

CITY OF MARKHAM, ILLINOIS

ANNUAL FINANCIAL REPORT

For the fiscal year ended April 30, 2025

CITY OF MARKHAM, ILLINOIS
ANNUAL FINANCIAL REPORT
For the fiscal year ended April 30, 2025

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities.....	16
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	17
Reconciliation of Total Governmental Fund Balance Sheet to the Statement of Net Position – Governmental Activities	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	19
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities - Governmental Activities	20
Statement of Net Position - Proprietary Funds	21
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds.....	23
Statement of Cash Flows - Proprietary Funds	24
Statement of Fiduciary Net Position.....	25
Statement of Changes in Fiduciary Net Position	26
Notes to Financial Statements.....	27
REQUIRED SUPPLEMENTARY INFORMATION	
Historical Pension and Retirees' Health Plan Information:	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	71
Police Pension Fund	72
Firefighters' Pension Fund	73
Schedule of Changes in the Employer's Net Pension Liability/(Asset) and related ratios	
Illinois Municipal Retirement Fund	74
Police Pension Fund	75
Firefighters' Pension Fund	76
Schedule of Investment Rate of Return	
Police Pension Fund	77
Firefighters' Pension Fund	78
Schedule of Changes in the Employer's Total OPEB Liability and related ratios	
Retiree Benefit Plan	79
Budgetary Comparison Schedules:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	80
TIF #5 - Interstate - Special Revenue Fund.....	81

CITY OF MARKHAM, ILLINOIS
ANNUAL FINANCIAL REPORT
For the fiscal year ended April 30, 2025

CONTENTS

SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedules:

Individual Fund Descriptions	82
Schedule of Revenues - Budget and Actual - General Fund	85
Schedule of Expenditures - Budget and Actual - General Fund	86
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
TIF #1 Canterbury Mall Plaza - Capital Projects Fund	92
2008A Bond - Debt Service Fund	93
Combining Balance Sheet - Nonmajor Governmental Funds	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental Funds	95
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax - Special Revenue Fund	96
TIF #2 Hotel/Motel Tax - Special Revenue Fund	97
2008B Bond - Debt Service Fund	98
Capital Projects Fund	99
TIF #3 Dixie Highway - Capital Projects Fund	100
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	
Waterworks and Sewerage - Enterprise Fund	101
Solid Waste - Enterprise Fund	102
Markham Roller Rink - Enterprise Fund	103
Markham Senior Living Complex - Enterprise Fund	104
Combining Statement of Fiduciary Net Position - Pension Trust Funds	105
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds	106

OTHER INFORMATION

Assessed Valuation, Tax Rates, Tax Extensions and Tax Collections - Last Ten Tax Years	107
Long-Term Debt Requirements	
General Obligation (Alternate Revenue Source) Bonds of 2005A	109
General Obligation Bonds of 2008A	110
General Obligation Bonds of 2008B	111
General Obligation Bonds of 2009A	112
General Obligation Bonds of 2012	113
Installment Contract of 2021	114
Installment Contract of 2023	115
Installment Contract of 2023A	116

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable City Mayor
Members of the City Council
City of Markham, Illinois

Opinions

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

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, 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.

We did not audit the financial statements of the Police and Firefighters' Pension Funds, which represent 87 percent and 93 percent, respectively, of the assets and net position/fund balance of the aggregate remaining fund information as of April 30, 2025, and 72 percent of the revenues of the aggregate remaining fund information for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for Police and Firefighters' Pension Funds, are based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

(Continued)

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, historical pension and retirees' health plan information, and budgetary comparison schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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.

(Continued)

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 accompanying Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the accompanying Combining and Individual Fund Financial Statements and Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Crowe LLP
Crowe LLP

Oakbrook Terrace, Illinois
February 3, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF MARKHAM, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2025

Our discussion and analysis of the City of Markham's financial performance provides an overview of the City's financial activities for the fiscal year ended April 30, 2025. Please read it in conjunction with the City's financial statements in the basic financial statements section of this report.

Financial Highlights

- The City's net position decreased as a result of this year's operations. Net position of governmental activities decreased by \$11,441,746, or 41.7 percent, and net position of the business-type activities increased by \$981,297 or 21.4 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$52,603,702, while expenses totaled \$63,064,151, resulting in an decrease to net position of \$10,460,449.
- The City's net position totaled \$21,572,625 on April 30, 2025, which includes \$17,081,783 net investment in capital assets, \$10,905,730 subject to external restrictions, and a deficit \$6,414,888 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors. The General Fund reported an increase this year of \$9,364,545, resulting in ending fund balance of \$9,533,035.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City of Markham as a whole and present a longer-term view of the City's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operation in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the City's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the City's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's roads, is needed to assess the overall health of the City.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

(Continued)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) or from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, finance, information services, public safety, highways and streets, community planning, development and engineering. The business-type activities of the City include waterworks, sewerage, storm water management, parking operations and senior housing.

The City includes one separate legal entity in its report, the Bradford Anderson Oglesby Public Library. Although legally separate, this "component unit" is important because the City is financially accountable for it. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the TIF #1 Canterbury Mall Plaza Fund, the 2008A Bond Fund, and the TIF #5 Interstate Fund, all of which are considered major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for all funds except the 2001 Bond Fund, the 2009B Bond Fund, the 2009B Bond Capital Improvements Fund, and the 2012 Bond Capital Improvements Fund. A budgetary comparison schedule for all other funds has been provided to demonstrate compliance with the budget.

Proprietary Funds

The City maintains one proprietary fund type: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

The City utilizes enterprise funds to account for its waterworks and sewerage, solid waste, Markham roller rink, and Markham Senior Living Complex operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, the Solid Waste Fund, the Markham Roller Rink Fund, and the Markham Senior Living Complex Fund, which are considered to be a major funds of the City.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

The accounting use for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's I.M.R.F. and police and fire employee pension obligations, the City's retiree benefits plan, and budgetary comparison schedules for the General Fund. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information on pensions.

CITY OF MARKHAM, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$21,572,625.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 37,892,040	\$ 57,069,059	\$ 5,109,572	\$ 5,541,871	\$ 43,001,612	\$ 62,610,930
Capital assets	25,428,379	23,864,689	13,310,258	13,193,963	38,738,637	37,058,652
Total assets	63,320,419	80,933,748	18,419,830	18,735,834	81,740,249	99,669,582
Deferred outflows	5,268,917	7,101,799	288,889	300,000	5,557,806	7,401,799
Total assets and deferred outflows	68,589,336	88,035,547	18,708,719	19,035,834	87,298,055	107,071,381
Long-term debt	31,338,735	37,996,118	10,390,650	11,562,198	41,729,385	49,558,316
Other liabilities	1,531,409	4,870,117	1,676,761	1,780,138	3,208,170	6,650,255
Total liabilities	32,870,144	42,866,235	12,067,411	13,342,336	44,937,555	56,208,571
Deferred inflows	19,716,096	17,724,470	1,071,779	1,105,266	20,787,875	18,829,736
Total liabilities and deferred inflows	52,586,240	60,590,705	13,139,190	14,447,602	65,725,430	75,038,307
Net position						
Net investment in capital assets	13,842,586	10,700,638	3,239,197	1,945,210	17,081,783	12,645,848
Restricted	11,065,036	34,996,237	-	-	11,065,036	34,996,237
Unrestricted (deficit)	(8,904,526)	(18,252,033)	2,330,332	2,643,022	(6,574,194)	(15,609,011)
Total net position	\$ 16,003,096	\$ 27,444,842	\$ 5,569,529	\$ 4,588,232	\$ 21,572,625	\$ 32,033,074

A portion of the City's net position, \$17,081,0783, reflects its investment in capital assets (for example, land, buildings and improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$11,065,036, of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit \$6,574,194, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

(Continued)

CITY OF MARKHAM, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2025

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	\$ 2,682,863	\$ 2,437,781	\$ 5,878,344	\$ 5,895,608	\$ 8,561,207	\$ 8,333,389
Operating grants and contributions	1,264,094	892,060	40,000	-	1,304,094	892,060
General revenues						
Property taxes	27,190,369	47,696,329	1,375,205	1,402,317	28,565,574	49,098,646
Other taxes	3,059,890	2,467,725	-	-	3,059,890	2,467,725
Income taxes	2,072,384	2,354,881	-	-	2,072,384	2,354,881
Sales taxes	7,271,320	3,182,823	-	-	7,271,320	3,182,823
Replacement taxes	125,845	189,842	-	-	125,845	189,842
Other general revenues	1,078,481	1,042,233	564,907	418,623	1,643,388	1,460,856
Total revenues	44,745,246	60,263,674	7,858,456	7,716,548	52,603,702	67,980,222
Expenses						
General government	15,002,261	11,449,375	-	-	15,002,261	11,449,375
Community development	27,833,052	-	-	-	27,833,052	-
Public health and safety	6,808,541	8,249,463	-	-	6,808,541	8,249,463
Highways and streets	5,082,480	3,942,754	-	-	5,082,480	3,942,754
Interest on long-term debt	691,831	711,373	-	-	691,831	711,373
Waterworks and sewerage	-	-	3,694,926	3,617,667	3,694,926	3,617,667
Solid waste	-	-	1,943,050	1,591,600	1,943,050	1,591,600
Markham roller rink	-	-	336,637	357,163	336,637	357,163
Markham senior living complex	-	-	1,671,373	1,654,294	1,671,373	1,654,294
Total expenses	55,418,165	24,352,965	7,645,986	7,220,724	63,064,151	31,573,689
Change in net position before internal activities	(10,672,919)	35,910,709	212,470	495,824	(10,460,449)	36,406,533
Internal activities	(768,827)	-	768,827	-	-	-
Change in net position	(11,441,746)	35,910,709	981,297	495,824	(10,460,449)	36,406,533
Net position - beginning	27,444,842	(9,256,088)	4,588,232	4,092,408	32,033,074	(5,163,680)
Net position - ending	\$ 16,003,096	\$ 26,654,621	\$ 5,569,529	\$ 4,588,232	\$ 21,572,625	\$ 31,242,853

Net position of the City's governmental activities decreased by \$11,441,746, or 41.7 percent, and unrestricted net position of the City's governmental activities was negative \$6,414,560 at April 30, 2025.

Net position of business-type activities increased by \$981,297, or 21.4 percent, from the prior year. The City generally can only use this net position to finance the continuing operations of the waterworks and sewerage, solid waste, Markham Roller Rink, and Markham Senior Living Complex operations.

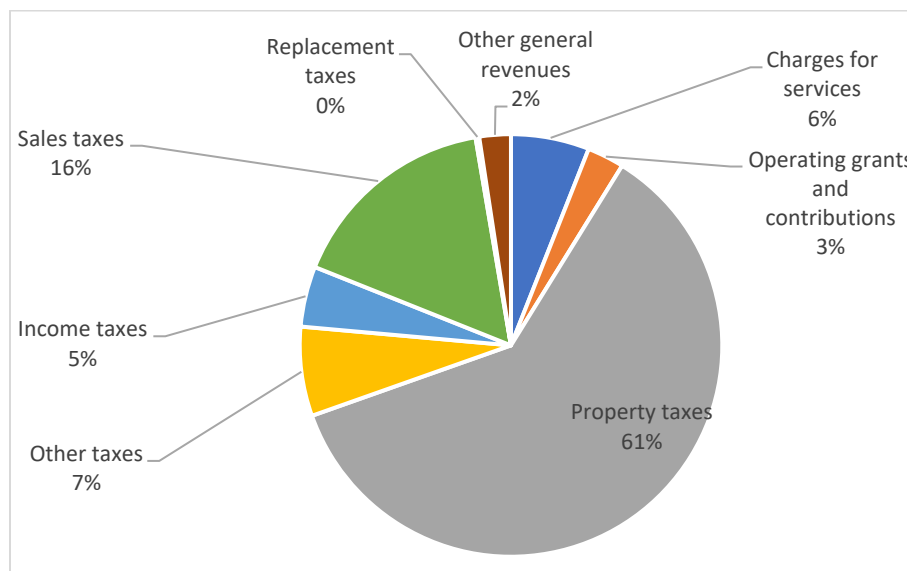
(Continued)

Governmental Activities

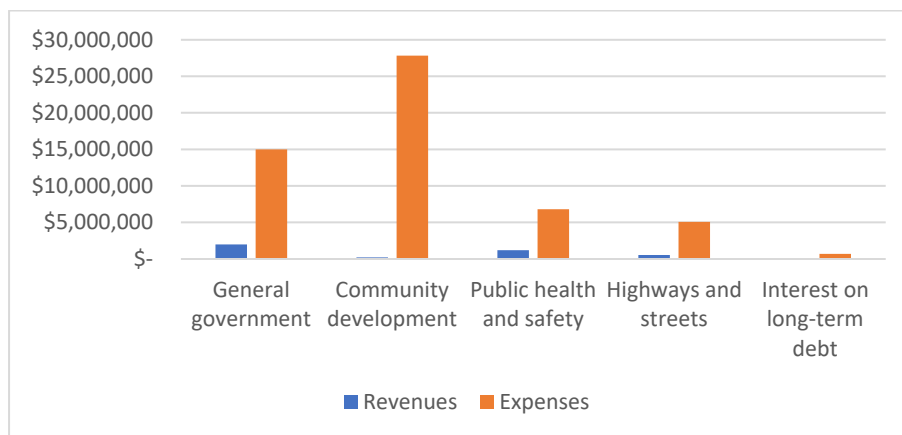
Revenues for governmental activities totaled \$44,745,246, while the cost of all governmental functions totaled \$55,418,165. This results in an decrease of \$10,672,919 prior to internal transfers and capital contributions of \$768,827. In 2024, revenues of \$60,263,674 exceeded expenses of \$24,352,965, resulting in an increase of \$35,910,709. The decrease in 2025 was due in large part to a decrease in property tax revenue increases from TIF #5 and an increase in redevelopment expenses. A portion of the 2025 redevelopment expenses were paid for using the 2024 increase in property taxes within TIF #5, thus leading to expenses exceeding revenues in 2025.

The following table graphically depicts the major revenue sources of the City. It depicts very clearly the reliance of property taxes, utility taxes and use taxes to fund governmental activities. It also clearly identifies the less significant percentage the City receives from income taxes.

Revenues by Source – Governmental Activities



Expenses and Program Revenues – Governmental Activities



(Continued)

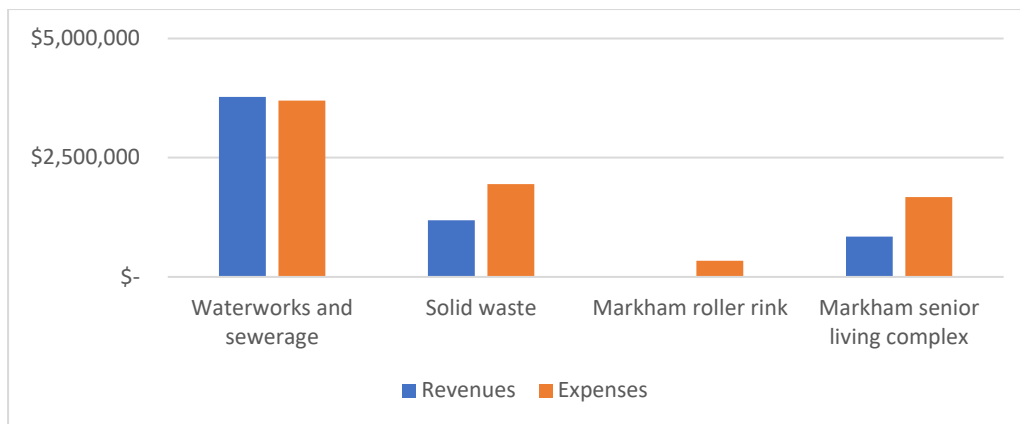
CITY OF MARKHAM, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2025

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues. Clearly general government, community development, public health and safety, and highways and streets expenses far exceed any directly allocated revenues.

Business-Type Activities

Business-Type activities total revenues of \$7,858,456 exceeded expenses of \$7,654,986, resulting in an increase of \$212,470 before internal transfers and capital contributions of \$768,827. For the year ended April 30, 2024, total revenues were \$7,716,548, while the cost of all business-type activities totaled \$7,220,724, resulting in an increase of \$495,824. Revenues remained consistent between 2024 and 2025 while there was a \$425,262 increase in expenses primarily driven by an increase in solid waste expenses.

Expenses and Program Revenues – Business-Type Activities



The previous graph compares program revenues to expenses for the City's enterprise operations.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's governmental funds reported combining ending fund balances of \$27,924,455, which is \$15,660,370, or 35.9 percent lower than last year's total of \$43,584,825. Of the \$27,924,455 total, a surplus of \$6,740,358 of the fund balance constitutes unassigned fund balance.

The General Fund reported an increase in fund balance for the year of \$9,364,545, or 55,579.9 percent. Actual revenues of \$25,249,483, were exceeded by actual expenditures of \$29,063,971 due primarily to an increase in community development expenses during the year.

(Continued)

CITY OF MARKHAM, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2025

The General Fund is the chief operating fund of the City. At April 30, 2025, unassigned fund balance in the General Fund was \$9,365,975. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 32.2 percent of total General Fund expenditures.

The TIF #1 Canterbury Mall Plaza Fund realized an increase in the fund balance of \$426,485. This increase is a result of total revenues of \$1,726,469 exceeding total expenditures and transfers of \$336,103 and \$963,881, respectively.

The TIF #3 Dixie Highway Fund realized a decrease in the fund balance of \$1,780,720. This increase is a result of total revenues of \$1,180,135 exceeding total expenditures and transfers out of \$1,922,727 and \$1,038,128, respectively.

The TIF #5 Interstate Fund realized a decrease in the fund balance of \$24,517,639. This increase is the result of an increase development payments during the year resulting from property taxes from a new property that began incurring increment during 2024.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City reports the Waterworks and Sewerage Fund as a major proprietary fund. The Waterworks and Sewerage Fund is used to account for the operating activities of the City water and sewerage utility services on a user-charge basis to the City's residents. Water is purchased from the Midlothian-Markham Water Commission at a rate of \$5.00 per thousand gallons. Sewage is treated by a local Sewage Treatment Center. Beginning August 1, 2023, water is sold to all municipal customers at a minimum rate of \$45.66 for 4,000 gallons of water and \$11.42 for each additional 1,000 gallons of water and a rate of \$5.00 for sewer for 4,000 gallons and \$1.25 for each additional 1,000 gallons. Prior to August 1, 2023, water is sold to all municipal customers at a minimum rate of \$44.33 for 4,000 gallons of water and \$11.08 for each additional 1,000 gallons of water and a flat rate of \$5.00 for sewer. The spread between purchase and sale rates is intended to finance the operations of the utility system, including labor costs, supplies, and infrastructure maintenance. The City intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The increase in net position in the Waterworks and Sewerage Fund during the current fiscal year was \$297,543, while the previous fiscal year also reported a decrease of \$275,566. Unrestricted net position in the Waterworks and Sewerage Fund totaled \$1,600,152 at April 30, 2025.

The Solid Waste Fund, also a major fund, is used to account for the operating activities of the City solid waste services on a user-charge basis to the City's residents. The City intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The deficit in the Solid Waste Fund during the current fiscal year was \$758,478, and the previous fiscal year also reported a deficit of \$342,264. Unrestricted net position in the Solid Waste Fund totaled \$700,262 at .

The Markham Roller Rink Fund is also reported as a major proprietary fund by the City. The Markham Roller Rink Fund is used to account for the operating activities of the City's roller rink on a customer charge basis to the roller rink customers. The roller rink was acquired and improved and commenced operations during the fiscal year April 30, 2014. The City intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The surplus in the Markham Roller Rink Fund during the current fiscal year was \$802,621 due to internal transfers and capital contributions of \$768,827 while the previous fiscal year reported a surplus of \$7,124. Unrestricted net position in the Markham Roller Rink Fund totaled a deficit \$1,881,507 at .

(Continued)

CITY OF MARKHAM, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2025

Finally, the City reports the Markham Senior Living Complex Fund also as a major proprietary fund. The Markham Senior Living Complex Fund is used to account for the operating activities of the City's senior living complex on a rental charge basis to the senior living complex residents. The City intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The surplus in the Markham Senior Living Complex Fund during the current fiscal year was \$562,439, while the previous fiscal year also reported a surplus of \$555,398. Unrestricted net position in the Markham Senior Living Complex totaled \$1,834,253 at April 30, 2025.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City Council made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$25,249,483, compared to budgeted revenues of \$20,663,723. The main driver of this were home rule and state sales tax revenues exceeding budget by \$4,243,922.

The General Fund actual expenditures for the year were \$4,603,298 over budgeted (\$29,063,971 actual compared to \$24,460,673 budgeted). The main driver of this was capital projects and vehicle purchases of \$2,608,540 not being budgeted for during the year, and the highway and streets department exceeding budget by \$1,512,116 due to unplanned maintenance and repairs that were required.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of April 30, 2025 was \$38,738,637 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, machinery and equipment, and infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 426,678	\$ 426,678	\$ 187,140	\$ 187,140	\$ 613,818	\$ 613,818
Buildings and improvements	11,018,232	11,592,971	12,239,508	12,699,229	23,257,740	24,292,200
Machinery and equipment	1,076,247	1,420,353	797,690	132,136	1,873,937	1,552,489
Infrastructure	12,291,251	9,662,993	-	-	12,291,251	9,662,993
Leased vehicles	615,971	761,694	85,920	175,458	701,891	937,152
Total	<u>\$ 25,428,379</u>	<u>\$ 23,864,689</u>	<u>\$ 13,310,258</u>	<u>\$ 13,193,963</u>	<u>\$ 38,738,637</u>	<u>\$ 37,058,652</u>

This year's major additions included machinery and equipment of \$3,160,470 and leased vehicles of \$808,958.

