,033,036	-	-	2,033,036
Total fund balances	2,061,166	1,695,224	570,237	4,326,627
Total liabilities, deferred inflows and fund balances	$ 2,742,858	$ 1,695,224	$ 552,095	$ 4,990,177

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

Village of Rochester, Illinois

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

April 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	$ 4,326,627
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,544,489
Receivables applicable to governmental activities are not due and collectible in the the current period and therefore are deferred in the governmental funds.	31,104
Deferred outflows of resources related to pensions are not reported in the governmental funds since they do not provide current financial resources.	371,648
Deferred inflows of resources related to pensions are not reported in the governmental funds since they do not provide current financial resources.	(226,012)
The net pension liability reported in the statement of net position does not require the use of current financial resources and therefore, is not reported as a liability in governmental funds.	(516,418)
Total net position - governmental activities	$ 5,531,438

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

Village of Rochester, Illinois

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

Year Ended April 30, 2025

	General	TIF	Motor Fuel Tax	Total
Revenues				
Taxes	$ 686,493	$ 1,123,559	$ 174,772	$ 1,984,824
Intergovernmental	1,148,140	-	-	1,148,140
Fines and fees	27,793	-	-	27,793
Licenses and permits	28,515	-	-	28,515
Investment income	85,722	-	31,255	116,977
Miscellaneous	237,035	5,500	-	242,535
Total revenues	2,213,698	1,129,059	206,027	3,548,784
Expenditures				
Current operation				
General government	339,419	-	-	339,419
Culture and recreation	105,950	-	-	105,950
Public safety	1,203,380	-	-	1,203,380
Economic development	-	594,731	-	594,731
Highways and streets	324,464	-	860	325,324
Capital outlay	230,029	-	585,524	815,553
Debt service				
Principal	17,405	-	-	17,405
Interest	899	-	-	899
Total expenditures	2,221,546	594,731	586,384	3,402,661
Excess of revenues over expenditures before other financing sources	(7,848)	534,328	(380,357)	146,123
Other financing sources				
Gain on sale of equipment	2,000	-	-	2,000
Net change in fund balances	(5,848)	534,328	(380,357)	148,123
Fund balances at beginning of year	2,067,014	1,160,896	950,594	4,178,504
Fund balances at end of year	$ 2,061,166	$ 1,695,224	$ 570,237	$ 4,326,627

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

Village of Rochester, Illinois

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

Year Ended April 30, 2025

Total net change in fund balances - governmental funds	$ 148,123
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current year:	
Capital outlays	815,553
Depreciation	(134,258)
Repayment of debt principal in an expenditure in the governmental funds, but the repayments of loan principal reduces long-term liabilities in the statement of net assets.	17,405
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund. This is the change in deferred revenue.	8,721
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	(65,478)
Change in the net position-governmental activities	$ 790,066

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

Village of Rochester, Illinois

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

April 30, 2025

	Water Utility	Sewer Utility	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 1,544,239	$ 566,490	$ 2,110,729
Accounts receivable	204,200	125,509	329,709
Prepaid expenses	17,860	10,788	28,648
Total current assets	1,766,299	702,787	2,469,086
Noncurrent assets			
Capital assets not being depreciated	582,155	60,966	643,121
Capital assets being depreciated, net	2,494,170	2,818,675	5,312,845
Deferred charges			
Connection fees	-	76,853	76,853
Total noncurrent assets	3,076,325	2,956,494	6,032,819
Deferred outflows of resources related to pensions	93,514	93,544	187,058
Total assets and deferred outflows of resources	$ 4,936,138	$ 3,752,825	$ 8,688,963
LIABILITIES			
Current liabilities			
Accounts payable	$ 62,468	$ 56,616	$ 119,084
Customer deposits payable	152,305	-	152,305
Accrued payroll	13,184	13,184	26,368
Accrued compensated absences	11,829	11,829	23,658
Accrued interest payable	8,270	-	8,270
Due to other funds	92,258	(92,258)	-
Bonds payable, current portion	130,000	-	130,000
Notes payable, current portion	-	41,446	41,446
Total current liabilities	470,314	30,817	501,131
Noncurrent liabilities			
Bonds payable, net of current portion	425,000	-	425,000
Notes payable, net of current portion	-	39,228	39,228
Net pension liability	115,003	114,993	229,996
Total noncurrent liabilities	540,003	154,221	694,224
Total liabilities	1,010,317	185,038	1,195,355
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	38,415	38,463	76,878
Total liabilities and deferred inflows of resources	$ 1,048,732	$ 223,501	$ 1,272,233
NET POSITION			
Net investment in capital assets	$ 2,521,325	$ 2,798,967	$ 5,320,292
Unrestricted	1,366,081	730,357	2,096,438
Total net position	$ 3,887,406	$ 3,529,324	$ 7,416,730

