

Annual Comprehensive Financial Report

For The Year Ended December 31, 2025

CITY OF LOCKPORT, ILLINOIS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Year Ended
December 31, 2025

Prepared by: Finance Department

CITY OF LOCKPORT, ILLINOIS
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INTRODUCTORY SECTION

City of Lockport, Illinois

Principal Officers

December 31, 2025

Legislative - City Council

Steven Streit - Mayor

Kathleen Gentile - City Clerk

David Palya - City Treasurer

Susan King - 1st Ward

Christina Bergbower - 3rd Ward

Jonathan Pugh - 1st Ward

Darren Deskin - 3rd Ward

JR Gillogly - 2nd Ward

Joanne Bartelsen - 4th Ward

Robin Lif - 2nd Ward

Steven Cardamone - 4th Ward

Administrative

Ben Benson - City Administrator

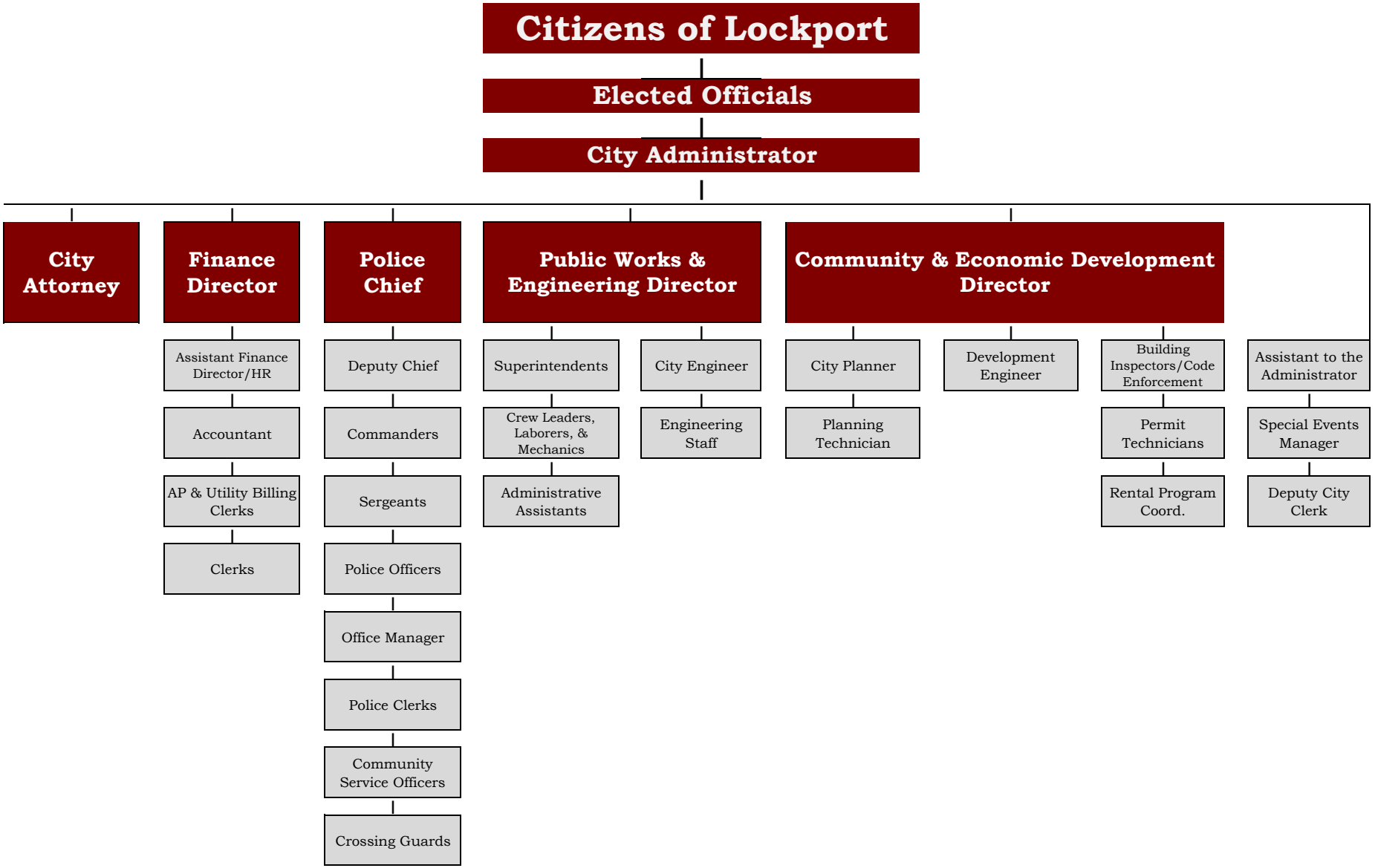
Mike Carroll - City Attorney

Lisa Heglund - Finance Director

John Arizzi - Police Chief

Brian Lovering - Director of Public Works

Lance Thies - Community/Economic Development Director


Citizens of Lockport
Elected Officials
City Administrator
City Attorney
Finance Director
Assistant Finance Director/HR
Accountant
AP & Utility Billing Clerks
Clerks
Police Chief
Deputy Chief
Commanders
Sergeants
Police Officers
Office Manager
Police Clerks
Community Service Officers
Crossing Guards
Public Works & Engineering Director
Superintendents
Crew Leaders, Laborers, & Mechanics
Administrative Assistants
City Engineer
Engineering Staff
Community & Economic Development Director
City Planner
Planning Technician
Development Engineer
Building Inspectors/Code Enforcement
Permit Technicians
Rental Program Coord.
Assistant to the Administrator
Special Events Manager
Deputy City Clerk

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lockport
Illinois

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

L O C K P O R T

Mayor
Steven Streit

City Clerk
Kathleen Gentile

City Administrator
Ben Benson

Alderman
Jonathan Pugh - 1st Ward
Susan King - 1st Ward
Robin Lif - 2nd Ward
JR Gillogly - 2nd Ward
Christina Bergbower - 3rd Ward
Darren Deskin – 3rd Ward
Steve Cardamone - 4th Ward
Joanne Bartelsen - 4th Ward

"City of Historic Pride"

May 22, 2026

To: The Mayor, Members of the City Council and the Citizens of the City of Lockport:

Ladies and Gentlemen:

The Annual Comprehensive Financial Report of the City of Lockport, for the year ended December 31, 2025 is submitted here within. This report is prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The financial statements included in this report depict the financial position and changes in financial position presented in conformance with Generally Accepted Accounting Principles (GAAP) and have been audited in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States by an independent firm of certified public accountants. Sikich LLC, a firm of licensed certified public accountants, has audited the City's basic financial statements and has issued an unmodified opinion on the basic financial statements. The GASB is an organization that establishes accounting and financial reporting standards for state and local governments in the United States. Sikich LLC, provides, with reasonable assurance, that the financial statements are free of material misstatement. The audit process includes examination, on a test basis, of evidence supporting the amounts and disclosures reported in the financial statements. The independent auditors also assess the accounting principles used, and include their report as the first component of the financial section of this Annual Comprehensive Financial Report.