Additional information on the City's capital assets can be found in Note 5 of this report.

(Continued)

CITY OF MARKHAM, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2025

Debt Administration

At year-end, the City had total outstanding debt of \$21,680,504 as compared to \$24,459,642 the previous year. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental Activities		Business-Type Activities		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
General obligation bonds	\$ 10,120,000	\$ 11,550,000	\$ 10,020,000	\$ 11,125,000	\$ 20,140,000	\$ 22,675,000
Installment contracts	772,530	833,161	73,158	94,717	845,688	927,878
Leases payable	688,204	773,306	6,612	83,458	694,816	856,764
	<u>\$ 11,580,734</u>	<u>\$ 13,156,467</u>	<u>\$ 10,099,770</u>	<u>\$ 11,303,175</u>	<u>\$ 21,680,504</u>	<u>\$ 24,459,642</u>

Additional information on the City's long-term debt can be found in Note 7 of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Markham, Illinois's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Finance Director, City of Markham, Illinois, 16313 Kedzie, Markham Illinois 60428.

BASIC FINANCIAL STATEMENTS

CITY OF MARKHAM, ILLINOIS
STATEMENT OF NET POSITION
April 30, 2025

	Primary Government			Component Unit
	Governmental	Business-Type		Bradford
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	Anderson Oglesby <u>Public Library</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 24,428,628	\$ 3,514,473	\$ 27,943,101	\$ 1,012,462
Cash held with others	840,000	-	840,000	-
Taxes receivable	11,584,531	1,085,323	12,669,854	662,092
Accounts receivable, net of allowances	25,029	678,690	703,719	15,091
Prepays	836,748	-	836,748	-
Due from other governments	8,190	-	8,190	-
Internal balances	168,914	(168,914)	-	-
Total current assets	37,892,040	5,109,572	43,001,612	1,689,645
Noncurrent assets				
Capital assets				
Nondepreciable/amortizable	426,678	187,140	613,818	23,133
Depreciable/amortizable	55,425,735	23,762,352	79,188,087	5,042,526
Accumulated depreciation/amortization	(30,424,034)	(10,639,234)	(41,063,268)	(2,341,917)
Total noncurrent assets	25,428,379	13,310,258	38,738,637	2,723,742
Total assets	63,320,419	18,419,830	81,740,249	4,413,387
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pensions	4,915,763	-	4,915,763	57,328
Deferred outflows - RBP	353,154	-	353,154	-
Deferred outflows - ARO	-	288,889	288,889	-
Total deferred outflows of resources	5,268,917	288,889	5,557,806	57,328
Total assets and deferred outflows of resources	68,589,336	18,708,719	87,298,055	4,470,715

(Continued)

CITY OF MARKHAM, ILLINOIS
STATEMENT OF NET POSITION
April 30, 2025

	Primary Government			Component Unit
	Governmental	Business-Type		Bradford
	Activities	Activities	Total	Anderson Oglesby Public Library
LIABILITIES				
Current liabilities				
Accounts payable	\$ 964,059	\$ 484,616	\$ 1,448,675	\$ 148,587
Accrued payroll	310,592	24,015	334,607	32,756
Deposits payable	-	828,630	828,630	-
Accrued interest	142,496	339,500	481,996	-
Accrued liabilities	99,714	-	99,714	14,185
Due to other governments	14,548	-	14,548	-
Current portion of long-term liabilities	2,604,534	1,209,527	3,814,061	-
Total current liabilities	4,135,943	2,886,288	7,022,231	195,528
Noncurrent liabilities:				
Compensated absences payable	1,369,461	30,700	1,400,161	-
Net pension liabilities	15,222,457	-	15,222,457	9,201
Total OPEB liability	2,019,552	-	2,019,552	-
Asset retirement obligation	-	333,333	333,333	-
General obligation bonds payable - net	8,930,059	8,766,847	17,696,906	-
Installment contract payable	709,606	50,243	759,849	-
Leases payable	483,066	-	483,066	-
Total noncurrent liabilities	28,734,201	9,181,123	37,915,324	9,201
Total liabilities	32,870,144	12,067,411	44,937,555	204,729
DEFERRED INFLOWS OF RESOURCES				
Property taxes	7,978,454	1,071,779	9,050,233	599,696
Deferred items - pensions	10,102,125	-	10,102,125	16,434
Deferred items - RBP	1,635,517	-	1,635,517	-
Total deferred inflows of resources	19,716,096	1,071,779	20,787,875	616,130
Total liabilities and deferred inflows of resources	52,586,240	13,139,190	65,725,430	820,859
NET POSITION				
Net investment in capital assets	13,842,586	3,239,197	17,081,783	2,723,742
Restricted				
IMRF	-	-	-	134,409
Unemployment insurance	-	-	-	23,042
Public safety	196,447	-	196,447	-
Impact fees	29,542	-	29,542	-
Special events	7,295	-	7,295	-
Hotel/motel TIF	868,255	-	868,255	-
Debt Service	840,000	-	840,000	-
Highways and streets	9,123,497	-	9,123,497	-
Unrestricted (deficit)	(8,904,526)	2,330,332	(6,574,194)	768,663
Total net position	\$ 16,003,096	\$ 5,569,529	\$ 21,572,625	\$ 3,649,856

See notes to financial statements.

CITY OF MARKHAM, ILLINOIS
STATEMENT OF ACTIVITIES
For the fiscal year ended April 30, 20255

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Totals	Bradford Anderson Oglesby Public Library
Governmental activities								
General government	\$ 15,002,261	\$ 1,538,720	\$ 454,780	\$ -	\$ (13,008,761)	\$ -	\$ (13,008,761)	\$ -
Community development	27,868,052	-	-	221,732	(27,646,320)	-	(27,646,320)	-
Public health and safety	6,808,541	1,120,467	67,697	-	(5,620,377)	-	(5,620,377)	-
Highways and streets	5,082,480	16,500	527,061	-	(4,538,919)	-	(4,538,919)	-
Interest on long-term debt	656,831	-	-	-	(656,831)	-	(656,831)	-
Total governmental activities	<u>55,418,165</u>	<u>2,675,687</u>	<u>1,049,538</u>	<u>221,732</u>	<u>(51,471,208)</u>	<u>-</u>	<u>(51,471,208)</u>	<u>-</u>
Business-type activities								
Waterworks and sewerage	3,694,926	3,831,323	40,000	-	-	176,397	176,397	-
Solid waste	1,943,050	1,202,952	-	-	-	(740,098)	(740,098)	-
Markham roller rink	336,637	-	-	-	-	(336,637)	(336,637)	-
Markham senior living complex	1,671,373	844,069	-	-	-	(827,304)	(827,304)	-
Total business-type activities	<u>7,645,986</u>	<u>5,878,344</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>(1,727,642)</u>	<u>(1,727,642)</u>	<u>-</u>
Total primary activities	<u>\$ 63,064,151</u>	<u>\$ 8,554,031</u>	<u>\$ 1,089,538</u>	<u>\$ 221,732</u>	<u>(51,471,208)</u>	<u>(1,727,642)</u>	<u>(53,198,850)</u>	<u>-</u>
Component Unit								
Bradford Anderson Oglesby Public Library	<u>\$ 1,084,696</u>	<u>\$ 150,042</u>	<u>\$ 100,154</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(834,500)</u>
General Revenues								
Taxes								
Property taxes					27,190,369	1,375,205	28,565,574	951,333
Home rule sales tax					3,270,709	-	3,270,709	-
Casino and gaming taxes					1,224,575	-	1,224,575	-
Other taxes					1,835,315	-	1,835,315	-
Intergovernmental - unrestricted								
Income taxes					2,072,384	-	2,072,384	-
Sales taxes					4,000,611	-	4,000,611	-
Replacement taxes					125,845	-	125,845	-
Investment income					873,743	204,719	1,078,462	18,762
Miscellaneous					204,738	360,188	564,926	2,329
Internal activity - capital contribution					(624,804)	624,804	-	-
Internal activity - transfers					(144,023)	144,023	-	-
Total general revenues					<u>40,029,462</u>	<u>2,708,939</u>	<u>42,738,401</u>	<u>972,424</u>
Change in net position					<u>(11,441,746)</u>	<u>981,297</u>	<u>(10,460,449)</u>	<u>137,924</u>
Beginning net position					<u>27,444,842</u>	<u>4,588,232</u>	<u>32,033,074</u>	<u>3,511,932</u>
Ending net position					<u>\$ 16,003,096</u>	<u>\$ 5,569,529</u>	<u>\$ 21,572,625</u>	<u>\$ 3,649,856</u>

See notes to financial statements.

CITY OF MARKHAM, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
April 30, 2025

	General	TIF #1 Canterbury Mall Plaza	TIF #5 Interstate	2008A Bond	Nonmajor	Total
ASSETS						
Cash and cash equivalents	\$ 4,065,968	\$ 5,542,474	\$ 9,000,241	\$ 131,796	\$ 5,688,149	\$ 24,428,628
Cash held with others	-	840,000	-	-	-	840,000
Receivables, net of allowances						
Property taxes	7,027,174	1,006,651	31,141	611,550	452,420	9,128,936
Other taxes	2,409,649	-	-	-	45,946	2,455,595
Accounts	25,029	-	-	-	-	25,029
Prepaid expenditures	836,748	-	-	-	-	836,748
Due from other governments	8,190	-	-	-	-	8,190
Due from other funds	6,529,890	-	-	-	300,372	6,830,262
Total assets	<u>\$ 20,902,648</u>	<u>\$ 7,389,125</u>	<u>\$ 9,031,382</u>	<u>\$ 743,346</u>	<u>\$ 6,486,887</u>	<u>\$ 44,553,388</u>
LIABILITIES						
Accounts payable	\$ 758,047	\$ 1,200	\$ 58,691	\$ -	\$ 146,121	\$ 964,059
Accrued payroll	310,592	-	-	-	-	310,592
Accrued liabilities	99,714	-	-	-	-	99,714
Due to other governments	14,548	-	-	-	-	14,548
Due to other funds	2,643,912	-	8,828	1,342,526	2,666,082	6,661,348
Total liabilities	<u>3,826,813</u>	<u>1,200</u>	<u>67,519</u>	<u>1,342,526</u>	<u>2,812,203</u>	<u>8,050,261</u>
DEFERRED INFLOWS OF RESOURCES						
Property taxes	6,942,582	-	-	603,565	432,307	7,978,454
Unavailable revenue	600,218	-	-	-	-	600,218
Total deferred inflows of resources	<u>7,542,800</u>	<u>-</u>	<u>-</u>	<u>603,565</u>	<u>432,307</u>	<u>8,578,672</u>
Total liabilities and deferred inflows of resources	<u>11,369,613</u>	<u>1,200</u>	<u>67,519</u>	<u>1,946,091</u>	<u>3,244,510</u>	<u>16,628,933</u>
FUND BALANCES						
Nonspendable	836,748	-	-	-	-	836,748
Restricted						
Public safety	130,223	-	-	-	66,224	196,447
Impact fees	29,542	-	-	-	-	29,542
Special events	7,295	-	-	-	-	7,295
Hotel/Motel TIF	-	-	-	-	868,255	868,255
Debt service	-	840,000	-	-	-	840,000
Highways and streets	-	-	8,963,863	-	159,634	9,123,497
Assigned - capital projects	-	6,547,925	-	-	3,730,770	10,278,695
Unassigned	8,529,227	-	-	(1,202,745)	(1,582,506)	5,743,976
Total fund balances	<u>9,533,035</u>	<u>7,387,925</u>	<u>8,963,863</u>	<u>(1,202,745)</u>	<u>3,242,377</u>	<u>27,924,455</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,902,648</u>	<u>\$ 7,389,125</u>	<u>\$ 9,031,382</u>	<u>\$ 743,346</u>	<u>\$ 6,486,887</u>	<u>\$ 44,553,388</u>

See notes to financial statements.

CITY OF MARKHAM, ILLINOIS
RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
April 30, 2025

Total governmental fund balances	\$ 27,924,455
----------------------------------	---------------

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	25,428,379
---	------------

Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	600,218
---	---------

Deferred outflows (inflows) of resources related to the pensions and other post employment benefits not reported in the funds.	
Deferred items - IMRF	305,184
Deferred items - Police pension	(4,366,307)
Deferred items - Firefighters' pension	(1,125,239)
Deferred items - OPEB	(1,282,363)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences payable	(1,521,623)
Net pension liability - IMRF	(68,660)
Net pension liability - Police pension	(12,230,021)
Net pension liability - Firefighters' pension	(2,923,776)
Total OPEB liability	(2,019,552)
Claims payable	(989,310)
General obligation bonds payable - net	(10,125,059)
Installment contracts payable	(772,530)
Leases payable	(688,204)
Accrued interest payable	(142,496)

Net position of governmental activities	<u>\$ 16,003,096</u>
---	----------------------

See notes to financial statements.

CITY OF MARKHAM, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended April 30, 2025

	General	TIF #1 Canterbury Mall Plaza	Formerly Major Fund TIF #3 Dixie Highway	TIF #5 Interstate	Formerly Nonmajor Fund 2008A Bond	Nonmajor	Total
Revenues							
Taxes	\$ 15,260,900	\$ 1,621,952		\$ 14,148,522	\$ 783,033	\$ 1,659,594	\$ 33,474,001
Intergovernmental	6,565,221	-		-	-	534,237	7,099,458
Licenses and permits	1,499,542	-		-	-	-	1,499,542
Charges for services	39,178	-		-	-	-	39,178
Fines and forfeitures	1,099,610	-		-	-	-	1,099,610
Investment income	580,790	104,517		-	22,062	166,374	873,743
Grant revenue	-	-		-	-	350,611	350,611
Miscellaneous	204,242	-		-	-	496	204,738
Total revenues	<u>25,249,483</u>	<u>1,726,469</u>		<u>14,148,522</u>	<u>805,095</u>	<u>2,711,312</u>	<u>44,640,881</u>
Expenditures							
General government	13,110,396	-		-	-	-	13,110,396
Community development	1,487,739	-		26,325,413	-	54,900	27,868,052
Public safety	8,212,691	-		-	-	-	8,212,691
Highways and streets	3,052,008	272,509		280,748	-	2,244,361	5,849,626
Capital outlay	2,608,540	-		-	-	272,834	2,881,374
Debt service							
Principal retirement	544,801	-		-	570,000	555,000	1,669,801
Interest and fiscal charges	47,796	63,594		-	409,103	138,863	659,356
Total expenditures	<u>29,063,971</u>	<u>336,103</u>		<u>26,606,161</u>	<u>979,103</u>	<u>3,265,958</u>	<u>60,251,296</u>
Excess (deficiency) of revenues over (under) expenditures	(3,814,488)	1,390,366		(12,457,639)	(174,008)	(554,646)	(15,610,415)
Other financing sources (uses)							
Debt issuance	94,068	-		-	-	-	94,068
Transfers in	14,060,663	-		-	-	975,698	15,036,361
Transfers (out)	(975,698)	(963,881)		(12,060,000)	-	(1,180,805)	(15,180,384)
Total other financing sources (uses)	<u>13,179,033</u>	<u>(963,881)</u>		<u>(12,060,000)</u>	<u>-</u>	<u>(205,107)</u>	<u>(49,955)</u>
Net change in fund balances	9,364,545	426,485		(24,517,639)	(174,008)	(759,753)	(15,660,370)
Beginning fund balances, as previously presented	168,490	6,961,440	5,511,162	33,481,502	-	(2,537,769)	43,584,825
Change within financial reporting entity	-	-	(5,511,162)	-	(1,028,737)	6,539,899	-
Beginning fund balances, as adjusted	<u>168,490</u>	<u>6,961,440</u>	<u>-</u>	<u>33,481,502</u>	<u>(1,028,737)</u>	<u>4,002,130</u>	<u>43,584,825</u>
Ending fund balances	<u>\$ 9,533,035</u>	<u>\$ 7,387,925</u>	<u>\$ -</u>	<u>\$ 8,963,863</u>	<u>\$ (1,202,745)</u>	<u>\$ 3,242,377</u>	<u>\$ 27,924,455</u>

See notes to financial statements.

CITY OF MARKHAM, ILLINOIS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
For the fiscal year ended April 30, 2025

Net change in fund balances - total governmental funds \$ (15,660,370)

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/amortization expense.

Capital outlay	4,163,619
Depreciation/amortization expense	(1,975,125)

Capital contribution from governmental activities to business type activities	(624,804)
---	-----------

Some revenues were not collected within 60 days after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds.	104,365
---	---------

Some expenses reported in the statement of activities do not require the use of current
financial resources and, therefore, are not reported in the governmental funds.

Change in compensated absences payable	(136,412)
Change in claims payable	(729,253)
Change in OPEB and deferral items	(87,586)
Change in net pension liabilities and deferral items	1,925,562

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Retirement of debt	1,669,801
Debt issuance	(94,068)
Amortization of premium on debt issuance	2,525

Change in net position of governmental activities	<u>\$ (11,441,746)</u>
---	------------------------

See notes to financial statements.

CITY OF MARKHAM, ILLINOIS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
April 30, 2025

	Business-Type Activities - Enterprise				
	Waterworks and Sewerage	Solid Waste	Markham Roller Rink	Markham Senior Living Complex	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ 521,319	\$ 786,722	\$ 2,206,432	\$ 3,514,473
Receivables, net of allowances					
Property taxes	-	-	296,247	789,076	1,085,323
Accounts	493,464	157,498	-	27,728	678,690
Due from other funds	2,643,912	189,175	-	-	2,833,087
Total current assets	<u>3,137,376</u>	<u>867,992</u>	<u>1,082,969</u>	<u>3,023,236</u>	<u>8,111,573</u>
Noncurrent assets					
Capital assets					
Non-depreciable/amortizable capital assets	-	-	187,140	-	187,140
Depreciable/amortizable capital assets	5,266,847	-	4,541,081	13,954,424	23,762,352
Accumulated depreciation/amortization	(4,798,701)	-	(1,204,108)	(4,636,425)	(10,639,234)
Total noncurrent assets	<u>468,146</u>	<u>-</u>	<u>3,524,113</u>	<u>9,317,999</u>	<u>13,310,258</u>
Total assets	<u>3,605,522</u>	<u>867,992</u>	<u>4,607,082</u>	<u>12,341,235</u>	<u>21,421,831</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Items - ARO	<u>288,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,889</u>
Total assets and deferred outflows of resources	<u>3,894,411</u>	<u>867,992</u>	<u>4,607,082</u>	<u>12,341,235</u>	<u>21,710,720</u>

(Continued)

CITY OF MARKHAM, ILLINOIS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
April 30, 2025

	Business-Type Activities - Enterprise				
	Waterworks and Sewerage	Solid Waste	Markham Roller Rink	Markham Senior Living Complex	Total
LIABILITIES					
Current liabilities					
Accounts payable	269,269	149,350	11,954	54,043	484,616
Accrued payroll	18,461	-	638	4,916	24,015
Deposits payable	738,160	-	-	90,470	828,630
Unearned revenue	-	-	-	-	-
Accrued interest	-	-	81,250	258,250	339,500
Due to other funds	424,003	-	2,577,998	-	3,002,001
Current position of long-term liabilities	29,527	-	300,000	880,000	1,209,527
Total current liabilities	1,479,420	149,350	2,971,840	1,287,679	5,888,289
Noncurrent liabilities					
Compensated absences payable	28,539	-	-	2,161	30,700
Asset retirement obligation	333,333	-	-	-	333,333
General obligation bond payable	-	-	2,702,901	6,063,946	8,766,847
Installment contracts payable	50,243	-	-	-	50,243
Total noncurrent liabilities	412,115	-	2,702,901	6,066,107	9,181,123
Total liabilities	1,891,535	149,350	5,674,741	7,353,786	15,069,412
DEFERRED INFLOWS OF RESOURCES					
Property taxes	-	-	292,636	779,143	1,071,779
Total liabilities and deferred inflows of resources	1,891,535	149,350	5,967,377	8,132,929	16,141,191
NET POSITION					
Net investment in capital assets	343,932	-	521,212	2,374,053	3,239,197
Unrestricted (deficit)	1,658,944	718,642	(1,881,507)	1,834,253	2,330,332
Total net position	\$ 2,002,876	\$ 718,642	\$ (1,360,295)	\$ 4,208,306	\$ 5,569,529

See notes to financial statements.