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

Village of Rochester, Illinois

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

Year Ended April 30, 2025

	Water Utility	Sewer Utility	Total
Operating revenues			
Metered water sales	$ 1,265,919	$ -	$ 1,265,919
Sewer service	-	1,008,109	1,008,109
Water bond revenue	181,796	-	181,796
Connection fees	22,405	5,010	27,415
Penalty revenue	18,345	17,926	36,271
Miscellaneous	29,846	778	30,624
Total operating revenues	1,518,311	1,031,823	2,550,134
Operating expenses			
Water purchased	586,073	-	586,073
Sewer flow charges	-	486,455	486,455
Salaries, taxes and benefits	281,136	275,665	556,801
Materials and supplies	42,444	18,925	61,369
Gas and oil	5,639	5,149	10,788
Depreciation and amortization	137,940	191,880	329,820
Office supplies and expense	9,746	9,139	18,885
Insurance	15,007	9,704	24,711
Ordinance codification	743	743	1,486
Audit fees	7,700	7,700	15,400
Professional fees	1,661	1,402	3,063
Computer maintenance	14,004	14,004	28,008
Uniforms	1,013	998	2,011
Testing	2,793	200	2,993
Utilities and telephone	10,692	29,104	39,796
Training	1,460	800	2,260
Dues	4,345	2,663	7,008
Publications and subscriptions	870	870	1,740
Repairs and maintenance	56,698	138,571	195,269
Drug screening	801	801	1,602
Miscellaneous	3,232	33,242	36,474
Total operating expenses	1,183,997	1,228,015	2,412,012
Income (loss) from operations	334,314	(196,192)	138,122
Nonoperating revenues (expenses)			
Investment income	15,029	15,228	30,257
Interest expense	(25,121)	(2,532)	(27,653)
Total nonoperating revenues (expenses)	(10,092)	12,696	2,604
Change in net position	324,222	(183,496)	140,726
Net position at beginning of year	3,563,184	3,712,820	7,276,004
Net position at end of year	$ 3,887,406	$ 3,529,324	$ 7,416,730

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

Village of Rochester, Illinois

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year Ended April 30, 2025

	Water Utility	Sewer Utility	Total
Cash flows from operating activities			
Receipts from customers and users	$ 1,468,401	$ 1,039,603	$ 2,508,004
Payments for goods and services	(747,272)	(786,469)	(1,533,741)
Payments to employees and benefits	(278,793)	(273,507)	(552,300)
Net cash flows provided by (used in) operating activities	442,336	(20,373)	421,963
Cash flows from noncapital financing activities			
Transfers from other funds	126,482	(126,482)	-
Cash flows from capital and related financing activities			
Purchases of capital assets	(559,174)	(32,978)	(592,152)
Principal paid on revenue bonds and notes	(130,740)	(47,023)	(177,763)
Interest paid on revenue bonds and notes	(26,785)	(2,532)	(29,317)
Net cash flows provided by (used in) capital and related financing activities	(716,699)	(82,533)	(799,232)
Cash flows from investing activities			
Interest received	15,029	15,228	30,257
Net change in cash and cash equivalents	(132,852)	(214,160)	(347,012)
Cash and cash equivalents at beginning of year	1,677,091	780,650	2,457,741
Cash and cash equivalents at end of year	$ 1,544,239	$ 566,490	$ 2,110,729

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

Village of Rochester, Illinois

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS - CONTINUED

Year Ended April 30, 2025

	Water Utility	Sewer Utility	Total
Reconciliation of income from operations to net cash flows from operating activities			
Income (loss) from operations	$ 334,314	$ (196,192)	$ 138,122
Adjustments to reconcile income (loss) from operations to cash flows from operating activities			
Depreciation and amortization	137,940	191,880	329,820
Pension adjustment other than contributions	13,604	13,604	27,208
Decrease (increase) in assets			
Accounts receivable	(49,910)	7,780	(42,130)
Prepaid expenses	(1,365)	(853)	(2,218)
(Decrease) increase in liabilities			
Accounts payable	(3,115)	(38,750)	(41,865)
Customer deposits payable	8,525	-	8,525
Accrued liabilities	2,343	2,158	4,501
Net cash flows from operating activities	$ 442,336	$ (20,373)	$ 421,963

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Village of Rochester, Illinois (the Village) 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 Village's accounting policies are described below.

1. Reporting Entity

The Village is a body corporate and politic established under Illinois Compiled Statutes (ILCS). The Village is considered to be a primary government as defined by GASB Statement No. 14, since it is legally separate and fiscally independent.

In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity is based upon the significance of its operational or financial relationship with the primary government. The Village has determined that no other outside entity meets the above criteria and, therefore, no other entity has been included as a component unit in the Village's financial statements.

2. Fund Accounting

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. 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 non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues and are reported separate from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrate the degree to which the direct expenses of a given function or segment 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 applications that purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual funds are reported as separate columns in the fund financial statements.

4. 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Basis of Accounting and Financial Statement Presentation - Continued

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 current liabilities. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes, telecommunication taxes, licenses and permits, charges for services, fines and forfeits, miscellaneous revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

The General Fund is used to account for all activities of the general government not accounted for in some other fund.

The Motor Fuel Tax Fund is used to account for revenues and expenditures related to street improvements and projects provided by motor fuel taxes received from the State of Illinois.

The TIF Fund is used to account for the activities relating to the Tax Increment Financing District.

The Village reports the following proprietary funds, which are major funds:

The Water Utility Fund is used to account for revenues and expenses related to operating and maintaining the Village's water operations.

The Sewer Utility Fund is used to account for revenues and expenses related to operating and maintaining the Village's sewer operations.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Basis of Accounting and Financial Statement Presentation - Continued

Private-sector standards of accounting and financial reporting issued on or before November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for water and sewer sales and service. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is generally the Village's policy to use restricted resources first, then unrestricted resources as they are needed. See the policy for use of resources in governmental funds.

5. Fund Balances

Effective May 1, 2011, the Village adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. In addition, GASB Statement No. 54 modified certain fund type definitions and provided guidance for classification of stabilization amounts on the face of the balance sheet.

Within the governmental fund types, the Village's fund balances are reported in one of the following classifications:

Nonspendable - includes amounts that cannot be spent because they are either a) not in spendable form; or b) legally or contractually required to be maintained intact.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. Fund Balances - Continued

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

Committed - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village's Board of Trustees. The Village passes formal resolutions to commit their fund balances. At April 30, 2025, the Village has no committed fund balances.

Assigned - Includes amounts that are constrained by the Village's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village's Board of Trustees itself; or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Village's Board of Trustees has not authorized any other body or official to assign amounts for specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects), resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. Within these same funds, a residual deficit, if any, is reported as unassigned.