The City has adopted and implemented GASB Statement No. 67, 68, and 75. The standards have provided useful information, support of assessments of accountability and inter-period equity, and created additional transparency in public pension plans and other postemployment benefits. The City has also adopted and implemented GASB Statement No. 83 *Certain Asset Retirement Obligations*, GASB No. 84 *Fiduciary Activities*, GASB No. 87 *Leases*, GASB No. 96 *Subscription Based Information Technology*, GASB No. 98 *The Annual Comprehensive Financial Report* and GASB No. 101 *Compensated Absences*. The City did not have any transactions relating to GASB No. 86, No. 88 through No. 94, and No. 97. The financial statements for the year ended December 31, 2025 have been prepared accordingly.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the Independent Auditors.

Profile of the City

A small settlement that took the name of Runyonstown developed here in 1837. The Chief Engineer of the Canal decided to construct the Canal's headquarters at this location and thus renamed the community Lockport. The City was then incorporated in 1853. In 2017, the City became a Home-Rule Community. Today, Lockport is a thriving community of 26,094 residents, that's growing and looking toward the future.

Even with the future in mind, Lockport's residents and leaders are determined to preserve its storied past. The City has a nationally recognized historic downtown district that sits along the I&M Canal. In February 2009, Lockport was proud to be the new home of the Lincoln Landing. This park was one of only a few national sites that were officially recognized by the Abraham Lincoln Bicentennial Commission for President Lincoln's Bicentennial Celebration.

A Mayor and an eight-member City Council govern the City of Lockport. The City is divided into four wards, in which two individuals from each ward are elected to the City Council. The Mayor is elected as an at-large candidate, and like the other council members serves a four-year term.

City Hall resides in the Central Square Building, a beautiful three-story Romanesque, former schoolhouse, of cream-colored limestone constructed in 1895. In 2016, the Central Square Committee dissolved and conveyed the building over entirely to the City of Lockport.

In the late 90's the City constructed a new police station at Farrell Road. This allowed for state of the art technology, along with a central location in a rapidly expanding community. Finally, in 2008 Lockport unveiled a new Public Works building. Fleet Management, the Street Department, Snow & Ice Control, and various other City responsibilities are now housed in one location.