CITY OF MARKHAM, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended April 30, 2025

	Business-Type Activities - Enterprise				
	Waterworks and Sewerage	Solid Waste	Markham Roller Rink	Markham Senior Living Complex	Total
Operating revenues					
Charges for services	\$ 3,831,323	\$ 1,202,952	\$ -	\$ 844,069	\$ 5,878,344
Miscellaneous	179,938	-	-	180,250	360,188
Total operating revenues	<u>4,011,261</u>	<u>1,202,952</u>	<u>-</u>	<u>1,024,319</u>	<u>6,238,532</u>
Operating expenses					
Operations	3,569,344	1,943,050	41,742	682,939	6,237,075
Depreciation and amortization	114,471	-	104,415	348,087	566,973
Total operating expenses	<u>3,683,815</u>	<u>1,943,050</u>	<u>146,157</u>	<u>1,031,026</u>	<u>6,804,048</u>
Operating income (loss)	<u>327,446</u>	<u>(740,098)</u>	<u>(146,157)</u>	<u>(6,707)</u>	<u>(565,516)</u>
Nonoperating revenues (expenses)					
Investment income	-	-	-	204,719	204,719
Property taxes	-	-	370,431	1,004,774	1,375,205
Intergovernmental revenue	40,000	-	-	-	40,000
Capital contribution	-	-	624,804	-	624,804
Interest expense and fiscal charges	(11,111)	-	(190,480)	(640,347)	(841,938)
	<u>28,889</u>	<u>-</u>	<u>804,755</u>	<u>569,146</u>	<u>1,402,790</u>
Income (loss) before transfers	<u>356,335</u>	<u>(740,098)</u>	<u>658,598</u>	<u>562,439</u>	<u>837,274</u>
Transfers in	<u>-</u>	<u>-</u>	<u>144,023</u>	<u>-</u>	<u>144,023</u>
Change in net position	356,335	(740,098)	802,621	562,439	981,297
Beginning net position	<u>1,646,541</u>	<u>1,458,740</u>	<u>(2,162,916)</u>	<u>3,645,867</u>	<u>4,588,232</u>
Ending net position	<u>\$ 2,002,876</u>	<u>\$ 718,642</u>	<u>\$ (1,360,295)</u>	<u>\$ 4,208,306</u>	<u>\$ 5,569,529</u>

See notes to financial statements.

CITY OF MARKHAM, ILLINOIS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the fiscal year ended April 30, 2025

	Business-Type Activities - Enterprise				
	Waterworks and Sewerage	Solid Waste	Markham Roller Rink	Markham Senior Living Complex	Total
Cash flows from operating activities					
Receipts from customers and users	\$ 3,948,721	\$ 1,183,441	\$ -	\$ 1,024,319	\$ 6,156,481
Payments to suppliers	(2,962,940)	(1,940,973)	(43,888)	(526,785)	(5,474,586)
Payments to employees	(554,927)	-	-	(151,401)	(706,328)
	<u>430,854</u>	<u>(757,532)</u>	<u>(43,888)</u>	<u>346,133</u>	<u>(24,433)</u>
Cash flows from noncapital financial activities					
Transfers in	-	-	144,023	-	144,023
(Repayment) issuance of interfund	(273,985)	1,013,462	328,059	-	1,067,536
	<u>(273,985)</u>	<u>1,013,462</u>	<u>472,082</u>	<u>-</u>	<u>1,211,559</u>
Cash flows from capital and related financing activities					
Receipts of property taxes	-	-	383,946	1,045,041	1,428,987
Purchase of capital assets	(58,464)	-	-	-	(58,464)
Principal retirement	(98,405)	-	(285,000)	(820,000)	(1,203,405)
Interest payments and fiscal charges	-	-	(195,475)	(620,750)	(816,225)
	<u>(156,869)</u>	<u>-</u>	<u>(96,529)</u>	<u>(395,709)</u>	<u>(649,107)</u>
Cash flows from investing activities					
interest received	-	-	-	102,436	102,436
Net change in cash and cash equivalents	-	255,930	331,665	52,860	640,455
Cash and cash equivalents - beginning	-	265,389	455,057	2,153,572	2,874,018
Cash and cash equivalents - ending	<u>\$ -</u>	<u>\$ 521,319</u>	<u>\$ 786,722</u>	<u>\$ 2,206,432</u>	<u>\$ 3,514,473</u>
Reconciliation of operating income to net cash provided (used) by operating activities					
Operating income (loss)	\$ 327,446	\$ (740,098)	\$ (146,157)	\$ (6,707)	\$ (565,516)
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation and amortization expense	114,471	-	104,415	348,087	566,973
Change in assets and liabilities					
Receivables	(62,540)	(19,511)	-	-	(82,051)
Accounts payable	(40,264)	2,077	(2,146)	1,476	(38,857)
Accrued payroll	1,936	-	-	655	2,591
Deposits payable	72,275	-	-	2,897	75,172
Compensated absences	17,530	-	-	(275)	17,255
Net cash from operating activities	<u>\$ 430,854</u>	<u>\$ (757,532)</u>	<u>\$ (43,888)</u>	<u>\$ 346,133</u>	<u>\$ (24,433)</u>

See notes to financial statements.

CITY OF MARKHAM, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
April 30, 2025

	Pension <u>Trust</u>
ASSETS	
Cash and cash equivalents	\$ 1,533,151
Investments	
Illinois Police Officer's Pension Investment Fund	26,773,089
Illinois Firefighters' Pension Investment Fund	16,123,557
Insurance contracts	414,744
Receivables - net of allowances	
Due from municipality	46,015
Prepays	<u>550</u>
 Total assets	 44,891,106
LIABILITIES	
Accounts payable	<u>9,665</u>
 Net position restricted for pensions	 <u><u>\$ 44,881,441</u></u>

See notes to financial statements.

CITY OF MARKHAM, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended April 30, 2025

	Pension <u>Trust</u>
Additions	
Contributions - employer	\$ 2,025,649
Contributions - other	424,603
Contributions - plan members	<u>565,482</u>
Total contributions	<u>3,015,734</u>
Investment income (loss)	
Interest earned	1,734,376
Net change in fair value	<u>2,202,545</u>
	3,936,921
Less investment expenses	<u>(47,760)</u>
Net investment income	3,889,161
Total additions	<u>6,904,895</u>
Deductions	
Administration	100,994
Benefits and refunds	<u>2,493,160</u>
Total deductions	<u>2,594,154</u>
Change in fiduciary net position	4,310,741
Net position restricted for pensions	
Beginning net position	<u>40,570,700</u>
Ending net position	<u><u>\$ 44,881,441</u></u>

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Markham (the City), Illinois, was incorporated in 1925. The City became a 'home-rule' unit on August 2, 2006 under the home-rule provision of the State of Illinois (State) law. The City has a mayor-aldermanic form of government. The Mayor is the Chief Executive Officer of the City and is elected by general election. The City Council is the legislative body and consists of four members who each represent one of the City's four wards. The members of the Council are elected through popular vote by ward for a four-year term.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the City's accounting policies established in GAAP and used by the City are described below.

Reporting Entity:

The City's financial reporting entity comprises the following:

Primary Government: City of Markham

Discretely Presented Component Unit: Bradford Anderson Oglesby Public Library

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the City have been included.

Police Pension Employees Retirement System: The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS 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 contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a pension trust fund.

Firefighters' Pension Employees Retirement System: The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of those employees and is governed by a five-member pension board, with two members appointed by the City's Mayor, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining FPERS 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 contribution levels. Although it is legally separate from the City, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's sworn firefighters. The FPERS is reported as a pension trust fund.

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Unit: Discretely presented component units are separate legal entities that meet the component unit criteria described in GASB Statement No. 61 but do not meet the criteria for blending.

Bradford Anderson Oglesby Public Library: The Bradford Anderson Oglesby Public Library (the Library) has a separate elected board and provides service to residents, generally within the geographic boundaries of the City. The Library Board of Trustees annually determines its budget and resulting tax levy. Upon approval of the City, the levy is submitted to the County. All debt of the Library is secured by the full faith and credit of the City. The Library is considered a component unit of the City of Markham for purposes of these financial statements. The Library's report is presented in the City of Markham's Annual Financial Report. A separately issued financial statement audit for the Library can be obtained from the Library at 16640 Kedzie Parkway, Markham, Illinois 60428.

Basis of Presentation:

Government-Wide Statements: The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's public health and safety, highways and streets, and general administrative services are classified as governmental activities. The City's water and sewer services, solid waste services, the Markham Roller Rink, and the Markham Senior Living Complex are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's governmental functions (general government, public health and safety, highways and streets, etc.) and business-type activities. The functions are supported by general government revenues (property, sales and other taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use, or directly benefit from foods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, Investment Income, etc.).

The City does allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements: The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either have debt outstanding or a specific or community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

Governmental Funds: The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains five special revenue funds. The TIF #5 Interstate Fund, reported as a major fund, is used to account for the redevelopment of the Interstate Crossing Incremental Financing District.

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on long-term debt. The City maintains two debt service funds. The 2008A Fund is a major fund.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains five capital projects funds. The TIF #1 Canterbury Fund Mall Plaza, a major fund, is used to account for the redevelopment of the Canterbury Tax Incremental Financing District.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds: The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains four major enterprise funds. The Waterworks and Sewerage Fund is used to account for the operating activities of the City's water and sewerage utility services on a user-charge basis to the City's residents. The Solid Waste Fund is used to account for the operating activities of the City's solid waste services on a user-charge basis to the City's residents. The Markham Roller Rink Fund is used to account for the operating activities of the City's roller rink on a customer charge basis to the roller rink customers. The roller rink was acquired and improved and commenced operations during the fiscal year April 30, 2014. The Markham Senior Living Complex Fund is used to account for the operating activities of the City's senior living complex on a rental charge basis to the senior living complex residents.

Fiduciary Funds: Fiduciary funds are used to report assets held in a trustee capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's Fire Department.

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

Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus: On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting: In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets/Deferred Outflows, Liabilities/Deferred Inflows, and Net Position or Equity:

Cash, Investments, and Cash Held with Others: For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows,” cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Cash held with others represents mandatory sinking fund payments to the Bond Fund for the 2005A General Obligation Bonds. This amount was \$840,000 at April 30, 2025. The principal payment will be applied to the bonds during the year ended April 30, 2027.

Property Taxes: Property taxes for 2023 attach as an enforceable lien on January 1, 2023 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1 and August 1 during the following year. The County collects such taxes and remits them periodically. The City includes a provision for uncollectible property taxes of 5% of the gross levy.

Property taxes levied for calendar 2024 are recorded as receivable, net of estimated uncollectibles, in fiscal 2025. Revenues relating to these accruals for governmental fund types are recorded as a deferred inflow because they are intended to finance fiscal year 2026.

Receivables: In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The allowance for receivables, other than property taxes, was \$0 at April 30, 2025. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report utility and customer charges as their major receivables.

Deferred Outflows/Inflows of Resources: Deferred outflow/inflow of resources represents a consumption/acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Interfund Receivables, Payables and Activity: Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Capital Assets: Capital assets purchased or acquired with an original cost of \$5,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation/amortization on all assets is computed and recorded using the straight-line method of depreciation/amortization over the following estimated useful lives:

Buildings and Improvements	15 - 40 Years
Machinery and Equipment	5 - 20 Years
Infrastructure	10 - 40 Years
Leased Vehicles	4 Years

Prepays: Prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Compensated Absences: During the year ended April 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 did not materially change the City's calculation of compensated absences.

The Village recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment.

Vacation and sick leave are recognized in governmental fund and proprietary funds when due (upon employee retirement or termination).

Long-Term Obligations: In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

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

Leases: GASB Statement No. 87, Leases establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The City is a lessee for noncancellable leases of equipment and vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. At the commencement of the lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. Key estimates and judgments related to leases include how the City determines the discount rate, lease term, and lease payments. The City uses the interest rate charged by the lessor as the discount rate; when that rate is not provided, the City generally uses its estimated incremental borrowing rate. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments. The City monitors changes in circumstances that would require a remeasurement.

Change within financial reporting entity: During the year ended April 30, 2025, the 2008A Bond Fund met the quantitative threshold for a major fund and has been presented as major. During the year ended April 30, 2025, the TIF #3 Fund no longer met the quantitative threshold for a major fund and has been presented as nonmajor.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information:

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

- Prior to July 31, the Mayor submits to the City Council a proposed budget of expenditures/expenses and the means of financing them.
- The budget document is available for public inspection for at least ten days prior to passage of the annual appropriation ordinance by the City Council, which is also required to hold at least one public hearing.
- Prior to July 31, the budget is legally enacted through passage of an appropriation ordinance.
- Subsequent to the enactment of the appropriation ordinance, the City Council has the authority to make necessary adjustments to the budget which result in a change in total or individual appropriations. Detailed line-item budgets are included for administrative control. The level of control for the detailed budgets is at the department head/function level. Appropriations lapse at the end of each fiscal year. The City Council may authorize supplemental appropriations during the year. The budget is prepared on the cash basis.
- All annual appropriations unused and unencumbered lapse at year-end. Encumbered appropriations are carried forward to the following year. Project-length financial plans are adopted for Capital Projects Funds. Appropriations for Debt Service Funds are established by bond ordinance. During the year, no supplementary appropriations were necessary.
- Annual appropriation budgets are established for the General Fund, the TIF #1 Canterbury Mall Plaza Fund, the Capital Projects Fund, the TIF #3 Dixie Highway Fund, the Motor Fuel Tax Fund, the TIF #2 Hotel/Motel Tax Fund, the TIF #5 Interstate Fund, the 2008A Bond Fund, the 2008B Bond Fund, the Waterworks and Sewerage Fund, the Solid Waste Fund, the Markham Roller Rink Fund, and the Markham Senior Living Complex Fund.

Excess of Actual Expenditures/Expenses over Budget in Individual Funds:

The following funds had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

<u>Fund</u>	<u>Excess</u>
General	\$ (4,603,298)
Capital Projects	(72,834)
TIF #3 Dixie Highway	(1,172,727)
2008A Bond	(19,000)
2008B Bond	(5,100)
Solid Waste	(531,948)

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Deficit Fund Balances/Net Position:

The following funds had deficit fund balance/net position as of the date of this report:

<u>Fund</u>	<u>Deficit</u>
Grant	\$ (53,069)
2008A Bond	(1,202,745)
2008B Bond	(834,717)
2009B Bond Capital Improvements	(694,720)
Markham Roller Rink	(1,360,295)

NOTE 3 – CASH AND INVESTMENTS

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

Permitted Deposits and Investments - Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

City:

Deposits. At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$28,783,101 and the bank balances totaled \$29,192,410. Additionally, the City has \$4,742 invested in the Illinois Funds, which is measured at net asset value per share as determined by the Pool.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy manages its exposure to declines in fair value by limiting the maturity of its investment portfolio to less than one year. The City's investments in the Illinois Funds has an average maturity of less than one year.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy limits its exposure to credit risk by primarily investing in external investment pools, fully collateralized certificates of deposits and fully collateralized money market funds. At yearend, the City's investment in the Illinois Funds was rated AAA by Fitch.

(Continued)

NOTE 3 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy does not address custodial credit risk for deposits. At year-end, the entire bank balance of deposits was covered federal depository or equivalent insurance. The City's investment in the Illinois Funds is not subject to custodial credit risk.

For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy diversifies investments to eliminate the risk of loss and by utilizing independent third-party instructions to act as custodians for securities and collateral.

Concentration Risk. This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy follows the requirements of the State of Illinois Public Funds Investment Act, which prescribes allowable investment vehicles. At year-end, the City does not have any investments over 5 percent of the total cash and investment portfolio.

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

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$685,612 and the bank balances totaled \$685,612.

Custodial Credit Risk. In the case of deposits, the Fund's investment policy does not address custodial credit risk for deposits. At year-end, the entire bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

Investments. At year-end the Fund has \$26,773,089 invested in IPOPIF. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year-end. The fund may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF. The fund had \$414,744 invested in Insurance Contracts.

NOTE 3 - CASH AND INVESTMENTS (Continued)

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

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

Firefighters' Pension Fund: The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Fund 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 comprehensive financial report, which can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org.

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's deposits totaled \$847,540 and the bank balances totaled \$847,540.

Investments. At year-end the Fund has \$16,123,557 invested in IFPIF. 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 yearend. 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.

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

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investment Policy. IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (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.

Rate of Return: For the year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.55%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discretely Presented Component Unit - Bradford Anderson Oglesby Public Library Deposits and Investments: The Library investment policies permit investments in commercial banks (if a member a FDIC), and to invest in obligations of the US. Treasury and U.S. agencies, short-term commercial paper, Illinois Funds and money market funds.

As of April 30, 2025, the Library's book balance was \$1,012,462 and the bank balances totaled \$1,012,229. At April 30, 2025, the Library had no investments.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's investment policy states that balances in all deposit accounts will not exceed the insured amount. At year-end, the bank balance of the deposits were covered by federal depository or equivalent insurance.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 4 – CAPITAL ASSETS

Governmental Activities: Governmental capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Nondepreciable capital assets				
Land	\$ 426,678	\$ -	\$ -	\$ 426,678
Depreciable/amortizable capital assets				
Buildings and improvements	24,191,026	-	-	24,191,026
Machinery and equipment	8,600,054	302,250	-	8,902,304
Infrastructure	18,098,854	3,767,301	(624,804)	21,241,351
Leased vehicles	996,986	94,068	-	1,091,054
	<u>51,886,920</u>	<u>4,163,619</u>	<u>(624,804)</u>	<u>55,425,735</u>
Less accumulated depreciation/ amortization				
Buildings and improvements	12,598,055	574,739	-	13,172,794
Machinery and equipment	7,179,701	646,356	-	7,826,057
Infrastructure	8,435,861	514,239	-	8,950,100
Leased vehicles	235,292	239,791	-	475,083
	<u>28,448,909</u>	<u>1,975,125</u>	<u>-</u>	<u>30,424,034</u>
Total net depreciable/amortizable capital assets	<u>23,438,011</u>	<u>2,188,494</u>	<u>(624,804)</u>	<u>25,001,701</u>
Total net capital assets	<u>\$ 23,864,689</u>	<u>\$ 2,188,494</u>	<u>\$ (624,804)</u>	<u>\$ 25,428,379</u>

Depreciation/amortization expense was charged to governmental activities as follows:

General government	\$ 1,089,718
Public health and safety	370,308
Highways and streets	<u>515,099</u>
	<u>\$ 1,975,125</u>

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 4 – CAPITAL ASSETS (Continued)

Business-Type Activities: Business-type capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Nondepreciable capital assets				
Land	\$ 187,140	\$ -	\$ -	\$ 187,140
Depreciable/amortizable capital assets				
Buildings and improvements	18,866,003	624,804	-	19,490,807
Machinery and equipment	3,948,085	58,464	-	4,006,549
Leased equipment	264,996	-	-	264,996
	<u>23,079,084</u>	<u>683,268</u>	<u>-</u>	<u>23,762,352</u>
Less accumulated depreciation/ amortization				
Buildings and improvements	6,166,774	459,721	-	6,626,495
Machinery and equipment	3,815,949	17,714	-	3,833,663
Leased equipment	89,538	89,538	-	179,076
	<u>10,072,261</u>	<u>566,973</u>	<u>-</u>	<u>10,639,234</u>
Total net depreciable/amortizable capital assets	<u>13,006,823</u>	<u>116,295</u>	<u>-</u>	<u>13,123,118</u>
Total net capital assets	<u>\$ 13,193,963</u>	<u>\$ 116,295</u>	<u>\$ -</u>	<u>\$ 13,310,258</u>

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

Waterworks and sewerage	\$ 114,471
Markham roller rink	104,415
Markham senior living complex	<u>348,087</u>
	<u>\$ 566,973</u>

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 4 – CAPITAL ASSETS (Continued)

Discretely Presented Component Unit - Bradford Anderson Oglesby Public Library: The Bradford Anderson Oglesby Public Library capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Nondepreciable capital assets				
Land	\$ 23,133	\$ -	\$ -	\$ 23,133
Depreciable capital assets				
Buildings and improvements	4,359,125	140,002	-	4,499,127
Library bookmobile	212,433	-	-	212,433
Computer equipment	106,070	-	-	106,070
Office equipment	61,545	-	-	61,545
Machinery and equipment	163,351	-	-	163,351
	<u>4,902,524</u>	<u>140,002</u>	<u>-</u>	<u>5,042,526</u>
Less accumulated depreciation				
Buildings and improvements	1,712,655	109,978	-	1,822,633
Library bookmobile	212,433	-	-	212,433
Computer equipment	74,669	10,731	-	85,400
Office equipment	56,953	1,148	-	58,101
Machinery and equipment	161,400	1,950	-	163,350
	<u>2,218,110</u>	<u>123,807</u>	<u>-</u>	<u>2,341,917</u>
Total other capital assets	<u>2,684,414</u>	<u>16,195</u>	<u>-</u>	<u>2,700,609</u>
Total capital assets	<u>\$ 2,707,547</u>	<u>\$ 16,195</u>	<u>\$ -</u>	<u>\$ 2,723,742</u>

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 5 – INTERFUNDS AND TRANSFERS

Interfund Balances: Interfund balances are advances in anticipation of receipts to cover temporary cash shortages and from the time lag between when transactions are recorded in the accounting system and payments between funds are made. The composition of interfund balances as of the date of this report, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 2,446,999
General	2008A Bond	1,342,526
General	Waterworks and Sewerage	153,539
General	Markham Roller Rink	2,577,998
General	TIF #5 Interstate	8,828
Nonmajor Governmental	Nonmajor Governmental	219,083
Nonmajor Governmental	Waterworks and Sewerage	81,289
Waterworks and Sewerage	General	2,643,912
Solid Waste	Waterworks and Sewerage	189,175
		<u>\$ 9,663,349</u>

Interfund Transfers: Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	TIF #1 Caterbury Mall Plaza	\$ 963,881
General	TIF #5 Interstate	12,060,000
General	Nonmajor Governmental	1,036,782
Nonmajor Governmental	General	975,698
Markham Roller Rink	Nonmajor Governmental	144,023
		<u>\$ 15,180,384</u>

The transfer out of TIF #5 Interstate to the general fund was made due to a redevelopment agreement. The remaining transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, including capital expenditures.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 6 – LONG-TERM OBLIGATIONS

General Obligation Bonds: The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and for operations. General obligation bonds have been issued for governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

<u>Issue</u>	<u>Fund Debt Retired by</u>	<u>Beginning Balance</u>	<u>Issuances</u>	<u>Retirement</u>	<u>Ending Balance</u>
\$5,550,000 General Obligation (Alternate Revenue Source) Bonds of 2005A - Due in annual installments of \$135,000 to \$1,785,000 plus interest at 4.00% to 5.25% through April 1, 2027.	TIF #1 Canterbury Mall Plaza	\$ 1,785,000	\$ -	\$ -	\$ 1,785,000
\$4,000,000 General Obligation Library Purpose Bonds of 2005B - Due in annual installments of \$215,000 to \$305,000 plus interest at 4.50% to 5.25% through January 1, 2025.	General	305,000	-	(305,000)	-
\$10,000,000 General Obligation Bonds of 2008A - Due in annual installments of \$330,000 to \$1,045,000 plus interest at 5.50% to 6.00% through February 1, 2033.	2008A Bond	7,045,000	-	(570,000)	6,475,000
\$8,000,000 General Obligation Bonds of 2008B - Due in annual installments of \$260,000 to \$655,000 plus interest at 4.75% to 5.75% through February 1, 2028.	2008B Bond	2,415,000	-	(555,000)	1,860,000
\$14,295,000 General Obligation Bonds of 2009A - Due in annual installments of \$355,000 to \$1,430,000 plus interest at 7.40% to 8.00% through December 1, 2030.	Markham Senior Living Complex	7,875,000	-	(820,000)	7,055,000
\$5,500,000 General Obligation Bonds of 2012 - Due in annual installments of \$160,000 to \$450,000 plus interest at 6.00% through December 1, 2032.	Markham Roller Rink	3,250,000	-	(285,000)	2,965,000
		<u>\$ 22,675,000</u>	<u>\$ -</u>	<u>\$ (2,535,000)</u>	<u>\$ 20,140,000</u>

At the January 21, 2026 board meeting, the City Council approved an ordinance to issue \$15,000,000 in General Obligation Refunding Bonds. This will refund the 2008A, 2009A, and 2012 General Obligation Bonds.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 6 – LONG-TERM OBLIGATIONS (Continued)

Asset Retirement Obligation: The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to three water towers at the end of their estimated useful lives 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 remaining useful lives of the water towers is 27 years.