Unassigned - includes the residual fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. Fund Balances - Continued

It is the Village's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

At April 30, 2025, the Village's fund balance restrictions were for the following purposes:

Restricted purpose	
Highways and streets	$ 570,237
Public safety	841
Economic development	1,695,224
	$ 2,266,302

6. Budgets and Budgetary Accounting

Annual budgets were adopted for all governmental and proprietary funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. The budget is prepared by fund, department, division and object for the general fund and the department/division level for other funds, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. The budget may be amended by the governing body. The Board of Trustees approves all transfer amounts between departments for all funds. Expenditures may not legally exceed budgeted appropriations at the fund level.

7. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Village considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Capital Assets

Capital assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. The Village records all capital items, which are individually greater than $ 5,000, with a useful life of greater than one year, as capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings	40
Improvements	20 to 40
Equipment	3 to 7
Utility property and improvements	5 to 40
Infrastructure	10 to 40

9. Investments

Investments are stated at fair value based on quoted market prices at April 30, 2025. Non-negotiable certificates of deposit are reported at cost.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

10. Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources until that time. The Village's deferred outflows relate to deferred amounts to be recognized in pension expenses in future periods. This amount will be recognized over the next five years.

11. Deferred Charges

Deferred charges include connection fees related to connecting the Village's sewer system to the Springfield Metro Sanitary District. The connection fees are being amortized over the life of the sewer extension project.

12. Compensated Absences

Vested or accumulated vacation leave and vested sick leave are accrued when incurred by the Village in the government-wide and proprietary fund financial statements. Vested or accumulated vacation leave of the proprietary fund is recorded as an expense and liability of that fund as the benefits accrue to employees.

13. Deferred and Unearned Revenue

In the governmental funds, deferred revenues represent amounts due, which are measurable, but not available. In the government-wide financial statements, unearned revenues represent the deferral of property tax receivables which are levied for a future period.

14. Deferred Inflows of Resources

The Village reports a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The Village will not recognize the related revenue until a future event occurs. The Village has two types of deferred inflows: net pension liability and property tax receivables recorded in the current year, but the revenue will be recorded in the subsequent year, as it is meant to finance the next fiscal year, and will be recognized in a future period.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

15. 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 statements of net position.

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 debt service expenditures.

16. Interfund Transactions

During the course of normal operations, the Village had numerous transactions between funds. Transfers are reported as "other financing sources and uses" in the Governmental Funds, as "transfers in" by the Recipient Fund, and "transfers out" by the Disbursing Fund.

17. Property Tax Calendar

The following information gives significant dates on the property tax calendar of the Village:

- The property tax lien date is January 1 of each year.
- The annual tax levy ordinance for taxes received during fiscal year 2025 was passed December 9, 2024.
- The first installment of property taxes was due to the County Collector in June and the second installment was due in September of 2024.
- Significant amounts of property taxes for 2023 were distributed to the Village in June and September of 2024.

Property taxes receivable at April 30 that are intended to finance the subsequent fiscal year are appropriately recorded as deferred revenue in the government-wide and fund financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

18. Concentration of Suppliers

The Village has an agreement with the City of Springfield, whereby the City of Springfield will supply water to and process sewage from the Village. The Village pays for actual water usage and sewage processed and is not required to purchase a minimum amount of water or process a minimum amount of sewage.

19. Use of Estimates

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

20. Subsequent Events

The Village assessed events that have occurred subsequent to April 30, 2025 through January 12, 2026, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to or disclosure in the financial statements.

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS

The Village's Board of Trustees have adopted an investment policy to invest in instruments allowed by the Illinois Compiled Statues (ILCS), which authorize the Village to make deposits/investments in insured commercial banks, saving and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds.

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS - Continued

It is the policy of the Village 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 Village 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, in order of priority, are conformance with legal requirements, safety of principal, liquidity and return on investment.

1. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Currently the Village has a policy to not directly invest in securities maturing more than two years from the date of purchase.

The average maturities of investments in Illinois Funds as of April 30, 2025, were less than one year.

2. Credit Risk

It is the policy of the Village to diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds. As of April 30, 2025, the Village is invested in a non-negotiable certificate of deposit and Illinois Funds.

The Illinois Funds (Fund) is an external investment pool authorized by the Illinois General Assembly. The Fund is exempt from registering with the Securities and Exchange Commission. The Fund is rated by Standard and Poor's upon the request of the Fund's management. The most recent money market rating issued by Standard and Poor's was AAAm. The fair value of the position in the Illinois Funds is the same as the value of the Fund shares. Illinois state statutes provide the Illinois state treasurer with regulatory oversight over the Fund.

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS - Continued

3. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of the depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party.

It is the policy of the Village to require collateralization on all funds held in banks or savings and loans above the insured limits provided by the FDIC. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be a minimum of 102 percent of market value of principal and accrued interest.

As of April 30, 2025, \$ 173,609 of the Village's bank or investment balance of \$ 6,301,639 was exposed to custodial credit risk.