The Accounting System and Budgeting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues, and expenditures/expenses. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting records for general governmental operations are maintained on the modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when materials or services are received and the fund liability incurred. Accounting records for the City's enterprise funds are maintained on the accrual basis of accounting. This basis of accounting recognizes revenues when earned and expenses when items were received or services were performed.

The City's budgetary operations are governed by the Budget Law as provided for in the Illinois Compiled Statutes and administered by the Director of Finance. Under the Budget Law, no appropriation is required to be passed and an annual budget must be adopted prior to the beginning of the fiscal year in which the funds will be expended. The City operates under a calendar year for their fiscal year basis.

The City's budget development process for the budget begins in July with the issuance of budgeting instructions by the Finance Department. These instructions provide detailed guidance to the City Staff on how to prepare departmental/divisional budget requests. Applicable forms are also provided. Department heads must submit their budget requests to the Finance Department in August. During August, the Finance Department compiles a draft City Budget based upon the departmental requests and its projection of revenues for the budget year. In September, the City Administrator and Finance Director meet with department heads to review their budget requests. Adjustments are made to achieve budgetary balance and align the spending plan with the City Council's priorities. During October, the Finance Department revises the draft budget, as directed by the City Council and City Administrator. The Finance Director presents the proposed City budget to the City Council for consideration in November, and then the City Council approves the budget in early December.

Lockport prepares budgets for its numerous Governmental Funds. The General Fund, Debt Service Fund, MFT Fund, and other special revenue and capital projects funds comprise the governmental funds section of the budget. The proprietary fund section includes the Waterworks and Sewerage Fund. The City of Lockport Police Pension prepares their own separate budget; however, their yearly results are reported as part of the City's Financial Statements as a Fiduciary Fund.

Factors Affecting Financial Condition

The City of Lockport was not immune from the effects of the national economic recession. Prior to the Great Recession, Lockport, like many other local communities, experienced unprecedented growth, interest from numerous retailers, and a plethora of residential growth. Elected Officials and City Staff took a proactive approach to the downturn by cutting expenses, while establishing dedicated revenues for future Capital Improvements. In 2020, the entire country was shut down due to the COVID-19 pandemic. Fortunately, Lockport possesses several characteristics that gave it the capacity to weather this storm. The City was able to provide grants to local businesses using excess reserves to help them stay afloat during the shutdown, which were later reimbursed by the Federal CARES Act. COVID-19 continued to plague the world in 2021, but Lockport was once again able to weather the storm. The Federal ARPA Act provided additional funding to the City, the City Council opted to use these funds for a sewer infrastructure project which was fully expended in 2025.

The State of Illinois implemented the "Leveling the Playing Field" in 2021 and made further changes to use tax in 2025. These actions instituted a sales tax on online purchases and changed the way that sales tax is distributed to municipalities. The City's sales tax revenue has increased 72% since 2021.

For the last 11 years the City's EAV has increased and thusly the tax rate has declined in each of those years. Based on current projections, increases in assessed valuation are expected to continue for the foreseeable future due to the amount of development occurring in the City, as both commercial and residential structures are added to the tax rolls.

Income taxes, which a municipality receives, are based primarily on two factors: the City's population and the ensuing unemployment rate. The City's population experienced an increase following the 2020 census to 26,094. Income tax revenues for 2025 rose 6% over 2024 revenues.

Several large development projects are in progress. Springs, a 320 unit apartment complex broke ground at the end of 2023. In the spring of 2021, the City purchased 180 acres from Chevron which will eventually house an industrial development park. The Commercial sector included 36 new or newly purchased businesses in 2025, and a total of 90 residential permits were taken out in 2025.

In 2014, the City started the process of revitalizing the downtown area. An old dilapidated fire stricken building was purchased and conveyed to a developer through a TIF Redevelopment Agreement. The building was renovated into a restaurant/bar named Embers Tap House and opened in June of 2015 and continues to thrive. An old building was torn down to make way for a new multi-unit commercial building that houses a Dunkin Donuts. Stagecoach, a western themed restaurant, opened in 2019. A number of new businesses opened in 2020, even though the Country was in the middle of a pandemic, including Lock and Mule and Nik and Ivy Brewery. One of the buildings in the historic downtown formally known as the Opera House, had a fire in 2022 and is under reconstruction to be a banquet facility, restaurant, and speakeasy. Fore Investments developed an apartment complex on a vacant lot directly in the Downtown area and was fully occupied in 2025, within a month of opening.