1. Elevated 1 Million Gallon Water Tower (approximately valued \$4 million)
2. Ground 2 Million Gallon Water (approximately valued \$4 million)
3. Ground 1 Million Gallon Water (approximately valued \$2 million)

Leases Payable: The City has the following leases outstanding at year end:

<u>Lease</u>	<u>Term Length</u>	<u>Start Date</u>	<u>Payments</u>	<u>Interest Rate</u>
Police Interceptor 3355	60 Months	May 23, 2022	\$740 Monthly	10.04%
Police Inteceptor 2231	60 Months	May 24, 2022	\$736 Monthly	10.12%
Police Inteceptor 1754	60 Months	May 24, 2022	\$749 Monthly	10.90%
Police Inteceptor 3763	60 Months	May 23, 2022	\$740 Monthly	10.41%
Durango 2743	60 Months	March 2, 2023	960 Monthly	9.52%
Durango 2742	60 Months	April 18, 2023	\$953 Monthly	9.21%
Expedition 2964	60 Months	April 13, 2023	\$1,189 Monthly	8.20%
Expedition 2695	60 Months	January 27, 2023	\$1,198 Monthly	8.55%
Police Interceptor 0992	60 Months	July 7, 2023	\$704 Monthly	9.79%
Police Interceptor 1632	60 Months	July 27, 2023	\$1,038 Monthly	10.06%
Police Interceptor 1651	60 Months	July 27, 2023	\$692 Monthly	9.03%
Police Interceptor 0409	60 Months	July 27, 2023	\$1,039 Monthly	10.06%
Police Interceptor 1655	60 Months	July 27, 2023	\$1,038 Monthly	10.06%
Police Interceptor 0376	60 Months	July 27, 2023	\$1,038 Monthly	10.06%
Police Interceptor 0976	60 Months	July 27, 2023	\$1,038 Monthly	10.06%
Police Interceptor 1113	60 Months	July 27, 2023	\$1,038 Monthly	10.06%
Police Interceptor 1230	60 Months	July 27, 2023	\$1,038 Monthly	10.06%
Police Interceptor 1659	60 Months	July 27, 2023	\$1,038 Monthly	10.06%
Explorer 0495	60 Months	September 15, 2023	\$768 Monthly	11.05%
Durango 2744	60 Months	May 3, 2023	\$981 Monthly	9.48%
Expedition 2694	60 Months	April 13, 2023	\$1,189 Monthly	8.20%
John Deere Backhoe	24 months	May 28, 2023	\$6,645 Monthly	6.00%
Ford Escape 2749	60 Months	September 6, 2024	\$584 Monthly	4.70%
Ford Escape 3742	60 Months	September 27, 2024	\$496 Monthly	10.71%
Police Interceptor 3149	60 Months	February 28, 2025	\$870 Monthly	11.14%

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 6 – LONG-TERM OBLIGATIONS (Continued)

The future principal and interest lease payments as of the year-end were as follows:

<u>Fiscal Year</u>	<u>Governmental type</u>		<u>Business type</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 205,138	\$ 57,113	\$ 6,612	\$ 33
2027	225,745	36,506	-	-
2028	202,209	15,597	-	-
2029	43,375	2,507	-	-
2030	11,737	418	-	-
	<u>\$ 688,204</u>	<u>\$ 112,141</u>	<u>\$ 6,612</u>	<u>\$ 33</u>

Installment Contracts: The City has established installment contracts payable as follows:

<u>Issue</u>	<u>Fund Debt Retired by</u>	<u>Beginning Balance</u>	<u>Issuances</u>	<u>Retirement</u>	<u>Ending Balance</u>
\$489,213 Installment Contract of 2021 - Due in annual installments of \$34,365 to \$47,845 plus interest at 3.00% through July 13, 2032.	General	\$ 382,937	\$ -	\$ (37,611)	\$ 345,326
\$672,154 Installment Contract of 2023 - Due in annual installments of \$21,930 to \$200,000 plus interest at 4.97% through January 20, 2038.	General	450,224	-	(23,020)	427,204
\$175,000 Installment Contract of 2023A - Due in annual installments of \$20,283 to \$25,888 plus interest at 6.29% through April 24, 2028.	Waterworks & Sewerage	94,717	-	(21,559)	73,158
		<u>\$ 927,878</u>	<u>\$ -</u>	<u>\$ (82,190)</u>	<u>\$ 845,688</u>

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 6 – LONG-TERM OBLIGATIONS (Continued)

Long-Term Liability Activity: Changes in long-term liabilities during the fiscal year were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities					
Compensated absences	\$ 1,385,211	\$ 274,933	\$ (138,521)	\$ 1,521,623	\$ 152,162
Net pension liability/(asset)					
IMRF	39,465	29,195		68,660	-
Police pension	17,496,284	-	(5,266,263)	12,230,021	-
Firefighters' pension	3,394,374	-	(470,598)	2,923,776	-
Total OPEB liability	2,256,676		(237,124)	2,019,552	-
Claims payable	260,057	1,578,087	(848,834)	989,310	989,310
General obligation bonds	11,550,000	-	(1,430,000)	10,120,000	1,195,000
Unamortized bond premium	7,584	-	(2,525)	5,059	-
Installment contracts payable	833,161	-	(60,631)	772,530	62,924
Leases payable	773,306	94,068	(179,170)	688,204	205,138
	<u>\$ 37,996,118</u>	<u>\$ 1,976,283</u>	<u>\$ (8,633,666)</u>	<u>\$ 31,338,735</u>	<u>\$ 2,604,534</u>
Business-type activities					
Compensated absences	\$ 13,445	\$ 18,356	\$ (1,101)	\$ 30,700	\$ -
Asset retirement obligation	333,333	-	-	333,333	-
General obligation bonds	11,125,000	-	(1,105,000)	10,020,000	1,180,000
Unamortized bond discount	(87,755)	14,602	-	(73,153)	-
Leases payable	83,458	-	(76,846)	6,612	6,612
Installment contracts payable	94,717	-	(21,559)	73,158	22,915
	<u>\$ 11,562,198</u>	<u>\$ 32,958</u>	<u>\$ (1,204,506)</u>	<u>\$ 10,390,650</u>	<u>\$ 1,209,527</u>
Component unit - public library					
Net pension liability/(asset) – IMRF	\$ 5,839	\$ 3,362		\$ 9,201	\$ -
Intergovernmental payable	305,000	-	(305,000)	-	-
	<u>\$ 310,839</u>	<u>\$ 3,362</u>	<u>\$ (305,000)</u>	<u>\$ 9,201</u>	<u>\$ -</u>

For the governmental activities, payments on the compensated absences, the net pension liabilities/(asset), the claims payable, and the total OPEB liability are made by the General Fund. Payments on general obligation bonds are being liquidated by the General Fund, the TIF #1 Canterbury Mall Plaza Fund, the 2008A Bond Fund, and the 2008B Bond Fund. The General Fund makes payments on the installment contracts and leases payable.

Additionally, for business-type activities, the compensated absences are being liquidated by the Waterworks and Sewerage Fund, the Markham Roller Rink Fund, and the Markham Senior Living Complex Fund. The Waterworks and Sewerage Fund makes payments on the net pension liability/(asset) and the asset retirement obligation. The Markham Senior Living Complex Fund and the Markham Roller Rink make payment on the general obligation bonds.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 6 – LONG-TERM OBLIGATIONS (Continued)

Legal Debt Margin: Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. “The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property. 2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.” To date the Illinois General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

Debt Service Requirements to Maturity: The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities				Business-Type Activities			
	General Obligation Bond		Installment Contracts		General Obligation Bond		Installment Contracts	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,195,000	\$ 558,909	\$ 62,924	\$ 31,778	\$ 1,180,000	\$ 737,020	\$ 22,915	\$ 4,601
2027	3,060,000	493,198	65,309	29,394	1,375,000	653,900	24,356	3,160
2028	1,360,000	334,328	67,889	26,813	1,470,000	550,300	25,887	1,628
2029	765,000	256,128	70,369	24,333	1,585,000	439,400	-	-
2030	830,000	212,140	73,054	21,648	1,705,000	319,700	-	-
2031	895,000	164,415	75,847	18,855	1,830,000	190,900	-	-
2032	970,000	113,848	78,754	15,948	425,000	52,500	-	-
2033	1,045,000	59,043	81,778	12,924	450,000	27,000	-	-
2034	-	-	35,620	9,776	-	-	-	-
2035	-	-	37,390	8,006	-	-	-	-
2036	-	-	39,249	6,148	-	-	-	-
2037	-	-	41,199	4,197	-	-	-	-
2038	-	-	43,148	2,149	-	-	-	-
Totals	<u>\$ 10,120,000</u>	<u>\$ 2,192,009</u>	<u>\$ 772,530</u>	<u>\$ 211,969</u>	<u>\$ 10,020,000</u>	<u>\$ 2,970,720</u>	<u>\$ 73,158</u>	<u>\$ 9,389</u>

(Continued)

NOTE 7 – INTERGOVERNMENTAL AGREEMENTS

Intergovernmental Agreement: On February 15, 2012, the City and the Markham Park District (the District) entered into an intergovernmental agreement (Agreement) under which the District engaged the City to operate and maintain the District facilities including all real and personal property, equipment, tools and other items owned or leased by the District. Under this agreement, the City agreed to take full operational and maintenance responsibilities for all District facilities and programs and services to be operated in the City. Amounts paid by the City to the District totaled \$3,587,891 for the fiscal year ended April 30, 2013, \$525,932 for the fiscal year ended April 30, 2014, \$60,000 for the fiscal year ended April 30, 2015, \$70,000 for the fiscal year ended April 30, 2016, \$70,000 for the fiscal year ended April 30, 2017, \$70,000 for the fiscal year ended April 30, 2018, \$89,088 for the fiscal year ended April 30, 2019, \$195,739 for the fiscal year ended April 30, 2020, \$95,500 for the fiscal year ended April 30, 2021, \$175,500 for the fiscal year ended April 30, 2022, \$236,500 for the fiscal year ended April 30, 2023, \$319,000 for the fiscal year ended April 30, 2024 and \$250,000 for the year ended April 30, 2025.

In consideration of the City's agreement to service the District, the District agreed to pay the City twice annually an amount equal to all "net tax revenue" meaning all tax revenue received by the District minus debt service obligations and annual administrative expenses. Notwithstanding the foregoing, no such payments have been made since the inception of the agreement referenced above and through the date of this report. However, the District has not paid the City to date, nor is the City anticipating to be paid in arrears. Since there is no consideration exchanged to the City in this arrangement, the criteria to be a Public-Public Partnership (P4) under GASB Statement No. 94 is not met.

The terms of the Agreement are ten years from the effective date of the Agreement. The Agreement shall automatically be extended for an additional twenty years unless either party gives the other party at least six months' notice of non-renewal.

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 8 – NET POSITION AND FUND BALANCE CLASSIFICATIONS

Net Position Classification: Net investment in capital assets was comprised of the following as of April 30, 2025:

Governmental activities	
Capital assets - net of accumulated depreciation	\$ 25,428,379
Less capital related debt:	
General obligation (alternate revenue source) bonds of 2005A	(1,785,000)
General obligation bonds of 2008A	(6,475,000)
General obligation bonds of 2008B	(1,860,000)
Unamortized bond premium	(5,059)
Installment contracts payable	(772,530)
Lease payable	(688,204)
	<u> </u>
Net investment in capital assets	<u><u>\$ 13,842,586</u></u>
Business-type activities	
Capital assets - net of accumulated depreciation	\$ 13,310,258
Less capital related debt:	
General obligation bonds of 2009A	(7,055,000)
General obligation bonds of 2012	(2,965,000)
Asset retirement obligation, net of deferred outflow	(44,444)
Unamortized bond discount	73,153
Installment contracts payable	(6,612)
Lease payable	(73,158)
	<u> </u>
Net investment in capital assets	<u><u>\$ 3,239,197</u></u>

Fund Balance Classifications: In the governmental fund financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources 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 Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the City Council; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 8 – NET POSITION AND FUND BALANCE CLASSIFICATIONS (Continued)

Assigned Fund Balance. Consists of amounts that are constrained by the City Council's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the City Council itself or b) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The City's highest level of decision-making authority is the City Council, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

NOTE 9 – RISK MANAGEMENT AND CONTINGENCIES

Risk Management: The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees.

The City is self-insured for a portion of its general liability and workers' compensation claims. Under this program, the City has a self-insurance retention of between \$100,000 and \$500,000 for each general liability and workers' compensation claim based on type of claim.

The City currently reports all of its risk management activities as governmental activities. Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of the that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported that was determined using historical claims data.

As of April 30, 2025, that amount of these liabilities total \$989,834 which is the City's best estimate based on available information. Changes in the reported liability since April 30, 2023 resulted in the following:

Claims payable - April 30, 2023	\$ 558,326
Incurred Claims	209,881
Claims Paid	<u>(508,150)</u>
Claims payable - April 30, 2024	260,057
Incurred Claims	1,578,087
Claims Paid	<u>(848,834)</u>
Claims payable - April 30, 2025	<u><u>\$ 989,310</u></u>

Contingent Liabilities:

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

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 10 – JOINT VENTURE

CalComm Regional Joint ETSB: The Illinois General Assembly amended the Emergency Telephone System Act (PSAP) and mandated that Public Safety Answering Points in Counties with populations of at least 250,000 but less than 1,000,000 be consolidated to reduce the number of PSAPs by at least 50%. Therefore, as of July 2017, the City became a member of the CalComm Regional Joint ETSB (CalComm). CalComm consists of five municipalities. CalComm is an intergovernmental association established by participating local governmental entities (agencies) and pursuant to legal authority conferred by the State of Illinois. CalComm provides equipment services and other items necessary and appropriate for the establishment, operations and ongoing maintenance of a combined public safety telecommunications system for the mutual benefit of the members of CalComm.

CalComm is governed by Board of Directors, which consists of one representative for each member of CalComm and signatory to the intergovernmental agreement and the bylaws. The Board, shall have the authority to hire, fix the salary and job descriptions, and remove the employees of CalComm with recommendation from the Executive Director. In accordance with the intergovernmental agreement, the City remitted \$290,022 to the Center for the year ended April 30, 2025 which is recorded in the City's General Fund.

NOTE 11 – DEFINED BENEFIT PENSION PLANS

Employee Retirement System - Defined Benefit Pension Plans: The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit 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 a single-employer pension plan. A separate report is issued for the Police Pension Plan and Firefighters' Pension Plan and may be obtained by writing to the City at 16313 Kedzie, Markham, Illinois 60428. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amounts recognized for the three pension plans are:

	Net Pension <u>Liabilities</u>	Deferred <u>Outflows</u>	Deferred <u>Inflows</u>	Pension Expenses/ <u>(Revenues)</u>
IMRF				
City	\$ 68,660	\$ 427,822	\$ (122,638)	\$ 231,211
Library	9,201	57,328	(16,434)	30,982
Police pension	12,230,021	3,546,124	(7,912,431)	(191,028)
Firefighters' pension	2,923,776	941,817	(2,067,056)	221,752
	<u>\$ 15,231,658</u>	<u>\$ 4,973,091</u>	<u>\$ (10,118,559)</u>	<u>\$ 292,917</u>

(Continued)

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (IMRF):

Plan Descriptions:

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

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

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

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

Plan Membership. As of December 31, 2024, the measurement date, the following employees for the City and Library were covered by the benefit terms:

Inactive plan members currently receiving benefits	45
Inactive plan members entitled to but not yet receiving benefits	61
Active plan members	66
Total	172 *

*The employees in the above table include the Bradford Anderson Oglesby Public Library.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Contributions. As set by statute, the City's and Library's Regular Plan Members are required to contribute 4.50% 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. For the year-ended April 30, 2025, the City's contribution was 4.27% of covered payroll and the Library's contribution was 4.27% of covered payroll. For the fiscal year ended April 30, 2025, the City contributed \$149,910 to the plan.

Net Pension Liability. The City's and Library'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 total pension liability was determined by an actuarial valuation performed, as of December 31, 2024, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions	
Investment Rate of Return	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	3.25%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106%) 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.

Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	33.5%	4.35%
International Equities	18.0%	5.40%
Fixed Income	24.5%	5.20%
Real Estate	10.5%	6.40%
Alternatives	12.5%	4.85%-6.25%
Cash Equivalents	1.0%	3.60%
	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City	\$ 1,227,202	\$ 68,660	\$ (845,714)
Library	164,446	9,201	(113,326)
Net pension liability/(asset)	\$ 1,391,648	\$ 77,861	\$ (959,040)

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Changes in the Net Pension Liability:

	<u>City</u>	<u>Library</u>	<u>Total</u>
Total pension liability			
Service cost	\$ 241,622	\$ 32,378	\$ 274,000
Interest	769,855	103,161	873,016
Differences between expected and actual experience	234,933	31,481	266,414
Change of assumptions	-	-	-
Benefit payments, including refunds of member contributions	(612,741)	(82,108)	(694,849)
Change in proportionate share	485	(485)	-
Net change in total pension liability	634,154	84,427	718,581
Total pension liability - beginning	11,321,758	930,268	12,252,026
Total pension liability - ending	<u>\$ 11,955,912</u>	<u>\$ 1,014,695</u>	<u>\$ 12,970,607</u>
Plan fiduciary net position			
Contributions - employer	\$ 162,764	\$ 21,811	\$ 184,575
Contributions - members	137,237	18,390	155,627
Net investment income	1,087,651	145,746	1,233,397
Benefit payments, including refunds of member contributions	(612,741)	(82,108)	(694,849)
Other (net transfer)	(169,952)	(22,774)	(192,726)
Net change in plan fiduciary net position	604,959	81,065	686,024
Plan net position - beginning	11,282,293	924,429	12,206,722
Plan net position - ending	<u>\$ 11,887,252</u>	<u>\$ 1,005,494</u>	<u>\$ 12,892,746</u>
Employer's net pension liability	<u>\$ 68,660</u>	<u>\$ 9,201</u>	<u>\$ 77,861</u>

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: For the year ended April 30, 2025, the City recognized pension expense of \$231,211 and the Library recognized pension expense of \$30,982. At April 30, 2025, the City and Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	City		Library		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and					
actual experience	\$ 151,897	\$ (113,130)	\$ 20,354	\$ (15,160)	\$ 43,961
Change in assumptions	-	(9,508)	-	(1,274)	(10,782)
Net difference between projected and actual	225,450	-	30,210	-	255,660
Total pension expense to be recognized in future periods	377,347	(122,638)	50,564	(16,434)	288,839
Pension contributions made subsequent to the measurement date	50,475	-	6,764	-	57,239
Total deferred amounts related to IMRF	<u>\$ 427,822</u>	<u>\$ (122,638)</u>	<u>\$ 57,328</u>	<u>\$ (16,434)</u>	<u>\$ 346,078</u>

\$50,475 for the City and \$6,764 for the Library reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/Inflows of Resources		
	City	Library	Total
2026	\$ 70,853	\$ 9,494	\$ 80,347
2027	397,335	53,243	450,578
2028	(148,531)	(19,903)	(168,434)
2029	(64,948)	(8,704)	(73,652)
Total	<u>\$ 254,709</u>	<u>\$ 34,130</u>	<u>\$ 288,839</u>

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan:

Plan Descriptions:

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At April 30, 2024, the valuation date, membership consisted of the following:

Inactive plan members currently receiving benefits	30
Inactive plan members entitled to but not yet receiving benefits	13
Active plan members	36
Total	79

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2025, the City's contribution was 45.21% of covered payroll.