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets for the year ended April 30, 2025 is as follows:

	Balance May 1, 2024	Additions	Retirements	Balance April 30, 2025
Governmental Activities				
Land	$ 116,434	$ -	$ -	$ 116,434
Construction in progress	-	610,600	-	610,600
Total capital assets not being depreciated	116,434	610,600	-	727,034
Capital assets being depreciated				
Buildings and improvements	1,217,594	-	-	1,217,594
Equipment	1,360,082	76,707	(24,413)	1,412,376
Other improvements	773,428	94,526	-	867,954
Infrastructure	383,740	33,721	-	417,461
Total capital assets being depreciated	3,734,844	204,954	(24,413)	3,915,385
Less accumulated depreciation				
Buildings and improvements	(845,867)	(30,565)	-	(876,432)
Equipment	(1,248,352)	(70,099)	24,413	(1,294,038)
Other improvements	(690,726)	(22,829)	-	(713,555)
Infrastructure	(203,139)	(10,766)	-	(213,905)
Total accumulated depreciation	(2,988,084)	(134,259)	24,413	(3,097,930)
Total capital assets being depreciated, net	746,760	70,695	-	817,455
Total capital assets, net	$ 863,194	$ 681,295	$ -	$1,544,489

NOTE C - CAPITAL ASSETS - Continued

	Balance May 1, 2024	Additions	Transfers	Balance April 30, 2025
Business-Type Activities				
Land	$ 44,335	$ -	$ -	$ 44,335
Construction in progress	399,287	565,552	(366,052)	598,787
Total capital assets not being depreciated	443,622	565,552	(366,052)	643,122
Capital assets being depreciated				
Building and improvements	964,730	-	-	964,730
Water and sewer system	8,272,179	-	366,052	8,638,231
Water tower	829,404	-	-	829,404
Other improvements	258,580	-	-	258,580
Equipment	758,208	26,600	-	784,808
Total capital assets being depreciated	11,083,101	26,600	366,052	11,475,753
Less accumulated depreciation				
Building and improvements	(354,272)	-	-	(354,272)
Water and sewer system	(4,554,918)	(227,529)	-	(4,782,447)
Water tower	(547,566)	(20,735)	-	(568,301)
Other improvements	(23,379)	-	-	(23,379)
Equipment	(360,637)	(73,872)	-	(434,509)
Total accumulated depreciation	(5,840,772)	(322,136)	-	(6,162,908)
Total capital assets being depreciated, net	5,242,329	(295,536)	366,052	5,312,845
Total capital assets	$5,685,951	$ 270,016	$ -	$5,955,967

NOTE C - CAPITAL ASSETS - Continued

Depreciation expense was charged to functions/programs of the Village for the fiscal year ended April 30, 2025 as follows:

Governmental activities	
General government	$ 59,290
Public safety	44,108
Highways and streets	30,860
	$ 134,258

Business-Type activities	
Water utility	$ 137,940
Sewer utility	191,880
Less sewer utility amortization expense	(7,684)
	$ 322,136

NOTE D - LONG-TERM OBLIGATIONS

Business-Type Activities

The Village has pledged future water utility revenue to repay $ 1,700,000 in General Obligation Bonds issued in 2013 for the purpose of improving the Village's existing waterworks system. The bonds are payable from the water utility revenue collected by the Water Fund.

Total principal and interest payments	$ 151,490
Total water revenue	$1,533,340
$ 1,700,000 General Obligations Bonds (alternative revenue source), Series 2013, payable through December 2028, interest is payable semiannually based on a 360-day year of twelve 30-day months, principal payments paid annually.	$ 555,000

NOTE D - LONG-TERM OBLIGATIONS - Continued

Future principal and interest payments on the general obligation bonds (alternate revenue source) are as follows:

	Principal	Interest	Total
Years ending April 30,			
2026	$ 130,000	$ 22,052	$ 152,052
2027	135,000	17,204	152,204
2028	140,000	11,925	151,925
2029	150,000	6,255	156,255
	$ 555,000	$ 57,436	$ 612,436

The Village borrowed $ 400,000 for the purpose of building a pump station.

$ 400,000 (pump station) note payable, annual payments including interest of 2.49%, through June 2026.	$ 80,674

Future principal and interest payments on this note payable are as follows:

	Principal	Interest	Total
Year ending April 30,			
2026	$ 41,446	$ 1,470	$ 42,916
2027	39,228	431	39,659
	$ 80,674	$ 1,901	$ 82,575

The Village purchased a truck for Public Works.

$ 82,993 (Ford F550) note payable,
annual payments of $ 18,303 including
interest of 5.14%, through February 2025.

During the year ended April 30, 2025, this note was paid in full.

NOTE D - LONG-TERM OBLIGATIONS - Continued

In addition, a truck was purchased to be shared between the Water and Sewer Fund.

$ 54,730 (Ford F350) note payable,
annual payments of $ 12,069 including
interest of 5.14%, through February 2025.

During the year ended April 30, 2025, this note was paid in full.

Following is a summary of the changes that occurred to the liabilities reported in the business-type activities of the Village for the year ended April 30, 2025:

	Balance May 1, 2024	Increases	Decreases	Balance April 30, 2025	Due Within 1 Year
General obligation bonds	$ 680,000	$ -	$ 125,000	$ 555,000	$ 130,000
Pump station note payable	121,957	-	41,283	80,674	41,446
Truck note payable - F550	17,405	-	17,405	-	-
Truck note payable - F350	11,480	-	11,480	-	-
	$ 830,842	$ -	$ 195,168	$ 635,674	$ 171,446

NOTE E - INTERFUND TRANSACTIONS

Interfund receivable and payable balances at April 30, 2025 consist of:

	Due from Other Funds	Due to Other Funds
Water Utility Fund	$ -	$ 92,258
Motor Fuel Tax Fund	18,142	-
Sewer Fund	92,258	-
General Fund	-	18,142
	$ 110,400	$ 110,400

NOTE F - RETIREMENT PLAN

IMRF Plan Description

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

Benefits Provided

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

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

NOTE F - RETIREMENT PLAN - Continued

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

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

Employees Covered by Benefit Terms

As of December 31, 2024, the following employees were covered by the benefit items:

Retirees and beneficiaries currently receiving benefits	12
Inactive plan members entitled to but not yet receiving benefits	21
Active plan members	19
Total	52

Contributions

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2024 and 2025 was 10.10 and 9.98%, respectively. For the fiscal year ended April 30, 2025, the Village contributed $ 127,188 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NOTE F - RETIREMENT PLAN - Continued