Lockport Square is a retail center that has been developing out lots which include a number of national chain restaurants, of which a 7 Brew opened in 2025. Farrell Rd, commercial district, welcomed a Panda Express in 2025, and Summit Ice Arena opened in the Prime Business Park.

The City has entered into a few tax abatements sharing a portion of tax revenues back with new businesses coming in to certain retail areas. These tax abatements help to take vacant land and establish a commercial footprint, which brings new revenue to the City. Note 8 of the financial statements discusses the details in more depth.

All and all, Lockport is in a good place moving into the future. The City's commitment to improving infrastructure over the last few years has been shown with the number of projects that have been completed, and with future allocation of excess reserves many of the capital projects and improvements identified in the Capital Improvement Plan (CIP) will continue to be constructed. The City has moved forward with not only projects but replacement of equipment, expansion of City operations and overall improvements that will better serve residents in the years to come.

Financial Planning and Goals

The City uses a number of processes and planning documents to accomplish its financial planning. As discussed above, the most important of these is the annual budget. Included within the budget, each of the City's departments establishes goals and programs of work. The goals can be seen as strategic planning documents that will aid department heads and employees in achieving the goals and objectives of the City Council. These goals include:

STRATEGIC PLAN SUMMARY 2023–2025
City of Lockport

Strategic Priority	Desired Outcome	Key Outcome Indicator	Target	Strategic Initiatives
Financial Responsibility *"A fiscally sound community"*	Diversified revenue base	- $1M in new funding by 12/2025 - Property tax rate reduction	- Obtain $1M in new external funding by 12/2025 - Reduce property tax rate by 10% by 12/2025	a) Implement a Diversified Funding Plan b) Develop financial ratios optimization strategy c) Approve Capital Fund Revenue Options Plan d) Create a Financial Excellence Plan e) Create funding options strategy for infrastructure
	Financial strength	- Bond rating - Awards achieved - Reserve fund balances maintained	- Maintain AA Bond Rating - Obtain GFOA Budget/ACFR Awards - Min 120 days operating – general fund - 30% prior year expense – water fund	
	Ability to finance infrastructure needs	- Debt to revenue ratio - Capital fund revenue increased year over year	- 100% revenue needed for infrastructure identified by 12/2024 - Obtain lowest interest rate for new debt	
Infrastructure *"Reliable, safe infrastructure for today and tomorrow"*	Reliable WWT capacity	- WWTP permits issued	- WWT plant expansion/City Renovation design complete by 12/2025 - Complete 20% of CIP projects by 12/2025	a) Execute Water/Sewer Planning Study b) Approve updated CIP c) Develop Roadway Implementation Management Plan d) Develop Federal/State Mandate Compliance Plan e) Approve WWTP capacity strategy
	Updated CIP	- Projects completed	- 5 grants identified for CIP projects - Complete 20% community enhancing projects	
	Fulfill public safety mandates	- Funding identified - Purchases fulfilled - Policies adopted - Training completed	- Bodycams fully deployed by 12/2024 - Identify grants by 12/2023 - Meet IEPA mandates for lead, copper and phosphorus by 12/2025	
Unified Community *"A community that feels connected"*	Unified sense of community	- Increase in positive results	- Greater than 75% those surveyed feel connected	a) Develop community satisfaction survey strategy b) Create an attendee tracking system for community events c) Develop Social Media Plan d) Design Lockport Community Spirit Campaign
	Engaged community	- Event participation increase	- 25% increased participation of community events - 25% increased in social media hits/connections	
Guiding Growth *"Development that meets present and future community needs"*	Development of Star Innovation District	- Plans completed - Project milestones met	- Business Park 1 & 2 RFQ/RFP bid by 12/2023 - Modifications to IEPA ELUC by 12/2024 - Fest Park plan by 12/2025	a) Develop incentive opportunities tailored to redevelopment sites b) Create land use strategies for city-owned properties downtown c) Implement Star Innovation Plan d) Establish branding for commercial areas
	Increased downtown development	- Plans approved - Construction completed	- Development plans complete for 1 city owned parcel by 12/2025 - 3 development plans approved for State Street properties by 12/2025	
	Commercial destinations expanded	- Development plans completed - Branding process completed	- Alternative Lockport Square development plans in place by 12/2024 - Lockport Square North development plans in place for out lots by 12/2025 - Brand Maryknoll Community District by 12/2024	
Governance & Leadership *"Collaborative relationships and partnerships"*	Greater collaboration with community groups	- Identify partners from community orgs for assistance with events	- Implement engaged groups for participation	a) Develop strategy to enhance stakeholder engagement b) Develop community event planning guide for process, procedures, and funding c) Implement communication protocols for Council and department heads d) Develop internal feedback process e) Evaluate opportunities for IGAs
	Collaborative relationship between Council & staff	- Semi-annual survey to evaluate progress	- Achieve 'satisfactory or above' rating by majority of Council and staff	
	Stable, well-managed partnerships with other taxing districts	- 5 Agreements - 3 Taxing Districts	- Review existing IGA's with local taxing districts by 12/2023 - Initiate 3 new agreements with local taxing districts by 12/2024 - Terminate 1 agreement by 12/2025	