Concentrations. At year-end, the Pension Plan does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Investment Rate of Return	7.00%
Salary Increases	3.75%-23.37%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the PubS-2010(A) Study with improvements using MP-2021 Improvement Rates applied on a fully generational basis.

Discount Rate: A Single Discount Rate of 6.49% was used to measure the total pension liability, while the prior year used a discount rate of 5.59%. 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 Municipal Bond Rate assumption is based on the Bond Buyer 20-Bond G.O. Index. The rate used is the April 25, 2025 rate. The 20-Bond G.O. Index 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.

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.00%, the municipal bond rate is 5.24%, and the resulting single discount rate is 6.49%. The discount rate of 7% is utilized until 2056 at which point the discount rate of 5.24% is used going forward.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 11 – DEFINED BENEFIT PENSION PLANS (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 as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.49%)	Current Discount Rate (6.49%)	1% Increase (7.49%)
Net pension liability	<u>\$ 17,668,368</u>	<u>\$ 12,230,021</u>	<u>\$ 7,784,061</u>

Changes in the Net Pension Liability:

	Total Pension Liability (A)	Plan Fiduciary Net Pension (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2024	<u>\$ 42,976,007</u>	<u>\$ 25,479,723</u>	<u>\$ 17,496,284</u>
Changes for the year:			
Service cost	1,012,575	-	1,012,575
Interest on total pension liability	2,390,603	-	2,390,603
Actual experience	749,402	-	749,402
Change of assumptions	(5,010,168)	-	(5,010,168)
Changes in benefit terms	-	-	-
Contributions - employer	-	1,350,957	(1,350,957)
Contributions - employees	-	363,410	(363,410)
Contributions - others	-	424,603	(424,603)
Net investment income	-	2,331,036	(2,331,036)
Benefit payments and refunds	(1,990,910)	(1,990,910)	-
Administrative expense	-	(61,331)	61,331
Net change	<u>(2,848,498)</u>	<u>2,417,765</u>	<u>(5,266,263)</u>
Balances at April 30, 2025	<u>\$ 40,127,509</u>	<u>\$ 27,897,488</u>	<u>\$ 12,230,021</u>

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: For the year ended April 30, 2025, the City recognized pension income of \$191,028. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Difference between expected and actual experience	\$ 1,329,695	\$ (1,172,736)	\$ 156,959
Change in assumptions	1,768,402	(6,739,695)	(4,971,293)
Net difference between projected and actual earnings on pension plan investments	<u>448,027</u>	<u>-</u>	<u>448,027</u>
Total deferred amounts related to Police Pension	<u>\$ 3,546,124</u>	<u>\$ (7,912,431)</u>	<u>\$ (4,366,307)</u>

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

<u>Fiscal Year</u>	<u>Net Deferred Outflows/ Inflows of Resources</u>
2026	\$ (306,371)
2027	(437,515)
2028	(1,614,658)
2029	(1,363,947)
2030	<u>(643,816)</u>
Total	<u>\$ (4,366,307)</u>

(Continued)

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan:

Plan Descriptions:

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At April 30, 2025, the measurement date, membership consisted of the following:

Inactive plan members currently receiving benefits	7
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	<u>23</u>
Total	<u><u>35</u></u>

Benefits Provided. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent 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 percent or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2025, the City's contribution was 31.57% of covered payroll.

Concentrations. At year end, the Pension Plan does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for benefits.

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Investment Rate of Return	6.75%
Salary Increases	Service Based
Cost of Living Adjustments	3.00%
Inflation	2.50%

Mortality rates were based on PubS-2010, projected five years past the valuation date with Scale MP-2021.

Discount Rate: The discount rate used to measure the total pension liability was 6.70%, while the prior year used a discount rate of 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 City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to provide future benefit payments for 60 years. Therefore benefit payments for 60 years were discounted using a Discount Rate equal to the Long-Term Expected Rate of Return of 6.75 percent. Future benefit payments beyond 60 years were discounted using a high-quality municipal bond rate of 4.64 percent. The high-quality municipal bond rate was based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20-Year High Grade Rate Index.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 11 – DEFINED BENEFIT PENSION PLANS (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 as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Net pension liability	\$ 201,151	\$ 2,923,776	\$ 6,324,411

Changes in the Net Pension Liability:

	Total Pension Liability (A)	Plan Fiduciary Net Pension (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2024	\$ 18,485,351	\$ 15,090,977	\$ 3,394,374
Changes for the year:			
Service cost	570,677	-	570,677
Interest on total pension liability	1,269,331	-	1,269,331
Changes in benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	(66,781)	-	(66,781)
Change of assumptions	151,401	-	151,401
Contributions - employer	-	674,692	(674,692)
Contributions - employees	-	202,072	(202,072)
Net investment income	-	1,558,125	(1,558,125)
Benefit payments, including refunds of employee contributions	(502,250)	(502,250)	-
Other (net transfer)	-	(39,663)	39,663
Net change	1,422,378	1,892,976	(470,598)
Balances at April 30, 2025	\$ 19,907,729	\$ 16,983,953	\$ 2,923,776

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: For the year ended April 30, 2025, the City recognized pension expense of \$221,752. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Difference between expected and actual experience	\$ 727,797	\$ (366,329)	\$ 361,468
Change in assumptions	214,020	(1,465,819)	(1,251,799)
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>(234,908)</u>	<u>(234,908)</u>
Total deferred amounts related to Police Pension	<u>\$ 941,817</u>	<u>\$ (2,067,056)</u>	<u>\$ (1,125,239)</u>

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

<u>Fiscal Year</u>	<u>Net Deferred Outflows/ Inflows of Resources</u>
2026	\$ (46,520)
2027	(326,620)
2028	(472,889)
2029	(241,618)
2030	(168,923)
Thereafter	<u>131,331</u>
Total	<u>\$ (1,125,239)</u>

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Information:

Fiduciary Net Position

	Pension Trust Funds		Total
	Police Pension Fund	Firefighters' Pension Fund	
ASSETS			
Cash and cash equivalents	\$ 685,611	\$ 847,540	\$ 1,533,151
Investments			
Illinois Police Officer's Pension Investment fund	26,773,089	-	26,773,089
Illinois Firefighters' Pension Investment Fund	-	16,123,557	16,123,557
Insurance contracts	414,744	-	414,744
Receivables - net of allowances			
Due from City	30,304	15,711	46,015
Prepays	550	-	550
Total assets	27,904,298	16,986,808	44,891,106
LIABILITIES			
Accounts payable	6,810	2,855	9,665
Net position restricted for pensions	<u>\$ 27,897,488</u>	<u>\$ 16,983,953</u>	<u>\$ 44,881,441</u>

Change in Net Position

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - employer	\$ 1,350,957	\$ 674,692	\$ 2,025,649
Contributions - other	424,603	-	424,603
Contributions - plan members	363,410	202,072	565,482
Total contributions	2,138,970	876,764	3,015,734
Investment income (loss)			
Interest earned	145,960	1,588,416	1,734,376
Net change in fair value	2,202,545	-	2,202,545
	2,348,505	1,588,416	3,936,921
Less investment expenses	(17,469)	(30,291)	(47,760)
Net investment income	2,331,036	1,558,125	3,889,161
Total additions	4,470,006	2,434,889	6,904,895
Deductions			
Administration	61,331	39,663	100,994
Benefits and refunds	1,990,910	502,250	2,493,160
Total deductions	2,052,241	541,913	2,594,154
Change in fiduciary net position	2,417,765	1,892,976	4,310,741
Net position restricted for pensions			
Beginning	25,479,723	15,090,977	40,570,700
Ending	<u>\$ 27,897,488</u>	<u>\$ 16,983,953</u>	<u>\$ 44,881,441</u>

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The City's defined benefit OPEB plan, the City of Markham Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees of the City are eligible to receive post-employment health care benefits. Coverage for retirees and their spouses and dependents is provided for life.

Plan Membership. As of April 30, 2025, the valuation date, the following employees were covered by the benefit terms:

Inactive plan members currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>132</u>
Total	<u><u>137</u></u>

Total OPEB Liability: The City's total OPEB liability was measured as of April 30, 2025, and was determined by an actuarial valuation as of April 30, 2024.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.50%
Salary Increases	3.50%
Discount Rate	5.24%
Healthcare Cost Trend Rates	6.75% for 2023, decreasing at a rate of 0.25% per year to an ultimate rate of 4.50% for fiscal years 2029 and after.
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

The discount rate was based on the measurement date of the Municipal Bond 20 Year High Grade Rate Index as published.

Mortality rates were based on the PUBS-2010 base rates projected to 2021 using scale MP-2021.

Change in the Total OPEB Liability:

Balances at April 30, 2024	\$ 2,256,676
Changes for the year:	
Service cost	184,487
Interest on total OPEB liability	91,685
Changes in benefit terms	-
Differences between expected and actual experience	(291,774)
Change of assumptions or other inputs	(158,893)
Benefit payments	(62,629)
Net change	(237,124)
Balances at April 30, 2025	\$ 2,019,552

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability, calculated using a Single Discount Rate of 5.24% while the prior valuation used 4.12%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease 4.24%	Current Discount Rate 5.24%	1% Increase 6.24%
Total OPEB liability	\$ 2,230,412	\$ 2,019,552	\$ 1,830,982

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB liability	\$ 1,774,324	\$ 2,019,552	\$ 2,307,984

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:
For the year ended April 30, 2025, the City recognized OPEB expense of \$150,315. At April 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Difference between expected and actual experience	\$ -	\$ (1,240,982)	\$ (1,240,982)
Change in assumptions	353,154	(394,535)	(41,381)
Net difference between projected and actual earnings	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred amounts related to OPEB	<u>\$ 353,154</u>	<u>\$ (1,635,517)</u>	<u>\$ (1,282,363)</u>

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

<u>Fiscal Year</u>	<u>Net Deferred Inflows of Resources</u>
2026	\$ (125,857)
2027	(125,857)
2028	(125,857)
2029	(125,857)
2030	(125,857)
Thereafter	<u>(653,078)</u>
Total	<u>\$ (1,282,363)</u>

NOTE 13 – TAX ABATEMENTS

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City is affected by Cook County's Class 6b property tax incentive program. The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of the program is to attract new industry, stimulate expansion and retention of existing industry, and increase employment opportunities.

(Continued)

CITY OF MARKHAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2025

NOTE 13 – TAX ABATEMENTS (Continued)

Properties receiving a Class 6b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, and 20% in the 12th year. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

Municipalities within the District area have granted Class 6b incentives to businesses that, as a result, have occupied abandoned properties, constructed new buildings, or expanded existing facilities. In many instances, the program has produced more property tax revenue for the City and the other impacted taxing districts than would have been generated if the development had not occurred. The District's tax revenues are reduced due to the agreements entered into by these municipalities.

For the fiscal year ending April 30, 2025, the City's share of the abatement granted to the Class 6b properties was approximately \$724,000.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MARKHAM, ILLINOIS

Required Supplementary Information
Schedule of Illinois Municipal Retirement Fund Contributions
Last 10 Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 327,870	\$ 361,846	\$ 366,562	\$ 324,744	\$ 366,271	\$ 294,547	\$ 278,446	\$ 221,811	\$ 167,162	\$ 149,910
Contributions in relation to the actuarially determined contribution	<u>328,891</u>	<u>362,874</u>	<u>366,562</u>	<u>324,744</u>	<u>366,271</u>	<u>344,547</u>	<u>278,446</u>	<u>221,811</u>	<u>167,162</u>	<u>149,910</u>
Contribution deficiency (excess)	<u>\$ 1,021</u>	<u>\$ 1,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,914,403	\$ 3,292,502	\$ 3,651,669	\$ 3,111,097	\$ 2,677,657	\$ 2,801,231	\$ 2,642,297	\$ 2,912,698	\$ 3,198,596	\$ 3,514,301
Contributions as a percentage of covered payroll	10.04%	10.44%	12.56%	0.00%	10.54%	12.30%	10.54%	7.62%	5.23%	4.27%

Notes to Schedule

Valuation Date

Actuarially determined contribution rates are calculated as of December 31 each year, which is 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	20-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 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected

Other information:

Changes

There were no benefit changes during the year.

The calculation of the 2024 contribution rate is based on valuation assumptions used in the December 31, 2022 actuarial valuation.

CITY OF MARKHAM, ILLINOIS

Required Supplementary Information
Schedule of Police Pension Fund Contributions
Last 10 Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Actuarially determined contribution	\$ 947,543	\$ 933,430	\$ 1,181,559	\$ 1,308,627	\$ 1,209,171	\$ 1,218,434	\$ 1,490,281	\$ 1,429,137	\$ 1,403,549	\$ 1,527,138
Contributions in relation to the actuarially determined contribution	<u>955,232</u>	<u>992,561</u>	<u>957,445</u>	<u>878,115</u>	<u>628,872</u>	<u>693,334</u>	<u>966,767</u>	<u>1,081,621</u>	<u>1,216,432</u>	<u>1,350,957</u>
Contribution deficiency (excess)	<u>\$ 7,689</u>	<u>\$ 59,131</u>	<u>\$ (224,114)</u>	<u>\$ (430,512)</u>	<u>\$ (580,299)</u>	<u>\$ (525,100)</u>	<u>\$ (523,514)</u>	<u>\$ (347,516)</u>	<u>\$ (187,117)</u>	<u>\$ (176,181)</u>
Covered payroll	\$ 3,281,421	\$ 2,900,615	\$ 2,994,885	\$ 2,838,955	\$ 2,934,729	\$ 3,238,011	\$ 2,586,726	\$ 3,234,292	\$ 3,331,320	\$ 2,987,946
Contributions as a percentage of covered payroll	29.11%	34.22%	31.97%	30.93%	21.43%	21.41%	37.37%	33.44%	36.52%	45.21%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	11 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.25%-31.92%
Investment Rate of Return	7.00%
Mortality	Mortality rates were based on the Pub-2010 Mortality Tables adjusted for plan status, collar, and Illinois public pension data.

CITY OF MARKHAM, ILLINOIS

Required Supplementary Information
Schedule of Firefighters' Pension Fund Contributions
Last 10 Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 390,098	\$ 369,443	\$ 523,004	\$ 550,952	\$ 646,035	\$ 691,192	\$ 816,404	\$ 807,962	\$ 610,312	\$ 741,537
Contributions in relation to the actuarially determined contribution	<u>378,155</u>	<u>697,575</u>	<u>605,581</u>	<u>577,069</u>	<u>354,586</u>	<u>439,257</u>	<u>612,595</u>	<u>734,192</u>	<u>427,477</u>	<u>674,692</u>
Contribution deficiency (excess)	<u>\$ (11,943)</u>	<u>\$ 328,132</u>	<u>\$ 82,577</u>	<u>\$ 26,117</u>	<u>\$ (291,449)</u>	<u>\$ (251,935)</u>	<u>\$ (203,809)</u>	<u>\$ (73,770)</u>	<u>\$ (182,835)</u>	<u>\$ (66,845)</u>
Covered payroll	\$ 1,232,421	\$ 1,312,457	\$ 1,204,750	\$ 1,145,567	\$ 1,448,248	\$ 1,349,902	\$ 1,391,594	\$ 1,661,978	\$ 1,858,396	\$ 2,137,197
Contributions as a percentage of covered payroll	30.68%	53.15%	50.27%	50.37%	24.48%	32.54%	44.02%	44.18%	23.00%	31.57%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	11 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	6.75%
Mortality	Mortality rates were based on the Pub-2010 Mortality Tables adjusted for plan status, collar, and Illinois public pension data.

CITY OF MARKHAM, ILLINOIS

Required Supplementary Information
Schedule of Changes in Illinois Municipal Retirement Fund Net Pension Liability (Asset) and Related Ratios
Last 10 Fiscal Years

	December 31,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Service cost	\$ 292,997	\$ 325,541	\$ 347,062	\$ 323,950	\$ 283,303	\$ 257,451	\$ 231,183	\$ 245,139	\$ 262,753	\$ 274,000
Interest	710,445	751,469	827,271	879,290	863,251	873,095	878,578	832,893	875,148	873,016
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	5,737	484,692	650,766	(490,369)	(140,849)	(198,974)	(1,006,817)	265,200	(381,828)	266,414
Changes of assumptions	12,682	(27,407)	(426,959)	329,099	-	(57,326)	-	-	(32,090)	-
Change in proportionate share	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of members contributions	(448,356)	(505,626)	(616,696)	(769,305)	(907,889)	(806,100)	(764,879)	(715,242)	(823,178)	(694,849)
Net change in total pension liability	573,505	1,028,669	781,444	272,665	97,816	68,146	(661,935)	627,990	(99,195)	718,581
Beginning total pension liability	9,562,921	10,136,426	11,165,095	11,946,539	12,219,204	12,317,020	12,385,166	11,723,231	12,351,221	12,252,026
Ending total pension liability	\$ 10,136,426	\$ 11,165,095	\$ 11,946,539	\$ 12,219,204	\$ 12,317,020	\$ 12,385,166	\$ 11,723,231	\$ 12,351,221	\$ 12,252,026	\$ 12,970,607
Plan fiduciary net position										
Contributions - employer	\$ 328,891	\$ 362,874	\$ 393,295	\$ 345,781	\$ 296,789	\$ 390,987	\$ 298,760	\$ 255,497	\$ 157,085	\$ 184,575
Contributions - members	131,537	149,227	157,207	145,159	129,302	109,106	118,661	129,185	141,959	155,627
Net investment income	41,892	563,837	1,586,247	(596,467)	1,856,824	1,597,166	2,112,975	(1,738,633)	1,288,429	1,233,397
Benefit payments, including refunds of members contributions	(448,356)	(505,626)	(616,696)	(769,305)	(907,889)	(806,100)	(764,879)	(715,242)	(823,178)	(694,849)
Other (net transfer)	(91,164)	100,895	(56,836)	225,086	(155,910)	(70,028)	(440,102)	34,888	(108,702)	(192,726)
Net change in plan fiduciary net position	(37,200)	671,207	1,463,217	(649,746)	1,219,116	1,221,131	1,325,415	(2,034,305)	655,593	686,024
Beginning plan fiduciary net position	8,372,294	8,335,094	9,006,301	10,469,518	9,819,772	11,038,888	12,260,019	13,585,434	11,551,129	12,206,722
Ending plan fiduciary net position	\$ 8,335,094	\$ 9,006,301	\$ 10,469,518	\$ 9,819,772	\$ 11,038,888	\$ 12,260,019	\$ 13,585,434	\$ 11,551,129	\$ 12,206,722	\$ 12,892,746
Employer's net pension liability/asset	\$ 1,801,332	\$ 2,158,794	\$ 1,477,021	\$ 2,399,432	\$ 1,278,132	\$ 125,147	\$ (1,862,203)	\$ 800,092	\$ 45,304	\$ 77,861
Plan fiduciary net position as a percentage of total pension liability	82.23%	80.66%	87.64%	80.36%	89.62%	98.99%	115.88%	93.52%	99.63%	99.40%
Covered payroll	\$ 2,914,403	\$ 3,292,502	\$ 3,468,589	\$ 3,218,042	\$ 2,870,264	\$ 2,424,583	\$ 2,636,894	\$ 2,801,231	\$ 3,154,931	\$ 3,502,359
Employer's net pension liability/asset as a percentage of covered payroll	61.81%	65.57%	42.58%	74.56%	44.53%	5.16%	-70.62%	28.56%	1.44%	2.22%

Note to the Required Supplementary Information:

There were no assumption changes during the year ending December 31, 2024.