Net Pension Liability

The Village's net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

- The actuarial cost method used was Entry Age Normal.
- The asset valuation method used was Market Value of Assets.
- The inflation rate was assumed to be 2.25%.
- Salary increases were expected to be 2.85% to 13.75%.
- The investment rate of return was assumed to be 7.25%.
- Projected retirement age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from years 2020 to 2022.
- The IMRF-specific rates for mortality (for non-disabled retirees) were developed from the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021.
- For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- 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:

NOTE F - RETIREMENT PLAN - Continued

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	4.35%
International Equity	18.0	5.40
Fixed Income	24.5	5.20
Real Estate	10.5	6.40
Alternative Investments	12.5	4.85-6.25
Cash Equivalents	1.0	3.60
Total	100.0%	

Single Discount Rate

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

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

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

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

NOTE F - RETIREMENT PLAN - Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balance at December 31, 2023	$ 4,638,427	$ 3,789,923	$ 848,504
Service cost	101,780	-	101,780
Interest on the total pension liability	328,349	-	328,349
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	(40,591)	-	(40,591)
Changes of assumptions	-	-	-
Contributions - employer	-	121,008	(121,008)
Contributions - employees	-	53,848	(53,848)
Net investment income	-	379,031	(379,031)
Benefit payments, including refunds of employee contributions	(320,740)	(320,740)	-
Other (net transfer)	-	(62,259)	62,259
Net changes	68,798	170,888	(102,090)
Balance at December 31, 2024	$ 4,707,225	$ 3,960,811	$ 746,414

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25% as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower 6.25%	Current Discount 7.25%	1% Higher 8.25%
Net pension liability	$ 1,237,979	$ 746,414	$ 368,620

NOTE F - RETIREMENT PLAN - Continued

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

For the year ended April 30, 2025, the Village recognized pension expense of $ 219,873. At April 30, 2025, the Village reported deferred outflows of resources related to pensions from the following sources:

Deferred amounts to be recognized in pension expense in future periods	
Differences between expected and actual experience	$ 133,142
Assumption changes	(19,859)
Net difference between projected and actual earnings on pension plan investments	99,722
Total deferred amounts to be recognized in pension expense in future periods	213,005
Pension contributions made subsequent to the measurement date	42,811
Total deferred amounts related to pensions	$ 255,816

NOTE F - RETIREMENT PLAN - Continued

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

Year Ending December 31,	
2025	$ 116,917
2026	168,401
2027	(46,779)
2028	(25,534)
Total	$ 213,005

NOTE G - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. To insure against these losses, the Village participates in the Illinois Municipal League Risk Management Association (IMLRMA), a public entity risk pool with transfers of risk. The Village pays an annual premium to IMLRMA for its coverage. The Village has not had significant reductions in insurance coverage during the year. Settled claims have not exceeded this coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Rochester, Illinois

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Calendar Years

Calendar Year Ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service cost	$ 101,780	$ 98,755	$ 84,214	$ 80,168	$ 72,856	$ 78,199	$ 75,959	$ 71,851	$ 76,899	$ 66,057
Interest on the total pension liability	328,349	315,974	297,091	287,200	274,748	263,956	256,984	247,722	225,739	203,110
Difference between expected and actual experience	(40,591)	89,902	178,067	67,382	135,030	66,193	10,081	117,957	155,853	156,660
Assumption changes	-	(23,781)	-	-	(33,139)	-	100,932	(111,494)	(11,443)	-
Benefit payments and refunds	(320,740)	(302,602)	(309,786)	(290,893)	(271,927)	(241,702)	(219,819)	(189,376)	(137,626)	(119,012)
Net change in total pension liability	68,798	178,248	249,586	143,857	177,568	166,646	224,137	136,660	309,422	306,815
Total pension liability at beginning of year	4,638,427	4,460,179	4,210,593	4,066,736	3,889,168	3,722,522	3,498,385	3,361,725	3,052,303	2,745,488
Total pension liability at end of year	4,707,225	4,638,427	4,460,179	4,210,593	4,066,736	3,889,168	3,722,522	3,498,385	3,361,725	3,052,303
PLAN FIDUCIARY NET POSITION										
Employer contribution	121,008	110,845	115,671	126,102	118,691	157,634	173,958	102,607	112,442	100,847
Employee contribution	53,848	52,340	48,196	45,179	40,219	38,686	40,164	36,501	37,069	33,393
Pension plan net investment income	379,031	389,739	(580,818)	639,482	482,105	515,554	(173,025)	420,296	129,449	10,397
Benefit payments and refunds	(320,740)	(302,602)	(309,786)	(290,893)	(271,927)	(241,702)	(219,819)	(189,376)	(137,626)	(119,012)
Other	(62,259)	113,329	(1,647)	10,953	41,592	54,740	86,000	(48,310)	114,553	105,913
Net change in plan fiduciary net position	170,888	363,651	(728,384)	530,823	410,680	524,912	(92,722)	321,718	255,887	131,538
Plan fiduciary net position at beginning of year	3,789,923	3,426,272	4,154,656	3,623,833	3,213,153	2,688,241	2,780,963	2,459,245	2,203,358	2,071,820
Plan fiduciary net position at end of year	3,960,811	3,789,923	3,426,272	4,154,656	3,623,833	3,213,153	2,688,241	2,780,963	2,459,245	2,203,358
Net pension liability at end of year	$ 746,414	$ 848,504	$ 1,033,907	$ 55,937	$ 442,903	$ 676,015	$ 1,034,281	$ 717,422	$ 902,480	$ 848,945
Plan fiduciary net position as a percentage of total pension liability	84.14%	81.71%	76.82%	87.67%	89.11%	82.62%	72.22%	79.49%	73.15%	72.19%
Covered valuation payroll	$ 1,198,114	$ 1,163,116	$ 1,071,033	$ 1,003,986	$ 893,759	$ 859,692	$ 892,544	$ 811,126	$ 823,755	$ 742,070
Net pension liability (asset) as a percentage of covered valuation payroll	62.30%	72.95%	96.53%	5.57%	49.56%	78.63%	115.88%	88.45%	109.56%	114.40%