CITY OF MARKHAM, ILLINOIS

Required Supplementary Information
Schedule of Changes in Police Pension Fund Net Pension Liability (Asset) and Related Ratios
Last 10 Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total pension liability										
Service cost	\$ 793,093	\$ 740,482	\$ 792,316	\$ 812,550	\$ 816,653	\$ 1,300,217	\$ 1,084,934	\$ 1,114,355	\$ 1,120,469	\$ 1,012,575
Interest	1,621,861	2,197,996	2,022,983	2,131,717	2,113,503	2,026,837	2,035,901	2,138,551	2,209,887	2,390,603
Changes in benefit terms	-	-	-	-	293,378	-	-	(36,669)	517,979	-
Difference between expected and actual experience	966,309	32,621	66,991	(2,056,853)	(93,018)	2,782,685	(3,826,064)	104,740	(337,345)	749,402
Changes of assumptions	2,737,177	(4,296,450)	1,725,817	(174,731)	6,840,831	297,703	(26,462)	(507,397)	(3,602,548)	(5,010,168)
Benefit payments, including refunds of members contributions	(903,647)	(1,105,826)	(1,243,868)	(1,174,356)	(1,188,782)	(1,663,136)	(1,598,093)	(1,636,046)	(1,731,305)	(1,990,910)
Net change in total pension liability	5,214,793	(2,431,177)	3,364,239	(461,673)	8,782,565	4,744,306	(2,329,784)	1,177,534	(1,822,863)	(2,848,498)
Beginning total pension liability	26,738,067	31,952,860	29,521,683	32,885,922	32,424,249	41,206,814	45,951,120	43,621,336	44,798,870	42,976,007
Ending total pension liability	\$ 31,952,860	\$ 29,521,683	\$ 32,885,922	\$ 32,424,249	\$ 41,206,814	\$ 45,951,120	\$ 43,621,336	\$ 44,798,870	\$ 42,976,007	\$ 40,127,509
Plan fiduciary net position										
Contributions - employer	\$ 955,232	\$ 992,561	\$ 957,445	\$ 878,115	\$ 628,872	\$ 693,334	\$ 966,767	\$ 1,081,621	\$ 1,216,432	\$ 1,350,957
Contributions - members	263,551	262,948	257,834	256,912	265,341	269,535	254,517	317,002	353,632	363,410
Contributions - others	-	725	650	650	650	675	650	650	90,098	424,603
Net investment income	(269,419)	1,474,473	1,378,865	1,317,553	98,221	5,408,556	(1,676,064)	452,476	2,097,898	2,331,036
members contributions	(903,647)	(1,105,826)	(1,243,868)	(1,174,356)	(1,188,782)	(1,663,136)	(1,598,093)	(1,636,046)	(1,731,305)	(1,990,910)
Other (net transfer)	73,124	(55,906)	(57,497)	(52,024)	(73,301)	(102,349)	(55,258)	(53,164)	(62,348)	(61,331)
Net change in plan fiduciary net position	118,841	1,568,975	1,293,429	1,226,850	(268,999)	4,606,615	(2,107,481)	162,539	1,964,407	2,417,765
Beginning plan fiduciary net position	16,914,547	17,033,388	18,602,363	19,895,792	21,122,642	20,853,643	25,460,258	23,352,777	23,515,316	25,479,723
Ending plan fiduciary net position	\$ 17,033,388	\$ 18,602,363	\$ 19,895,792	\$ 21,122,642	\$ 20,853,643	\$ 25,460,258	\$ 23,352,777	\$ 23,515,316	\$ 25,479,723	\$ 27,897,488
Employer's net pension liability/asset	\$ 14,919,472	\$ 10,919,320	\$ 12,990,130	\$ 11,301,607	\$ 20,353,171	\$ 20,490,862	\$ 20,268,559	\$ 21,283,554	\$ 17,496,284	\$ 12,230,021
Plan fiduciary net position as a percentage of total pension liability	53.31%	63.01%	60.50%	65.14%	50.61%	55.41%	53.54%	52.49%	59.29%	69.52%
Covered payroll	\$ 3,281,421	\$ 2,900,615	\$ 2,994,885	\$ 2,838,955	\$ 2,934,729	\$ 3,238,011	\$ 2,586,726	\$ 3,234,292	\$ 3,331,320	\$ 2,987,946
Employer's net pension liability/asset as a percentage of covered payroll	454.66%	376.45%	433.74%	398.09%	693.53%	632.82%	783.56%	658.06%	525.21%	409.31%

CITY OF MARKHAM, ILLINOIS

Required Supplementary Information
Schedule of Changes in Firefighters' Pension Fund Net Pension Liability (Asset) and Related Ratios
Last 10 Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total pension liability										
Service cost	\$ 565,986	\$ 467,641	\$ 476,262	\$ 453,096	\$ 438,598	\$ 508,191	\$ 472,817	\$ 464,739	\$ 520,697	\$ 570,677
Interest	570,620	732,555	747,885	801,523	879,985	962,280	1,017,580	1,055,413	1,177,246	1,269,331
Changes in benefit terms	-	-	-	-	9,170	-	-	-	-	-
Difference between expected and actual experience	-	166,712	(33,287)	5,281	329,423	(78,145)	(475,554)	705,193	111,466	(66,781)
Changes of assumptions	-	(1,823,578)	(69,835)	357,497	-	-	(1,875,698)	-	-	151,401
Benefit payments, including refunds of members contributions	(126,391)	(121,979)	(161,409)	(246,381)	(314,565)	(425,270)	(445,295)	(464,667)	(488,085)	(502,250)
Net change in total pension liability	1,010,215	(578,649)	959,616	1,371,016	1,342,611	967,056	(1,306,150)	1,760,678	1,321,324	1,422,378
Beginning total pension liability	11,637,634	12,647,849	12,069,200	13,028,816	14,399,832	15,742,443	16,709,499	15,403,349	17,164,027	18,485,351
Ending total pension liability	<u>\$ 12,647,849</u>	<u>\$ 12,069,200</u>	<u>\$ 13,028,816</u>	<u>\$ 14,399,832</u>	<u>\$ 15,742,443</u>	<u>\$ 16,709,499</u>	<u>\$ 15,403,349</u>	<u>\$ 17,164,027</u>	<u>\$ 18,485,351</u>	<u>\$ 19,907,729</u>
Plan fiduciary net position										
Contributions - employer	\$ 378,155	\$ 697,575	\$ 605,581	\$ 577,069	\$ 354,586	\$ 439,257	\$ 612,595	\$ 734,192	\$ 427,477	\$ 674,692
Contributions - members	111,668	137,513	121,688	116,272	165,775	136,239	137,907	164,702	184,167	202,072
Net investment income	(15,017)	596,776	599,234	425,730	47,743	2,537,944	(652,942)	112,425	1,595,332	1,558,125
Benefit payments, including refunds of members contributions	(126,391)	(121,980)	(161,409)	(246,381)	(344,040)	(425,270)	(445,295)	(464,667)	(488,085)	(502,250)
Other (net transfer)	(6,035)	(24,533)	(23,982)	(32,918)	(32,247)	(34,340)	(35,323)	(38,738)	(31,939)	(39,663)
Net change in plan fiduciary net position	342,380	1,285,351	1,141,112	839,772	191,817	2,653,830	(383,058)	507,914	1,686,952	1,892,976
Beginning plan fiduciary net position	6,824,907	7,167,287	8,452,638	9,593,750	10,433,522	10,625,339	13,279,169	12,896,111	13,404,025	15,090,977
Ending plan fiduciary net position	<u>\$ 7,167,287</u>	<u>\$ 8,452,638</u>	<u>\$ 9,593,750</u>	<u>\$ 10,433,522</u>	<u>\$ 10,625,339</u>	<u>\$ 13,279,169</u>	<u>\$ 12,896,111</u>	<u>\$ 13,404,025</u>	<u>\$ 15,090,977</u>	<u>\$ 16,983,953</u>
Employer's net pension liability/asset	<u>\$ 5,480,562</u>	<u>\$ 3,616,562</u>	<u>\$ 3,435,066</u>	<u>\$ 3,966,310</u>	<u>\$ 5,117,104</u>	<u>\$ 3,430,330</u>	<u>\$ 2,507,238</u>	<u>\$ 3,760,002</u>	<u>\$ 3,394,374</u>	<u>\$ 2,923,776</u>
Plan fiduciary net position as a percentage of total pension liability	56.57%	70.03%	7.63%	72.46%	67.49%	79.47%	83.72%	78.09%	81.64%	85.31%
Covered payroll	\$ 1,232,421	\$ 1,312,457	\$ 1,204,750	\$ 1,145,567	\$ 1,448,248	\$ 1,349,902	\$ 1,391,594	\$ 1,661,978	\$ 1,858,396	\$ 2,137,197
Employer's net pension liability/asset as a percentage of covered payroll	444.70%	275.56%	285.13%	346.23%	353.33%	254.12%	180.17%	226.24%	182.65%	136.80%

CITY OF MARKHAM, ILLINOIS

Required Supplementary Information
Schedule of Police Pension Fund Investment Rate of Return
Last 10 Fiscal Years

<u>Fiscal Year</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
2016	-3.52%
2017	13.08%
2018	11.78%
2019	7.02%
2020	7.40%
2021	11.61%
2022	N/A
2023	-0.07%
2024	9.54%
2025	9.68%

CITY OF MARKHAM, ILLINOIS

Required Supplementary Information
Schedule of Firefighters' Pension Fund Investment Rate of Return
Last 10 Fiscal Years

<u>Fiscal Year</u>	<u>Annual Money- Weighted Rate of Return, Net of Investment Expense</u>
2016	-3.85%
2017	4.95%
2018	3.10%
2019	-0.05%
2020	-3.46%
2021	21.25%
2022	N/A
2023	-8.39%
2024	10.90%
2025	10.55%

Note to the Required Supplementary Information:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF MARKHAM, ILLINOIS

Required Supplementary Information
Schedule of Changes in the Retiree Benefit Plan Total Other Post-Employment Benefits Liability and Related Ratios
Last 7 Fiscal Years

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total OPEB liability							
Service cost	\$ 156,238	\$ 162,159	\$ 139,148	\$ 167,633	\$ 141,853	\$ 187,083	\$ 184,487
Interest	97,016	98,513	89,421	43,640	66,130	78,554	91,685
Changes in benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	(90,612)	-	(1,428,794)	-	(35,354)	-	(291,774)
Changes of assumptions or other inputs	56,091	272,337	231,616	(280,466)	56,962	(59,006)	(158,893)
Benefit payments	<u>(68,630)</u>	<u>(73,777)</u>	<u>(45,120)</u>	<u>(59,924)</u>	<u>(64,935)</u>	<u>(67,208)</u>	<u>(62,629)</u>
Net change in total pension liability	150,103	459,232	(1,013,729)	(129,117)	164,656	139,423	(237,124)
Beginning total OPEB liability	<u>2,486,108</u>	<u>2,636,211</u>	<u>3,095,443</u>	<u>2,081,714</u>	<u>1,952,597</u>	<u>2,117,253</u>	<u>2,256,676</u>
Ending total OPEB liability	<u>\$ 2,636,211</u>	<u>\$ 3,095,443</u>	<u>\$ 2,081,714</u>	<u>\$ 1,952,597</u>	<u>\$ 2,117,253</u>	<u>\$ 2,256,676</u>	<u>\$ 2,019,552</u>
Covered-employee payroll	\$ 1,813,540	\$ 8,113,659	\$ 7,827,322	\$ 8,101,278	\$ 8,659,548	\$ 8,962,632	\$ 9,986,236
Total OPEB liability as a percentage of covered-employee payroll	145.36%	38.15%	26.60%	24.10%	24.45%	25.18%	20.22%

Notes to Schedule: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

There is no actuarially determined contribution or employer contribution in relation to the actuarially determined contribution, as the City does not have a Trust that exists for funding the OPEB liability.

CITY OF MARKHAM, ILLINOIS

General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes	\$ 13,626,466	\$ 15,260,900	\$ 1,634,434
Intergovernmental	4,085,000	6,565,221	2,480,221
Licenses and permits	969,500	1,499,542	530,042
Charges for services	101,000	39,178	(61,822)
Fines and forfeitures	630,000	1,099,610	469,610
Investment income	60,000	580,790	520,790
Miscellaneous	582,200	204,242	(377,958)
Total revenues	<u>20,054,166</u>	<u>25,249,483</u>	<u>5,195,317</u>
Expenditures			
General government	12,935,958	13,110,396	174,438
Public safety	7,872,106	8,212,691	340,585
Highways and streets	1,539,892	3,052,008	1,512,116
Community development	2,012,217	1,487,739	(524,478)
Capital outlay	-	2,608,540	2,608,540
Debt service			
Principal retirement	100,500	544,801	444,301
Interest and fiscal charges	-	47,796	47,796
	<u>24,460,673</u>	<u>29,063,971</u>	<u>4,603,298</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,406,507)</u>	<u>(3,814,488)</u>	<u>592,019</u>
Other financing sources (uses)			
Debt issuance	-	94,068	94,068
Transfers in	13,060,000	14,060,663	1,000,663
Transfers (out)	-	(975,698)	(975,698)
Total other financing sources (uses)	<u>13,060,000</u>	<u>13,179,033</u>	<u>119,033</u>
Net change in fund balance	<u>\$ 8,653,493</u>	<u>9,364,545</u>	<u>\$ 711,052</u>
Beginning fund balance		<u>168,490</u>	
Ending fund balance		<u>\$ 9,533,035</u>	

CITY OF MARKHAM, ILLINOIS

TIF #5 Interstate - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes			
Property tax	\$ 22,436,166	\$ 14,148,522	\$ (8,287,644)
Expenditures			
Community development	32,000,000	26,325,413	(5,674,587)
Highways and streets	<u>500,000</u>	<u>280,748</u>	<u>(219,252)</u>
Total expenditures	<u>32,500,000</u>	<u>26,606,161</u>	<u>(5,893,839)</u>
Excess (deficiency) of revenues over (under) expenditures	(10,063,834)	(12,457,639)	(2,393,805)
Other financing (uses)			
Transfers out	<u>(12,060,000)</u>	<u>(12,060,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (22,123,834)</u>	(24,517,639)	<u>\$ (2,393,805)</u>
Beginning fund balance		<u>33,481,502</u>	
Ending fund balance		<u>\$ 8,963,863</u>	

SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special revenue funds account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the motor fuel tax allotments from the State of Illinois, and the expenditures for the purpose of street maintenance and improvements.

Grant Fund

The Grant Fund is used to account for the support activities and required match-funding for a variety of grants from agencies including US Department of Housing and Urban Development, Illinois Housing Development Agency, the Environmental Protection Agency, US Department of Transportation, US Department of Agriculture.

Asset Seizure Fund

The Asset Seizure Fund is used to account for expenditures related to public safety. Revenues are primarily received from the seizure of assets within the City limits.

TIF #2 Hotel/Motel Tax Fund

The TIF #2 Hotel/Motel Tax Fund is used to account for service and marketing of Markham hotel/motels.

TIF #5 Interstate Fund

The TIF #5 Interstate Fund is used to account for the redevelopment of the Interstate Crossing Incremental Financing District and receipt of incremental tax revenues.

DEBT SERVICE FUNDS

The Debt Service Funds account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

2008A Bond Fund

The 2008A Bond Fund is used to account for the accumulation of financial resources for the payment of principal and interest on the City's 2008A Bond long-term debt.

2008B Bond Fund

The 2008B Bond Fund is used to account for the accumulation of financial resources for the payment of principal and interest on the City's 2008B Bond long-term debt.

2009B Bond Fund

The 2009B Bond Fund is used to account for the accumulation of financial resources for the payment of principal and interest on the City's 2009B Bond long-term debt.

2012 Bond Fund

The 2012 Bond Fund is used to account for the accumulation of financial resources for the payment of principal and interest on the City's 2012 Bond long-term debt.

INDIVIDUAL FUND DESCRIPTIONS

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary and Trust Funds.

TIF #1 Canterbury Mall Plaza Fund

The TIF #1 Canterbury Mall Plaza Fund is used to account for the redevelopment of the Canterbury Tax Incremental Financing District.

TIF #3 Dixie Highway Fund

The TIF #3 Dixie Highway Fund is used to account for the redevelopment of the Dixie Highway Tax Incremental Financing District.

Capital Projects Fund

The Capital Projects Fund is used to account for all resources used for the acquisition of capital assets by the City, except those financed by Proprietary and Trust Funds, including general and infrastructure capital assets.

2009B Bond Capital Improvements Fund

The 2009B Bond Capital Improvements Fund is used to account for the proceeds of the 2009B Bond debt issuance used for the acquisition or construction of capital projects, other than those financed by Special Revenue, Enterprise or Trust and Agency Funds.

2012 Bond Capital Improvements Fund

The 2012 Bond Capital Improvements Fund is used to account for the proceeds of the 2012 Bond debt issuance used for the acquisition or construction of capital projects, other than those financed by Special Revenue, Enterprise or Trust and Agency Funds.

ENTERPRISE FUNDS

The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Waterworks and Sewerage Fund

The Waterworks and Sewerage Fund is used to account for the operating activities of the City's water and sewerage utility services on a user-charge basis to the City's residents.

Solid Waste Fund

The Solid Waste Fund is used to account for the operating activities of the City's solid waste services on a user-charge basis to the City's residents.

Markham Roller Rink Fund

The Markham Roller Rink Fund is used to account for the operating activities of the City's roller rink on a customer charge basis to the roller rink customers. The roller rink was acquired and improved and commenced operations during the fiscal year April 30, 2014.

Markham Senior Living Complex Fund

Markham Senior Living Complex Fund is used to account for the operating activities of the City's senior living complex on a rental charge basis to the senior living complex residents.

INDIVIDUAL FUND DESCRIPTIONS

TRUST FUNDS **PENSION TRUST FUNDS**

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

Note: Certain funds did not have a budget during the year and budget to actual schedules for these funds have not been included.

CITY OF MARKHAM, ILLINOIS

General Fund
Schedule of Revenues - Budget and Actual
For the Fiscal Year ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Taxes			
Property taxes	\$ 9,869,746	\$ 8,977,268	\$ (892,478)
Home rule sales tax	1,120,000	3,270,709	2,150,709
Local use tax	440,000	331,444	(108,556)
Telecommunication tax	100,000	107,260	7,260
Local motor fuel tax	150,000	227,255	77,255
Auction tax	55,000	62,922	7,922
Utility tax	665,000	651,841	(13,159)
Video gaming tax	225,000	287,069	62,069
Casino revenue sharing tax	812,720	937,506	124,786
Franchise tax	100,000	90,223	(9,777)
Illinois Gaming Board Tax	-	45,385	45,385
Cannabis use tax	20,000	115,558	95,558
Liquor tax	4,000	4,064	64
Foreign fire tax	20,000	35,696	15,696
Hotel/motel tax	45,000	116,700	71,700
Total taxes	13,626,466	15,260,900	1,634,434
Intergovernmental			
State income tax	1,600,000	2,072,384	472,384
Sales tax	1,850,000	3,943,213	2,093,213
Replacement tax	185,000	125,845	(59,155)
Other intergovernmental revenue	450,000	423,779	(26,221)
Total intergovernmental	4,085,000	6,565,221	2,480,221
Licenses and permits			
Business and vending license	230,000	313,895	83,895
Building inspections and permits	725,000	1,169,077	444,077
Lien fee	1,000	1,275	275
Other	13,500	15,295	1,795
Total licenses and permits	969,500	1,499,542	530,042
Charges for services			
Rental income	1,000	32,285	31,285
Impact fees	100,000	-	(100,000)
Vehicle stickers	-	6,893	6,893
Total charges for services	101,000	39,178	(61,822)
Fines and forfeitures			
Court fines	305,000	513,112	208,112
Drug forfeitures	-	142,266	142,266
Ordinance violations	325,000	444,232	119,232
Total fines and forfeitures	630,000	1,099,610	469,610
Investment income	60,000	580,790	520,790
Miscellaneous			
Health Insurance Reimbursement	40,000	84,674	44,674
Special events	2,500	-	(2,500)
Other	539,700	119,568	(420,132)
Total miscellaneous	582,200	204,242	(377,958)
Total revenues	\$ 20,054,166	\$ 25,249,483	\$ 5,195,317

CITY OF MARKHAM, ILLINOIS

General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
General government			
Mayor's office			
Mayor's expenditures	\$ 20,000	\$ 21,872	\$ 1,872
Materials and supplies	5,130	4,721	(409)
Executive assistant to the Mayor	127,000	127,747	747
Administrative coordinator	35,000	17,650	(17,350)
Public relations consultant	5,000	1,500	(3,500)
Mayor's office	68,160	67,000	(1,160)
Special events	-	205	205
Dues and subscriptions	9,000	9,140	140
Public relations	5,000	700	(4,300)
City administration	75,000	49,325	(25,675)
Capital outlay	-	10	10
	<u>349,290</u>	<u>299,870</u>	<u>(49,420)</u>
City council			
Illinois Municipal League	1,000	1,531	531
Ward I Hampton - salary	20,000	20,055	55
Ward II McDowell - salary	20,000	20,055	55
Ward III Jones - salary	20,000	20,055	55
Ward IV Barron - salary	20,000	20,055	55
Ward I Hampton - expenditures	20,000	20,000	-
Ward II McDowell - expenditures	20,000	20,000	-
Ward III Jones - expenditures	20,000	20,000	-
Ward IV Barron - expenditures	20,000	19,900	(100)
	<u>161,000</u>	<u>161,651</u>	<u>651</u>
City clerk			
Clerk's expenditures	7,000	7,000	-
Materials and supplies	10,000	16,728	6,728
City clerk	34,967	35,366	399
Deputy Clerk (P/T)	5,000	1,050	(3,950)
Administrative clerk	25,750	25,846	96
Recodification expenditure	5,000	4,517	(483)
Publication	1,000	429	(571)
Dues and subscriptions	1,000	314	(686)
Equipment	-	25	25
Election	1,000	-	(1,000)
	<u>90,717</u>	<u>91,275</u>	<u>558</u>
City administrations			
Property tax rebate	1,500,000	982,000	(518,000)
Maintenance contract	20,000	33,869	13,869
Administration	16,800	20,225	3,425
Lobbyist	36,000	41,500	5,500
Offsite storage	4,500	6,902	2,402
Payroll services	65,000	63,514	(1,486)
Bank charges	9,000	11,959	2,959
Electric	110,000	95,246	(14,754)
Postal equipment lease and maintenance	3,500	2,147	(1,353)
Postal expenditure	13,000	9,373	(3,627)
Telephone and federal mandate	45,000	46,767	1,767

(Continued)

CITY OF MARKHAM, ILLINOIS

General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Beautification supplies and services	\$ 250,000	\$ 795,417	\$ 545,417
Snow removal	200,000	68,760	(131,240)
Professional services	36,250	22,054	(14,196)
City-wide picnic and parade	85,000	187,891	102,891
Telogis vehicle tracking	-	-	-
Wireless communication	65,000	80,936	15,936
Internet Services, IT Hardware	35,000	116,441	81,441
Bond disclosure agreement	8,000	2,250	(5,750)
Media development	50,000	49,228	(772)
MSI maintenance	15,950	28,829	12,879
City website	20,000	-	(20,000)
Special events	20,000	35,479	15,479
Dues and subscriptions	1,500	2,589	1,089
Materials & supplies	35,000	35,448	448
NICOR	-	53	53
Code Red	13,000	13,724	724
Copier Lease & Fees	35,000	14,559	(20,441)
General City Engineering	10,000	22,605	12,605
Salary Contingency	50,000	-	(50,000)
Miscellaneous Contingency	50,000	478,524	428,524
IT contracts	146,260	172,545	26,285
Salaries - Mayor summer youth program	140,000	147,481	7,481
	<u>3,088,760</u>	<u>3,588,315</u>	<u>499,555</u>
Treasurer's office			
Treasurer's expenditures	7,000	7,000	-
Budget consultant	4,000	4,000	-
Material and supplies	6,000	9,606	3,606
Treasurer's salary	34,967	35,366	399
Finance director	95,550	97,522	1,972
Accounts payable specialist	58,590	59,013	423
Dues and subscriptions	1,500	1,644	144
Training	5,000	1,859	(3,141)
Publication	1,200	692	(508)
Audit expenditures	101,000	71,250	(29,750)
Staff accountant	61,425	61,869	444
	<u>376,232</u>	<u>349,821</u>	<u>(26,411)</u>
Civil service			
Materials & supplies	1,500	2,502	1,002
	<u>2,700</u>	<u>2,025</u>	<u>(675)</u>
Commissioners expenditures	4,200	4,527	327
Legal department			
Legal claims	100,000	144,352	44,352
Union matters - legal and negotiations	20,000	-	(20,000)
Litigation and legal expenditures	550,000	724,453	174,453
Prosecuting attorney	20,000	14,760	(5,240)
Board meetings and sessions	10,000	5,267	(4,733)
	<u>700,000</u>	<u>888,832</u>	<u>188,832</u>
Zoning and planning commission			
Zoning and planning board expenditures	2,500	225	(2,275)
Materials and supplies	-	69	69

(Continued)

CITY OF MARKHAM, ILLINOIS

General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Attorney and hearing expenditures	\$ 5,000	\$ -	\$ (5,000)
Publication expenditures	100	12,741	12,641
Seminars	1,500	-	(1,500)
Planning Commission	1,000	-	(1,000)
Secretarial expenditures	1,200	100	(1,100)
	<u>11,300</u>	<u>13,135</u>	<u>1,835</u>
Liquor department			
Commissioner	20,000	20,055	55
Attorney's fees	5,000	-	(5,000)
Publications	400	155	(245)
	<u>25,400</u>	<u>20,210</u>	<u>(5,190)</u>
Personnel			
Insurance			
Employee group health insurance	1,400,000	1,174,382	(225,618)
Employee dental insurance	40,000	2,383	(37,617)
Other insurance costs	400,000	238,819	(161,181)
Insurance risk package	1,396,485	1,061,556	(334,929)
Statutory worker's compensation	190,000	455,257	265,257
Difference benefit card	-	24,341	24,341
Employer payroll taxes			
State unemployment insurance	110,000	79,707	(30,293)
Unemployment compensation	-	90	90
Medicare	190,000	233,382	43,382
Social security Medicare	120,000	147,850	27,850
Human resources			
Eligible expenditures	3,000	2,142	(858)
Salaries	95,000	97,896	2,896
Human Resource Assoc. (P/T)	55,000	-	(55,000)
Dues/membership	500	552	52
Employee pension contributions	-	-	-
Training	3,000	325	(2,675)
Professional services	74,304	80,500	6,196
Events	10,000	-	(10,000)
Employer pension contributions			
Police pension contributions	1,527,138	1,350,957	(176,181)
IMRF pension contributions	300,000	156,268	(143,732)
Fire pension contributions	741,537	674,691	(66,846)
	<u>6,655,964</u>	<u>5,781,098</u>	<u>(874,866)</u>
Buildings and grounds			
School building			
Gas - Nicor	3,000	3,379	379
Electric	-	-	-
DMC security service	1,000	1,056	56
Copier/Comcast/lease purchase	2,500	2,617	117
Hotel/motel			
Eligible expenditures	10,000	11,701	1,701
Economic development			
Director expenses	500	-	(500)
Materials and supplies	10,000	724	(9,276)
Printing - maps and photos	5,000	206	(4,794)

(Continued)

CITY OF MARKHAM, ILLINOIS

General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Training and seminars	\$ 5,000	\$ 2,351	\$ (2,649)
Travel	5,000	2,298	(2,702)
Comprehensive plan	62,750	11,741	(51,009)
Property fees	125,000	435,996	310,996
Economic development consulting	26,000	27,098	1,098
Economic development salary	-	28,302	28,302
Building control and inspection			
Materials and supplies	8,500	12,930	4,430
Plumbing inspector	25,000	15,525	(9,475)
Director costs	500	-	(500)
Salaries	730,145	772,606	42,461
City vehicles	-	14,939	14,939
Maintenance and repair - vehicles	3,000	10,811	7,811
Lease/Purchases	-	3,334	3,334
Uniforms	2,500	17,474	14,974
Training and seminars	8,000	9,770	1,770
Dues and subscriptions	200	646	446
Engineer fees	30,000	12,963	(17,037)
Equipment	-	45	45
Building and grounds			
Materials and supplies	80,000	107,614	27,614
Property Signage	100,000	58,398	(41,602)
Salaries	78,000	82,838	4,838
Janitorial contractual services	65,000	61,250	(3,750)
Maintenance and repair - heating and AC	40,000	55,251	15,251
Maintenance and repair - elevator	5,000	13,051	8,051
Maintenance and pest control	40,000	112,756	72,756
Maintenance and repairs	1,500	-	(1,500)
Beautification	-	21,992	21,992
	<u>1,473,095</u>	<u>1,911,662</u>	<u>438,567</u>
 Total general government	 <u>12,935,958</u>	 <u>13,110,396</u>	 <u>174,438</u>
 Public safety			
Police department			
Chief's expenditures	500	-	(500)
Maintenance of equipment	8,000	13,007	5,007
Professional services	25,000	53,041	28,041
Equipment purchase	35,000	43,730	8,730
Materials and supplies	20,000	114,682	94,682
Salaries	3,646,750	3,784,623	137,873
Zero tolerance expenditures	300,000	324,712	24,712
Bank charges	-	2,216	2,216
Police grant expenditures	23,898	-	(23,898)
Animal welfare - strays	20,000	2,142	(17,858)
Maintenance vehicle and equipment	50,000	92,013	42,013
Prisoners' meals	1,500	2,550	1,050
Clothing allowance	40,000	47,743	7,743
Overtime	332,000	508,374	176,374
Forfeitures	5,000	3,412	(1,588)
Communications and federal mandate	25,000	70,294	45,294
Dues and subscriptions	10,000	25,341	15,341
Law Enforcement Data/Lexipol	22,000	-	(22,000)
911 annual contract	383,500	290,022	(93,478)
Training program	160,000	25,268	(134,732)

(Continued)

CITY OF MARKHAM, ILLINOIS

General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Maintenance/annual contract	\$ -	\$ 6,272	\$ 6,272
	5,108,148	5,409,442	301,294
Fire department			
Chief's expenditures	500	244	(256)
Maintenance and repair - vehicle	50,000	44,401	(5,599)
Vehicle repair	50,000	53,513	3,513
Equipment purchase	50,000	42,696	(7,304)
Materials and supplies	5,000	5,312	312
Salaries	2,087,306	2,105,231	17,925
Overtime	80,000	140,212	60,212
Safety committee	500	-	(500)
Foreign fire tax	25,000	59,711	34,711
Co/med ambulance contractual service	110,000	109,740	(260)
Maintenance and repair - building	40,000	33,507	(6,493)
Fire/arson investigation	500	139	(361)
Prevention and education	2,500	2,440	(60)
Communications and federal mandate	30,000	15,809	(14,191)
Fire grant expenditures	50,000	-	(50,000)
Uniforms/clothing allowance	20,000	21,738	1,738
Dues and subscriptions	10,000	9,933	(67)
City vehicles	29,000	26,283	(2,717)
Training program	12,000	11,570	(430)
	2,652,306	2,682,479	30,173
Emergency and disaster			
Sirens	15,000	2,150	(12,850)
	15,000	2,150	(12,850)
Fire and police commission			
Secretarial services	1,200	600	(600)
Materials and supplies	350	-	(350)
Psychological tests	2,000	-	(2,000)
Examination expenditures	8,000	14,043	6,043
Legal expenditures	5,000	-	(5,000)
Commission expenditures	1,500	1,059	(441)
Dues and subscriptions	-	400	400
	18,050	16,102	(1,948)
In-house court department			
Equipment purchase	20,400	28,131	7,731
Materials and supplies	100	302	202
Computer operator	-	-	-
Hearing officer	12,000	27,969	15,969
Printing	15,000	26,902	11,902
Legal fees	8,000	3,177	(4,823)
	55,500	86,481	30,981
Senior transportation			
Tollway	-	946	946
Materials and supplies	100	-	(100)
Senior driver (part time)	23,002	15,091	(7,911)

(Continued)

CITY OF MARKHAM, ILLINOIS

General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
	<u>\$ 23,102</u>	<u>\$ 16,037</u>	<u>\$ (7,065)</u>
Total public safety	<u>7,872,106</u>	<u>8,212,691</u>	<u>340,585</u>
Highways and streets			
Street department			
Department head expenditures	500	500	-
Materials and supplies	75,000	100,215	25,215
Storm damage repairs	-	169,010	169,010
Salaries	537,392	542,198	4,806
Part-time wages	250,000	207,890	(42,110)
Overtime	50,000	103,452	53,452
Gasoline	210,000	292,095	82,095
Uniform rental	45,000	57,202	12,202
Animal welfare (Strays)	-	11,628	11,628
Professional services	1,000	105,778	104,778
Tree removal	320,000	857,266	537,266
Sidewalk repairs	-	304,975	304,975
Safety equipment	1,000	-	(1,000)
Communication	-	3,434	3,434
Maintenance - vehicle and equipment	<u>50,000</u>	<u>296,365</u>	<u>246,365</u>
Total highways and streets	<u>1,539,892</u>	<u>3,052,008</u>	<u>1,512,116</u>
Community development			
Professional Services	100,000	108,779	8,779
Water Infrastructure Improvement	700,000	679,102	(20,898)
Salaries (RDA %)	<u>1,212,217</u>	<u>699,858</u>	<u>(512,359)</u>
Total highways and streets	<u>2,012,217</u>	<u>1,487,739</u>	<u>(524,478)</u>
Capital outlay	<u>-</u>	<u>2,608,540</u>	<u>2,608,540</u>
Debt service			
Principal retirement	100,500	544,801	444,301
Interest and fiscal charges	<u>-</u>	<u>47,796</u>	<u>47,796</u>
Total debt service	<u>100,500</u>	<u>592,597</u>	<u>492,097</u>
Total expenditures	<u>\$ 24,460,673</u>	<u>\$ 29,063,971</u>	<u>\$ 4,603,298</u>

CITY OF MARKHAM, ILLINOIS

TIF #1 Canterbury Mall Plaza - Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes			
Property tax	\$ 1,050,000	\$ 1,621,952	\$ 571,952
Investment income	150	104,517	104,367
Total revenues	1,050,150	1,726,469	676,319
Expenditures			
Highways and streets	506,000	272,509	(233,491)
Debt service			
Principal retirement	430,000	-	(430,000)
Interest and fiscal charges	63,594	63,594	-
Total expenditures	999,594	336,103	(663,491)
Excess (deficiency) of revenues over (under) expenditures	50,556	1,390,366	1,339,810
Other financing (uses)			
Transfers out	-	(963,881)	(963,881)
Net change in fund balance	\$ 50,556	426,485	\$ 375,929
Beginning fund balance		6,961,440	
Ending fund balance		\$ 7,387,925	

CITY OF MARKHAM, ILLINOIS

2008A Bond - Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes			
Property tax	\$ 795,000	\$ 783,033	\$ (11,967)
Investment income	5,000	22,062	17,062
Total revenues	<u>800,000</u>	<u>805,095</u>	<u>5,095</u>
Expenditures			
Debt service			
Principal retirement	525,000	570,000	45,000
Interest and fiscal charges	<u>435,103</u>	<u>409,103</u>	<u>(26,000)</u>
Total expenditures	<u>960,103</u>	<u>979,103</u>	<u>19,000</u>
Net change in fund balance	<u>\$ (160,103)</u>	(174,008)	<u>\$ (13,905)</u>
Beginning fund balance		<u>(1,028,737)</u>	
Ending fund balance		<u>\$ (1,202,745)</u>	

CITY OF MARKHAM, ILLINOIS

Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2025

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds				Total Nonmajor Governmental Funds
	Motor Fuel Tax	Grant	Asset Seizure	TIF #2 Hotel/Motel Tax	2008B Bond	Capital Projects	TIF #3 Dixie Highway	2009B Bond Capital Improvements	2012 Bond Capital Improvements	
ASSETS										
Cash and cash equivalents	\$ 577,484	\$ 261,509	\$ 66,224	\$ 855,068	\$ 76,438	\$ -	\$ 3,851,098	\$ -	\$ 328	\$ 5,688,149
Receivables - net of allowances										
Property taxes	-	-	-	14,227	438,193	-	-	-	-	452,420
Other taxes	40,107	-	-	-	-	-	5,839	-	-	45,946
Due from other funds	-	300,372	-	-	-	-	-	-	-	300,372
Total assets	<u>\$ 617,591</u>	<u>\$ 561,881</u>	<u>\$ 66,224</u>	<u>\$ 869,295</u>	<u>\$ 514,631</u>	<u>\$ -</u>	<u>\$ 3,856,937</u>	<u>\$ -</u>	<u>\$ 328</u>	<u>\$ 6,486,887</u>
LIABILITIES										
Accounts payable	\$ 18,551	\$ 1,075	\$ -	\$ -	\$ -	\$ -	\$ 126,495	\$ -	\$ -	\$ 146,121
Due to other funds	439,406	613,875	-	1,040	917,041	-	-	694,720	-	2,666,082
Total liabilities	<u>457,957</u>	<u>614,950</u>	<u>-</u>	<u>1,040</u>	<u>917,041</u>	<u>-</u>	<u>126,495</u>	<u>694,720</u>	<u>-</u>	<u>2,812,203</u>
DEFERRED INFLOWS OF RESOURCES										
Property taxes	-	-	-	-	432,307	-	-	-	-	432,307
Total liabilities and deferred inflows of resources	<u>457,957</u>	<u>614,950</u>	<u>-</u>	<u>1,040</u>	<u>1,349,348</u>	<u>-</u>	<u>126,495</u>	<u>694,720</u>	<u>-</u>	<u>3,244,510</u>
FUND BALANCES										
Restricted										
Public safety	-	-	66,224	-	-	-	-	-	-	66,224
Hotel/Motel TIF	-	-	-	868,255	-	-	-	-	-	868,255
Streets and Highways	159,634	-	-	-	-	-	-	-	-	159,634
Assigned - capital projects	-	-	-	-	-	-	3,730,442	-	328	3,730,770
Unassigned	-	(53,069)	-	-	(834,717)	-	-	(694,720)	-	(1,582,506)
Total fund balances	<u>159,634</u>	<u>(53,069)</u>	<u>66,224</u>	<u>868,255</u>	<u>(834,717)</u>	<u>-</u>	<u>3,730,442</u>	<u>(694,720)</u>	<u>328</u>	<u>3,242,377</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 617,591</u>	<u>\$ 561,881</u>	<u>\$ 66,224</u>	<u>\$ 869,295</u>	<u>\$ 514,631</u>	<u>\$ -</u>	<u>\$ 3,856,937</u>	<u>\$ -</u>	<u>\$ 328</u>	<u>\$ 6,486,887</u>

CITY OF MARKHAM, ILLINOIS

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ending April 30, 2025

	Special Revenue Funds				Debt Service Funds		Capital Projects Funds				
	Motor Fuel Tax	Grant	Asset Seizure	TIF #2 Hotel/Motel Tax	Formerly Nonmajor Fund 2008A Bond	2008B Bond	Capital Projects	Formerly Major Fund TIF #3 Dixie Highway	2009B Bond Capital Improvements	2012 Bond Capital Improvements	Total Nonmajor Governmental Funds
Revenues											
Taxes	\$ -	\$ -	\$ -	\$ 62,321		\$ 565,701	\$ -	\$ 1,031,572	\$ -	\$ -	\$ 1,659,594
Intergovernmental	527,061	-	7,176	-		-	-	-	-	-	534,237
Fines and forfeitures	-	-	-	-		-	-	-	-	-	-
Investment income	-	-	-	-		17,811	-	148,563	-	-	166,374
Grant revenue	-	350,611	-	-		-	-	-	-	-	350,611
Miscellaneous	-	-	496	-		-	-	-	-	-	496
Total revenues	527,061	350,611	7,672	62,321		583,512	-	1,180,135	-	-	2,711,312
Expenditures											
Capital outlay	-	-	-	-		-	272,834	-	-	-	272,834
Community development	-	54,900	-	-		-	-	-	-	-	54,900
Highways and streets	321,639	(5)	-	-		-	-	1,922,727	-	-	2,244,361
Debt service											
Principal retirement	-	-	-	-		555,000	-	-	-	-	555,000
Interest and fiscal charges	-	-	-	-		138,863	-	-	-	-	138,863
Total expenditures	321,639	54,895	-	-		693,863	272,834	1,922,727	-	-	3,265,958
Excess (deficiency) of revenues over (under) expenditures	205,422	295,716	7,672	62,321		(110,351)	(272,834)	(742,592)	-	-	(554,646)
Other financing (uses)											
Transfers in	-	-	-	-		-	975,698	-	-	-	975,698
Transfers (out)	-	-	-	(142,677)		-	-	(1,038,128)	-	-	(1,180,805)
Total other financing sources (uses)	-	-	-	(142,677)		-	975,698	(1,038,128)	-	-	(205,107)
Net change in fund balances	205,422	295,716	7,672	(80,356)		(110,351)	702,864	(1,780,720)	-	-	(759,753)
Beginning fund balances, as previously presented	(45,788)	(348,785)	58,552	948,611	(1,028,737)	(724,366)	(702,864)	-	(694,720)	328	(2,537,769)
Change within financial reporting entity	-	-	-	-	1,028,737	-	-	5,511,162	-	-	6,539,899
Beginning fund balances, as adjusted	(45,788)	(348,785)	58,552	948,611	-	(724,366)	(702,864)	5,511,162	(694,720)	328	4,002,130
Ending fund balances	\$ 159,634	\$ (53,069)	\$ 66,224	\$ 868,255	\$ -	\$ (834,717)	\$ -	\$ 3,730,442	\$ (694,720)	\$ 328	\$ 3,242,377

CITY OF MARKHAM, ILLINOIS

Motor Fuel Tax - Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Intergovernmental			
Motor fuel tax allotment	\$ 400,000	\$ 527,061	\$ 127,061
Grants	193,889	-	(193,889)
Total revenues	<u>593,889</u>	<u>527,061</u>	<u>(66,828)</u>
Expenditures			
Highways and streets	<u>540,000</u>	<u>321,639</u>	<u>(218,361)</u>
Net change in fund balance	<u>\$ 53,889</u>	205,422	<u>\$ 151,533</u>
Beginning fund balance		<u>(45,788)</u>	
Ending fund balance		<u>\$ 159,634</u>	