Village of Rochester, Illinois

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a percentage of Covered Valuation Payroll
2024	$ 121,010	$ 121,008	$ 2	$ 1,198,114	10.10%
2023	110,845	110,845	-	1,163,116	9.53%
2022	115,672	115,671	1	1,071,033	10.80%
2021	126,101	126,102	(1)	1,003,986	12.56%
2020	118,691	118,691	-	893,759	13.28%
2019	107,633	157,634	(50,001)	859,692	12.52%
2018	120,136	173,958	(53,822)	892,544	13.46%
2017	102,607	102,607	-	811,126	12.65%
2016	112,443	112,442	1	823,755	13.65%
2015	100,847	100,847	-	742,070	13.59%

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2024 Contribution Rate *

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine 2024 contribution rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	10-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	2.75%
Price Inflation:	2.25%
Salary Increases:	2.75% to 13.75%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.
Mortality:	For non-disabled retirees, the Pub-2010 Amounted-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
Other Information:	There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2024 actuarial valuation.

Village of Rochester, Illinois

SCHEDULE OF FUNDING PROGRESS
Employer Number: 06716R
Required Supplemental Information

April 30, 2025

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/24	$ 688,689	$ 1,416,146	$ 727,457	48.63%	$ 1,198,113	60.72%
12/31/23	548,015	1,325,656	777,641	41.34%	1,163,115	66.86%
12/31/22	390,943	1,118,299	727,356	34.96%	1,071,033	67.91%
12/31/21	414,344	978,235	563,891	42.36%	1,003,986	56.17%

On a market value basis, the actuarial value of assets as of December 31, 2024 is $ 692,024. On a market basis, the funded ratio would be 48.87%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Village of Rochester. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

Village of Rochester, Illinois
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
General Fund
Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes			
Property	$ 399,300	$ 405,155	$ (5,855)
Road and bridge	31,000	29,654	1,346
Utility	180,000	205,202	(25,202)
Cable television	60,000	46,482	13,518
Total taxes	670,300	686,493	(16,193)
Intergovernmental			
Income taxes	560,000	686,529	(126,529)
Video gaming	50,000	48,644	1,356
Sales tax	240,000	292,031	(52,031)
Use tax	140,000	109,799	30,201
Cannabis use tax	6,000	6,070	(70)
Replacement taxes	6,000	3,267	2,733
Grants	78,182	1,800	76,382
Total intergovernmental	1,080,182	1,148,140	(67,958)
Fines and fees			
Police fines	14,000	7,708	6,292
Building inspection fees	6,000	4,195	1,805
Park reservation fees	1,200	950	250
Athletic field reservation fees	3,000	2,035	965
Athletic field electricity reimbursement	2,000	2,005	(5)
Concession stand fees	1,100	850	250
DUI Equipment fines	1,000	1,050	(50)
Gas franchise fees	6,000	6,000	-
Other fines and fees	3,000	3,000	-
Total fines and fees	37,300	27,793	9,507
Licenses and permits	18,500	28,515	(10,015)
Miscellaneous			
Police receipts	71,400	438	70,962
School security	6,300	8,212	(1,912)
School resource officer revenue	45,000	67,500	(22,500)
July 4th revenue	30,000	30,679	(679)
Library			
Utilities reimbursements	6,000	6,596	(596)
Library maintenance reimbursements	41,000	40,725	275
Traffic signal reimbursements	8,000	5,428	2,572
Community room rentals	-	18,356	(18,356)
Other miscellaneous	22,200	59,101	(36,901)
Total miscellaneous	229,900	237,035	(7,135)

Village of Rochester, Illinois

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

General Fund - Continued

Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Investment income	$ 68,000	$ 85,722	$ (17,722)
Total revenues	2,104,182	2,213,698	(109,516)
Expenditures			
General government			
Salaries	75,000	57,938	(17,062)
Health insurance	10,000	5,309	(4,691)
Other payroll expenditures	17,188	9,526	(7,662)
Travel and training	875	50	(825)
Legal fees	281,375	203,014	(78,361)
Professional services	25,000	11,594	(13,406)
Ordinance codification	1,875	743	(1,132)
Accounting and auditing fees	8,750	6,600	(2,150)
Building and grounds maintenance	120,000	6,028	(113,972)
Utilities and telephone	23,750	15,515	(8,235)
Office expenditures	15,000	5,166	(9,834)
General insurance	1,875	(715)	(2,590)
Computer administration and maintenance	13,375	11,326	(2,049)
Publications and subscriptions	2,000	1,494	(506)
Dues	375	150	(225)
Animal control	2,000	1,533	(467)
Drug screening	938	283	(655)
Capital outlay	-	92,655	92,655
Grant expenditures	96,478	-	(96,478)
Miscellaneous	4,875	3,865	(1,010)
Total general government	700,729	432,074	(268,655)
Culture and recreation			
Building and grounds maintenance	10,750	1,980	(8,770)
Program expenditures	8,750	8,294	(456)
Fourth of July	37,500	29,923	(7,577)
Vehicle and equipment maintenance	8,750	5,307	(3,443)
General insurance	5,250	4,132	(1,118)
Legal	1,875	240	(1,635)
Gas and oil	10,000	7,483	(2,517)
Uniforms and supplies	16,250	11,435	(4,815)
Portable sanitation	6,125	5,396	(729)