CITY OF MARKHAM, ILLINOIS

TIF #2 Hotel/Motel Tax - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes			
Property tax	\$ 150,000	\$ 62,321	\$ (87,679)
Expenditures			
Highways and streets	100,000	-	(100,000)
Excess (deficiency) of revenues over (under) expenditures	50,000	62,321	12,321
Other financing (uses)			
Transfers out	(130,000)	(142,677)	(12,677)
Net change in fund balance	<u>\$ (80,000)</u>	(80,356)	<u>\$ (356)</u>
Beginning fund balance		948,611	
Ending fund balance		<u>\$ 868,255</u>	

CITY OF MARKHAM, ILLINOIS

2008B Bond - Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes			
Property tax	\$ 580,000	\$ 565,701	\$ (14,299)
Investment income	5,000	17,811	12,811
Total revenues	<u>585,000</u>	<u>583,512</u>	<u>(1,488)</u>
Expenditures			
Debt service			
Principal retirement	520,000	555,000	35,000
Interest and fiscal charges	<u>168,763</u>	<u>138,863</u>	<u>(29,900)</u>
Total expenditures	<u>688,763</u>	<u>693,863</u>	<u>5,100</u>
Net change in fund balance	<u>\$ (103,763)</u>	(110,351)	<u>\$ (6,588)</u>
Beginning fund balance		<u>(724,366)</u>	
Ending fund balance		<u>\$ (834,717)</u>	

CITY OF MARKHAM, ILLINOIS

Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Contribution revenue	\$ -	\$ -	\$ -
Expenditures			
Capital outlay	200,000	272,834	72,834
Excess (deficiency) of revenues over (under) expenditures	(200,000)	(272,834)	(72,834)
Other financing sources (uses)			
Transfers in	1,100,000	975,698	(124,302)
Net change in fund balance	\$ 900,000	702,864	\$ (197,136)
Beginning fund balance		(702,864)	
Ending fund balance		\$ -	

CITY OF MARKHAM, ILLINOIS

TIF #3 Dixie Highway - Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Taxes			
Property tax	\$ 1,680,000	\$ 1,031,572	\$ (648,428)
Investment income	3,000	148,563	145,563
Total revenues	1,683,000	1,180,135	(502,865)
Expenditures			
Highways and streets	750,000	1,922,727	1,172,727
Excess (deficiency) of revenues over (under) expenditures	933,000	(742,592)	(1,675,592)
Other financing (uses)			
Transfers out	(900,000)	(1,038,128)	(138,128)
Net change in fund balance	\$ 33,000	(1,780,720)	\$ (1,813,720)
Beginning fund balance		5,511,162	
Ending fund balance		\$ 3,730,442	

CITY OF MARKHAM, ILLINOIS

Waterworks and Sewerage - Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Operating revenues			
Charges for service			
Water sales	\$ 4,096,484	\$ 3,831,323	\$ (265,161)
Miscellaneous	100,000	179,938	79,938
Total operating revenues	<u>4,196,484</u>	<u>4,011,261</u>	<u>(185,223)</u>
Operating expenses			
Operations			
Administrative division	7,631,994	830,612	(6,801,382)
Water purchased	2,700,000	2,120,285	(579,715)
Operating expenses	382,786	618,447	235,661
Depreciation and amortization	-	114,471	114,471
Total operating expenses	<u>10,714,780</u>	<u>3,683,815</u>	<u>(7,030,965)</u>
Operating income (loss)	(6,518,296)	327,446	6,845,742
Nonoperating revenues (expenses)			
Intergovernmental revenue	6,542,190	40,000	(6,502,190)
Interest expense and fiscal charges	-	(11,111)	(11,111)
	<u>6,542,190</u>	<u>28,889</u>	<u>(6,513,301)</u>
Change in net position	<u>\$ 23,894</u>	356,335	<u>\$ 332,441</u>
Beginning net position		<u>1,646,541</u>	
Ending net position		<u>\$ 2,002,876</u>	

CITY OF MARKHAM, ILLINOIS

Solid Waste - Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Operating revenues			
Charges for service			
Garbage collection charges	\$ 1,255,000	\$ 1,202,952	\$ (52,048)
Operating expenses			
Operations			
Garbage collection expenses	<u>1,411,102</u>	<u>1,943,050</u>	<u>531,948</u>
Change in net position	<u>\$ (156,102)</u>	<u>(740,098)</u>	<u>\$ (583,996)</u>
Beginning net position		<u>1,458,740</u>	
Ending net position		<u>\$ 718,642</u>	

CITY OF MARKHAM, ILLINOIS

Markham Roller Rink - Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Operating revenues			
Charges for service			
Roller rink sales	\$ 125,000	\$ -	\$ (125,000)
Operating expenses			
Operations	105,000	41,742	(63,258)
Depreciation and amortization	<u>98,000</u>	<u>104,415</u>	<u>6,415</u>
Total operating expenses	<u>203,000</u>	<u>146,157</u>	<u>(56,843)</u>
Operating income	(78,000)	(146,157)	(68,157)
Nonoperating (expenses)			
Capital contribution	-	624,804	624,804
Property taxes	340,000	370,431	30,431
Principal retirement	(97,500)	-	97,500
Interest expense and fiscal charges	<u>(285,000)</u>	<u>(190,480)</u>	<u>94,520</u>
	<u>(42,500)</u>	<u>804,755</u>	<u>847,255</u>
Income (loss) before transfers	(120,500)	658,598	779,098
Transfers in	-	144,023	144,023
Change in net position	<u>\$ (120,500)</u>	802,621	<u>\$ 923,121</u>
Beginning net position		<u>(2,162,916)</u>	
Ending net position		<u>\$ (1,360,295)</u>	

CITY OF MARKHAM, ILLINOIS

Markham Senior Living Complex - Enterprise Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2025

	Original and Final Budget	Actual	Over (Under) Budget
Operating revenues			
Charges for service			
Rental income	\$ 1,088,196	\$ 844,069	\$ (244,127)
Miscellaneous	10,000	180,250	170,250
Total operating revenues	1,098,196	1,024,319	(73,877)
Operating expenses			
Operations	1,193,236	682,939	(510,297)
Depreciation and amortization	-	348,087	348,087
Total operating expenses	1,193,236	1,031,026	(162,210)
Operating income (loss)	(95,040)	(6,707)	88,333
Nonoperating revenues (expenses)			
Investment income	250,050	204,719	(45,331)
Property taxes	1,000,000	1,004,774	4,774
Principal retirement	(820,000)	-	820,000
Interest expense and fiscal charges	(619,800)	(640,347)	(20,547)
	(189,750)	569,146	758,896
Change in net position	<u>\$ (284,790)</u>	562,439	847,229
Beginning net position		<u>3,645,867</u>	
Ending net position		<u><u>\$ 4,208,306</u></u>	

CITY OF MARKHAM, ILLINOIS

Pension Trust Funds
Combining Statement of Fiduciary Net Position
April 30, 2025

	Pension Trust Funds		Total
	Police Pension Fund	Firefighters' Pension Fund	
ASSETS			
Cash and cash equivalents	\$ 685,611	\$ 847,540	\$ 1,533,151
Investments			
Illinois Police Officer's Pension Investment fund	26,773,089	-	26,773,089
Illinois Firefighters' Pension Investment Fund	-	16,123,557	16,123,557
Insurance contracts	414,744	-	414,744
Receivables - net of allowances			
Due from City	30,304	15,711	46,015
Prepays	550	-	550
Total assets	27,904,298	16,986,808	44,891,106
LIABILITIES			
Accounts payable	6,810	2,855	9,665
Net position restricted for pensions	<u>\$ 27,897,488</u>	<u>\$ 16,983,953</u>	<u>\$ 44,881,441</u>

CITY OF MARKHAM, ILLINOIS

Pension Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2025

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
Additions			
Contributions - employer	\$ 1,350,957	\$ 674,692	\$ 2,025,649
Contributions - other	424,603	-	424,603
Contributions - plan members	<u>363,410</u>	<u>202,072</u>	<u>565,482</u>
Total contributions	2,138,970	876,764	3,015,734
Investment income (loss)			
Interest earned	145,960	1,588,416	1,734,376
Net change in fair value	<u>2,202,545</u>	<u>-</u>	<u>2,202,545</u>
	2,348,505	1,588,416	3,936,921
Less investment expenses	<u>(17,469)</u>	<u>(30,291)</u>	<u>(47,760)</u>
Net investment income	2,331,036	1,558,125	3,889,161
Total additions	4,470,006	2,434,889	6,904,895
Deductions			
Administration	61,331	39,663	100,994
Benefits and refunds	<u>1,990,910</u>	<u>502,250</u>	<u>2,493,160</u>
Total deductions	2,052,241	541,913	2,594,154
Change in fiduciary net position	2,417,765	1,892,976	4,310,741
Net position restricted for pensions			
Beginning	<u>25,479,723</u>	<u>15,090,977</u>	<u>40,570,700</u>
Ending	<u>\$ 27,897,488</u>	<u>\$ 16,983,953</u>	<u>\$ 44,881,441</u>

OTHER INFORMATION

CITY OF MARKHAM, ILLINOIS

Assessed Valuation, Tax Rates, Tax Extensions and Tax Collections - Last Ten Tax Years
April 30, 2025

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed valuation	<u>\$ 112,143,765</u>	<u>\$ 116,803,903</u>	<u>\$ 127,030,606</u>	<u>\$ 120,684,689</u>	<u>\$ 120,844,136</u>
Tax rates					
Corporate	1.9030	1.9184	1.8522	2.5691	2.1622
Bonds and interest	1.6464	2.4372	2.2604	2.3935	2.8185
Police pension	1.0256	1.0159	0.9808	0.7830	0.7834
Fire pension	0.6327	0.6341	0.6122	0.4596	0.4838
IMRF	0.0703	0.0709	0.0684	0.0756	0.0739
Street and bridge	0.1699	0.1712	0.1653	0.1827	0.6035
Fire protection	0.9815	0.9894	0.9553	1.0558	1.0521
Police protection	1.5844	1.5972	1.5421	1.7043	1.8654
Civil defense	0.0041	0.0042	0.0040	0.0044	0.0033
Social security	0.1826	0.1841	0.1777	0.1964	0.1961
Auditing	0.0472	0.0475	0.0459	0.0570	0.0438
Liability insurance	0.3431	0.3458	0.3339	0.3690	0.3685
Judgement fund	0.1225	0.1235	0.1192	0.1318	0.1775
Workmen's compensation	0.2580	0.2601	0.2511	0.2775	0.2772
Unemployment insurance	<u>0.0520</u>	<u>0.0524</u>	<u>0.0506</u>	<u>0.0560</u>	<u>0.0559</u>
Total tax rates	<u>9.0233</u>	<u>9.8519</u>	<u>9.4191</u>	<u>10.3157</u>	<u>10.9651</u>
Tax extensions					
Corporate	\$ 2,134,073	\$ 2,240,774	\$ 2,352,813	\$ 3,100,454	\$ 2,612,875
Bonds and interest	1,846,365	2,846,754	2,871,442	2,888,630	3,406,050
Police pension	1,150,092	1,186,605	1,245,935	944,943	946,682
Fire pension	709,483	740,670	777,704	554,671	584,658
IMRF	78,856	82,799	86,939	91,286	89,250
Street and bridge	190,485	200,004	210,004	220,504	729,329
Fire protection	1,100,677	1,155,704	1,213,489	1,274,163	1,271,435
Police protection	1,776,769	1,865,598	1,958,878	2,056,822	2,254,223
Civil defense	4,631	4,863	5,106	5,361	3,938
Social security	204,747	214,984	225,733	237,020	237,020
Auditing	52,884	55,528	58,304	61,219	52,921
Liability insurance	384,712	403,948	424,145	445,352	445,352
Judgement fund	137,366	144,228	151,439	159,011	214,463
Workmen's compensation	289,346	303,813	319,004	334,954	334,954
Unemployment insurance	<u>58,339</u>	<u>61,256</u>	<u>64,319</u>	<u>67,535</u>	<u>67,535</u>
Total tax extensions	<u>\$ 10,118,825</u>	<u>\$ 11,507,528</u>	<u>\$ 11,965,254</u>	<u>\$ 12,441,925</u>	<u>\$ 13,250,685</u>
Collections					
Tax collections	<u>\$ 7,804,450</u>	<u>\$ 8,975,359</u>	<u>\$ 8,370,710</u>	<u>\$ 9,173,008</u>	<u>\$ 9,685,625</u>
	<u>77.1%</u>	<u>78.0%</u>	<u>70.0%</u>	<u>73.7%</u>	<u>73.1%</u>

Note: The remaining 2024 tax levy will be collected in Fiscal Year 2026 and 2027.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>\$ 128,414,978</u>	<u>\$ 119,492,844</u>	<u>\$ 114,622,626</u>	<u>\$ 180,335,648</u>	<u>\$ 180,366,309</u>
2.0131	2.2121	2.3637	1.5512	1.5945
2.7156	2.8920	3.0332	1.9507	2.0176
0.8667	1.0674	1.2857	0.8892	0.9720
0.5469	0.7100	0.5591	0.4318	0.4931
0.0716	0.0787	0.0841	0.0534	0.0549
0.5850	0.6428	0.6869	0.4366	0.4271
1.0198	1.1206	1.1974	0.7611	0.7823
1.8447	2.0270	2.1659	1.3767	1.4151
0.0032	0.0035	0.0037	0.0024	0.0024
0.1901	0.2089	0.2232	0.1419	0.1458
0.0424	0.0466	0.0498	0.0317	0.0326
0.3572	0.3925	0.4194	0.2666	0.2740
0.1720	0.1890	0.2020	0.1284	0.1320
0.2689	0.2952	0.3155	0.2005	0.2061
0.0542	0.0595	0.0636	0.0404	0.0416
<u>10.7514</u>	<u>11.9458</u>	<u>12.6532</u>	<u>8.2626</u>	<u>8.5911</u>
\$ 2,585,108	\$ 2,643,272	\$ 2,709,355	\$ 2,797,408	\$ 2,797,408
3,487,257	3,455,711	3,476,713	3,517,897	3,539,718
1,112,920	1,275,504	1,473,726	1,603,495	1,705,331
702,315	848,360	640,828	778,614	865,087
91,928	93,996	96,346	96,346	96,346
751,209	768,111	787,314	787,314	787,314
1,309,578	1,339,043	1,372,519	1,372,519	1,372,519
2,368,811	2,422,110	2,482,663	2,482,663	2,482,663
4,056	4,148	4,251	4,251	4,251
244,130	249,623	255,864	255,864	255,864
54,509	55,735	57,128	57,128	57,128
458,712	469,034	480,759	480,759	480,759
220,897	225,868	231,513	231,513	231,513
345,003	352,765	361,584	361,584	361,584
69,561	71,127	72,905	72,905	72,905
<u>\$ 13,805,994</u>	<u>\$ 14,274,407</u>	<u>\$ 14,503,468</u>	<u>\$ 14,900,260</u>	<u>\$ 15,110,390</u>
<u>\$ 10,458,445</u>	<u>\$ 11,855,642</u>	<u>\$ 10,914,649</u>	<u>\$ 8,956,973</u>	<u>\$ 4,044,224</u>
<u>78.8%</u>	<u>83.0%</u>	<u>75.2%</u>	<u>60.1%</u>	<u>26.8%</u>

CITY OF MARKHAM, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
General Obligation (Alternate Revenue Source) Bonds of 2005A
April 30, 2025

Date of issue	February 1, 2005
Date of maturity	April 1, 2027
Authorized issue	\$ 5,550,000
Denomination of bonds	\$ 5,000
Interest rates	4.00% to 5.25%
Interest dates	October 1 and April 1
Principal maturity date	April 1
Payable at	J.P. Morgan Trust Company

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 82,556	\$ 82,556
2027	<u>1,785,000</u>	<u>82,556</u>	<u>1,867,556</u>
	<u>\$ 1,785,000</u>	<u>\$ 165,112</u>	<u>\$ 1,950,112</u>

CITY OF MARKHAM, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
General Obligation Bonds of 2008A
April 30, 2025

Date of issue	January 1, 2008
Date of maturity	February 1, 2033
Authorized issue	\$ 10,000,000
Denomination of bonds	\$ 5,000
Interest rates	5.50% to 6.00%
Interest dates	August 1 and February 1
Principal maturity date	February 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 610,000	\$ 369,403	\$ 979,403
2027	655,000	337,328	992,328
2028	705,000	296,665	1,001,665
2029	765,000	256,128	1,021,128
2030	830,000	212,140	1,042,140
2031	895,000	164,415	1,059,415
2032	970,000	113,848	1,083,848
2033	<u>1,045,000</u>	<u>59,043</u>	<u>1,104,043</u>
	<u>\$ 6,475,000</u>	<u>\$ 1,808,970</u>	<u>\$ 8,283,970</u>

CITY OF MARKHAM, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
General Obligation Bonds of 2008B
April 30, 2025

Date of issue	April 15, 2008
Date of maturity	February 1, 2028
Authorized issue	\$ 8,000,000
Denomination of bonds	\$ 5,000
Interest rates	4.75% to 5.75%
Interest dates	August 1 and February 1
Principal maturity date	February 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 585,000	\$ 106,950	\$ 691,950
2027	620,000	73,313	693,313
2028	<u>655,000</u>	<u>37,663</u>	<u>692,663</u>
	<u>\$ 1,860,000</u>	<u>\$ 217,926</u>	<u>\$ 2,077,926</u>

CITY OF MARKHAM, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
General Obligation Bonds of 2009A
April 30, 2025

Date of issue	December 28, 2009
Date of maturity	December 1, 2030
Authorized issue	\$ 14,295,000
Denomination of bonds	\$ 5,000
Interest rates	7.40% to 8.00%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 880,000	\$ 559,120	\$ 1,439,120
2027	1,055,000	494,000	1,549,000
2028	1,135,000	409,600	1,544,600
2029	1,230,000	318,800	1,548,800
2030	1,325,000	220,400	1,545,400
2031	<u>1,430,000</u>	<u>114,400</u>	<u>1,544,400</u>
	<u>\$ 7,055,000</u>	<u>\$ 2,116,320</u>	<u>\$ 9,171,320</u>

CITY OF MARKHAM, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
General Obligation Bonds of 2012
April 30, 2025

Date of issue	May 30, 2012
Date of maturity	December 1, 2032
Authorized issue	\$ 5,500,000
Denomination of bonds	\$ 5,000
Interest rates	6.00%
Interest dates	June 1 and December 1
Principal maturity date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 300,000	\$ 177,900	\$ 477,900
2027	320,000	159,900	479,900
2028	335,000	140,700	475,700
2029	355,000	120,600	475,600
2030	380,000	99,300	479,300
2031	400,000	76,500	476,500
2032	425,000	52,500	477,500
2033	<u>450,000</u>	<u>27,000</u>	<u>477,000</u>
	<u>\$ 2,965,000</u>	<u>\$ 854,400</u>	<u>\$ 3,819,400</u>

CITY OF MARKHAM, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
Installment Contract of 2021
April 30, 2025

Date of issue	July 13, 2020
Date of maturity	July 13, 2032
Authorized issue	\$ 489,213
Interest rates	3.00%
Interest dates	July 13
Principal maturity date	July 13
Payable at	Republic First National Corporation

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending April 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 38,760	\$ 10,546	\$ 49,306
2027	39,943	9,363	49,306
2028	41,163	8,143	49,306
2029	42,420	6,886	49,306
2030	43,716	5,590	49,306
2031	45,051	4,255	49,306
2032	46,427	2,879	49,306
2033	<u>47,846</u>	<u>1,460</u>	<u>49,306</u>
	<u>\$ 345,326</u>	<u>\$ 49,122</u>	<u>\$ 394,448</u>

CITY OF MARKHAM, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
Installment Contract of 2023
April 30, 2025

Date of issue	January 20, 2023
Date of maturity	January 20, 2038
Authorized issue	\$ 672,154
Interest rates	4.97%
Interest dates	January 20
Principal maturity date	January 20
Payable at	PNC Bank, National Association

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending April 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 24,164	\$ 21,232	\$ 45,396
2027	25,365	20,031	45,396
2028	26,626	18,770	45,396
2029	27,949	14,447	42,396
2030	29,338	16,058	45,396
2031	30,796	14,600	45,396
2032	32,327	13,069	45,396
2033	33,933	11,463	45,396
2034	35,620	9,776	45,396
2035	37,390	8,006	45,396
2036	39,249	6,147	45,396
2037	41,199	4,197	45,396
2038	<u>43,248</u>	<u>2,148</u>	<u>45,396</u>
	<u>\$ 427,204</u>	<u>\$ 159,944</u>	<u>\$ 587,148</u>

CITY OF MARKHAM, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
Installment Contract of 2023A
April 30, 2025

Date of issue	April 24, 2023
Date of maturity	April 24, 2028
Authorized issue	\$ 175,000
Interest rates	6.29%
Interest dates	April 24
Principal maturity date	April 24
Payable at	Tax-Exempt Leasing Corp

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending <u>April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 22,914	\$ 4,602	\$ 27,516
2027	24,356	3,160	27,516
2028	<u>25,888</u>	<u>1,628</u>	<u>27,516</u>
	<u>\$ 73,158</u>	<u>\$ 9,390</u>	<u>\$ 82,548</u>