Village of Rochester, Illinois

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
General Fund - Continued

Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Culture and recreation - continued			
Park improvements	$ 20,000	$ 9,594	$ (10,406)
Utilities	23,125	20,544	(2,581)
Capital outlay	31,250	26,415	(4,835)
Miscellaneous	1,875	1,622	(253)
Total culture and recreation	181,500	132,365	(49,135)
Public safety			
Salaries	1,011,875	769,901	(241,974)
Health insurance	112,500	77,948	(34,552)
Other payroll expenditures	188,749	149,790	(38,959)
Travel and training	16,250	13,918	(2,332)
Legal	3,125	2,881	(244)
Vehicle and equipment maintenance	15,625	18,256	2,631
Building maintenance	11,875	3,937	(7,938)
Office expenditures	4,000	11,744	7,744
General insurance	17,500	10,481	(7,019)
Gas and oil	27,500	20,446	(7,054)
Computer administration and maintenance	18,375	27,574	9,199
Publications and subscriptions	1,875	750	(1,125)
Dues	28,750	21,328	(7,422)
Utilities and telephone	24,500	14,919	(9,581)
Drug screening	1,875	1,146	(729)
Capital outlay	157,126	57,988	(99,138)
Police candidate hiring	1,875	2,467	592
Uniforms and supplies	13,125	46,179	33,054
Crime prevention	5,625	4,406	(1,219)
K9 Unit	5,375	5,082	(293)
Miscellaneous	5,125	227	(4,898)
Total public safety	1,672,625	1,261,368	(411,257)

Village of Rochester, Illinois

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
General Fund - Continued

Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Highways and streets			
Salaries	$ 148,750	$ 113,868	$ (34,882)
Health insurance	21,250	16,558	(4,692)
Other payroll expenditures	34,375	25,364	(9,011)
Travel and training	625	-	(625)
Building and grounds maintenance	11,250	4,458	(6,792)
Vehicle and equipment maintenance	28,750	8,853	(19,897)
Capital outlay	1,250	52,971	51,721
Equipment rental	3,125	902	(2,223)
Uniforms and supplies	26,500	8,821	(17,679)
Street maintenance	75,000	51,058	(23,942)
Sidewalks	12,500	9,850	(2,650)
Travel signal maintenance	112,500	18,583	(93,917)
Professional fees	19,375	12,772	(6,603)
General insurance	5,625	3,765	(1,860)
Gas and oil	10,000	5,149	(4,851)
Utilities	50,000	37,393	(12,607)
Miscellaneous	13,875	7,070	(6,805)
Total highways and streets	574,750	377,435	(197,315)
Debt service			
Principal	22,881	17,405	(5,476)
Interest	125	899	774
Total debt service	23,006	18,304	(4,702)
Contingencies			
General	2,072,040	-	(2,072,040)
Total expenditures	5,224,650	2,221,546	(3,003,104)
Excess of revenues over expenditures before other financing sources (uses)	(3,120,468)	(7,848)	(3,112,620)
Other financing sources (uses)			
Gain on sale of equipment	1,000	2,000	(1,000)
Net change in fund balance	$(3,119,468)	(5,848)	$(3,113,620)
Fund balance at beginning of year		2,067,014	
Fund balance at end of year		$ 2,061,166	

Village of Rochester, Illinois

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Motor Fuel Tax Fund

Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes	$ 140,000	$ 174,772	$ (34,772)
Investment income	27,000	31,255	(4,255)
Total revenues	167,000	206,027	(39,027)
Expenditures			
Highways and streets	43,000	860	42,140
Capital outlay	854,370	585,524	268,846
Contingencies			
General	1,094,990	-	1,094,990
Total expenditures	1,992,360	586,384	1,405,976
Net change in fund balance	$(1,825,360)	(380,357)	$(1,445,003)
Fund balance at beginning of year		950,594	
Fund balance at end of year		$ 570,237	

Village of Rochester, Illinois

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

Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes	$1,123,000	$1,123,559	$ (559)
Investment income	10	-	10
Miscellaneous	10	5,500	(5,490)
Total revenues	1,123,020	1,129,059	(6,039)
Expenditures			
Surplus Funds	312,500	334,406	21,906
Professional fees	40,000	36,739	(3,261)
Miscellaneous	-	20	20
TIF agreements	391,188	223,566	(167,622)
Total expenditures	743,688	594,731	(148,957)
Net change in fund balance	$ 379,332	534,328	$ (154,996)
Fund balance at beginning of year		1,160,896	
Fund balance at end of year		$1,695,224	

Village of Rochester, Illinois

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP)

Water Utility Fund

Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Operating revenues			
Metered water sales	$ 1,100,000	$ 1,265,919	$ (165,919)
Connection fees	20,000	22,405	(2,405)
Penalty revenue	11,000	18,345	(7,345)
Water bond revenue	175,000	181,796	(6,796)
Miscellaneous	1,000	29,846	(28,846)
Total operating revenues	1,307,000	1,518,311	(211,311)
Operating expenses			
Water purchased	796,250	586,073	(210,177)
Salaries, taxes and benefits	359,625	281,136	(78,489)
Materials and supplies	106,250	42,444	(63,806)
Gas and oil	10,000	5,639	(4,361)
Office supplies and expense	13,125	9,746	(3,379)
Insurance	20,625	15,007	(5,618)
Ordinance codification	1,875	743	(1,132)
Audit fees	9,625	7,700	(1,925)
Professional fees	28,125	1,661	(26,464)
Computer maintenance	23,500	14,004	(9,496)
Uniforms	1,500	1,013	(487)
Testing	3,750	2,793	(957)
Utilities and telephone	20,000	10,692	(9,308)
Training	-	1,460	1,460
Dues	7,500	4,345	(3,155)
Publications and subscriptions	1,875	870	(1,005)
Repairs and maintenance	41,750	56,698	14,948
Drug screening	1,750	801	(949)
Miscellaneous	493,064	3,232	(489,832)
Capital outlay	558,674	-	(558,674)
Contingencies	1,620,186	-	(1,620,186)
Total operating expenses	4,119,049	1,046,057	(3,072,992)
Income (loss) from operations	(2,812,049)	472,254	3,284,303

Village of Rochester, Illinois

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
Water Utility Fund - Continued

April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Nonoperating revenues (expenses)			
Investment income	$ 4,500	$ 15,029	$ (10,529)
Interest expense	(50,000)	(25,121)	24,879
Total nonoperating revenues (expenses)	(45,500)	(10,092)	35,408
Change in net position, budgetary basis	$ (2,857,549)	462,162	$ (3,319,711)
Reconciliation to statement of revenues, expenses and changes in net position			
Depreciation and amortization		(137,940)	
Change in net position		324,222	
Net position at beginning of year		3,563,184	
Net position at end of year		$ 3,887,406	

Village of Rochester, Illinois

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
Sewer Utility Fund

Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Operating revenues			
Sewer service	$ 1,036,180	$ 1,008,109	$ 28,071
Connection fees	10,000	5,010	4,990
Penalty revenue	12,000	17,926	(5,926)
Miscellaneous	5,000	778	4,222
Total operating revenues	1,063,180	1,031,823	31,357
Operating expenses			
Sewer flow charges	593,750	486,455	107,295
Salaries, taxes and benefits	358,125	275,665	82,460
Materials and supplies	68,750	18,925	49,825
Office supplies and expense	11,875	9,139	2,736
Gasoline and oil	10,000	5,149	4,851
Insurance	13,750	9,704	4,046
Ordinance codification	2,500	743	1,757
Audit fees	9,625	7,700	1,925
Professional fees	29,375	1,402	27,973
Computer maintenance	14,125	14,004	121
Uniforms	1,500	998	502
Testing	1,250	200	1,050
Utilities and telephone	35,750	29,104	6,646
Training	1,875	800	1,075
Dues	6,250	2,663	3,587
Publications and subscriptions	1,563	870	693
Repairs and maintenance	158,500	138,571	19,929
Drug screening	1,875	801	1,074
Miscellaneous	3,250	33,242	(29,992)
Contingencies	762,137	-	762,137
Total operating expenses	2,085,825	1,036,135	1,049,690
Income (loss) from operations	(1,022,645)	(4,312)	(1,018,333)

Village of Rochester, Illinois

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
Sewer Utility Fund - Continued

April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Nonoperating revenues (expenses)			
Investment income	$ 4,700	$ 15,228	$ (10,528)
Interest (expense)	(8,750)	(2,532)	(6,218)
Total nonoperating revenues (expenses)	(4,050)	12,696	(16,746)
Change in net position, budgetary basis	$ (1,026,695)	8,384	$ (1,035,079)
Reconciliation to statement of revenues, expenses and changes in net position			
Depreciation and amortization		(191,880)	
Change in net position		(183,496)	
Net position at beginning of year		3,712,820	
Net position at end of year		$ 3,529,324	

OTHER INFORMATION

Village of Rochester, Illinois

SCHEDULE OF ASSESSED VALUATIONS, RATES, EXTENSIONS AND COLLECTIONS

For Tax Assessed in 2024, 2023, and 2022

	2024	2023	2022
Assessed valuation	$106,108,214	$100,025,175	$ 93,817,664
Tax rates			
General corporate	0.1689	0.1732	0.1758
Social security	0.0844	0.0864	0.0877
Insurance	0.0744	0.0762	0.0773
Police protection	0.0539	0.0553	0.0561
Audit	0.0181	0.0184	0.0187
Levy recapture	0.0027	0.0010	0.0012
Total tax rates	0.4024	0.4105	0.4168
Extensions			
General corporate	$ 179,217	$ 173,244	$ 164,931
Social security	89,555	86,422	82,278
Insurance	78,945	76,218	72,521
Police protection	57,192	55,314	52,632
Audit	19,206	18,405	17,544
Levy recapture	2,865	1,000	1,126
Total extensions	$ 426,980	$ 410,603	$ 391,032
Total collected		$ 405,156	$ 387,811
Percentage collected		98.67%	99.18%
Collection of Village share of road and bridge tax		$ 29,654	$ 29,658

Village of Rochester, Illinois

SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2025

Assessed valuation - 2024 tax levy		$ 106,108,214
Statutory debt limitation (8.625% of valuation)		$ 9,151,833
Total debt		
General obligation (alternative revenue source) bonds	$ 555,000	
Pump station note payable	80,674	
	635,674	
Less alternative revenue source bonds	(555,000)	80,674
Total legal debt margin		$ 9,071,159

ECK, SCHAFER & PUNKE, LLP
CERTIFIED PUBLIC ACCOUNTANTS

227 South Seventh Street
Springfield, Illinois 62701
217-525-1111
Fax 217-525-1120
www.espcpa.com

Independent Auditors' Report on Compliance
With Tax Incremental Financing Act

To the Board of Trustees
Village of Rochester, Illinois

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information for the Village of Rochester, Illinois (the Village), as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated January 12, 2026. The financial statements are the responsibility of the Village. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

In connection with our audit, nothing came to our attention that caused us to believe that the Village of Rochester, Illinois failed to comply with the provisions of the Illinois Tax Increment Allocation Redevelopment Act with respect to allowable costs as identified in Subsection (q) of Section 11-74.4-3 of the Act. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Village's noncompliance with the above-referenced code, insofar, as it relates to the Village's accounting matters.

This report is intended solely for the information and use of the Village Board and the State of Illinois Comptroller and is not intended to be and should not be used by anyone other than these specified parties.

Eck, Schafer & Punke, LLP

Springfield, Illinois
January 12, 2026