The City developed a multi-year Capital Improvement Plan, which has been complemented with a multi-year budget. As noted above, this is a major goal for the City in the upcoming years. In 2011, a 1%, voter approved sales tax increase was put in place to fund the Capital Improvement Plan, and then another 1% was added in 2023 by City Council that went in to effect January 1, 2025. Elected Officials and City Administration agree that as the Capital Improvement Plan is implemented, this will contribute to the vision of Lockport for years to come.

Financial Policies

Management of the City is responsible for establishing and maintaining internal controls, designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a result, the City has established several specific policies to guide its financial operations. These policies relate to accounting and financial reporting, budgeting and revenue management, debt management, cash management and investments, and purchasing. Some of the most significant policies include:

- Capitalize buildings, building improvements, machinery & equipment, vehicles, infrastructure, land, and land improvements with a cost of $20,000 or more.
- Invest public funds in a manner that will provide the highest investment return, with the maximum security, while meeting the daily cash flow demands of the City.
- Maintain 120 days (4 months) of estimated operating expenditures within the General Fund's unreserved fund balance. If the unreserved balance falls below the minimum, a plan will be developed to return the minimum balance, within a reasonable period of time. One-time revenues shall not be used to fund current operations.
- The Waterworks & Sewerage Fund is an enterprise fund and as such is expected to be self-sufficient. Rates should be maintained at sufficient levels to meet the costs of water and sewer programs, fund depreciation, and build reserves for future capital needs. Although a multi-year rate structure was approved by City Council through December 2030, water and sewer rates for City consumers are reviewed on an annual basis. The Waterworks and Sewerage Fund cash and investment balance should be maintained at a minimum level of (25%-35%) of previous year's expenses. If the balances fall below the minimum, rates will be adjusted so as to gradually return to the minimum within two to three years. If the balances exceed the maximum, the overage will be used to keep future rate increases lower or fund capital projects for the water and sewer systems.
- The expenditures intended for Motor Fuel Tax revenues must not exceed the amount of funds available from the State of Illinois Motor Fuel Tax Fund. These revenues should be used only for street improvements and repair, as allowed by the State of Illinois Law.
- Purchases for goods/services greater than $20,000 are approved by the City Council. For amounts greater than $5,000 but less than $20,000, three written quotes are required and require approval by the City Administrator and Finance Director. For goods/services over $1,000 up to $5,000, approval from a department director is required.

- The goal of budget preparation is to produce an annual budget that is within the City's ability to pay. Annually, the City will produce a balanced general fund budget. In the case of an unforeseen event, the use of fund balance reserves may be utilized to maintain existing service levels. A plan to replenish reserves will be developed and implemented within the year following the planned drawdown of reserves.
- The City requires that time deposits, in excess of FDIC insurable limits, be fully collateralized to protect public deposits in a single financial institution if it were to default. The collateral must be placed in safekeeping at or before the time the City buys the investments, so that it is evident that the purchase of the investment is predicated on the securing of collateral. In order to accommodate market changes and provide a level of security for all monies, the collateralization level shall be at least 105% of the market value of principal, plus accrued interest, or as required by the terms of bond issues, municipal bond insurance policies, and/or other financing agreements which may pertain to the City's monies. An independent third-party custodian will always hold collateral.

Recent Accomplishments

- For fifteen years in a row the City has been presented with the Certificate of Achievement for Excellence in Financial Reporting for the presentation of its Annual Comprehensive Financial Report. In addition, the last eleven budgets were awarded GFOA's Distinguished Budget Presentation Award.
- The City's credit rating was confirmed at the AA+ level as of June 2023. A better credit rating provides the City with lower interest rates when borrowing money.
- The City implemented a Lockbox, IVR and online payment system for utility bills which has grown to encompass about 64% of payments and the direct debit payment option encompasses about 22%.
- Implemented online payments for miscellaneous receivables and building permits, and in-person credit card payments.

Completed Projects in Fiscal Year 2025

- Well repairs
- Non-potable water system at sewer treatment plant
- Briggs St lift station
- 8th St Pedestrian Bridge
- IL7 Channelization
- Road reconstruction & water main replacement
    - 11th St (Garfield-State)
    - Cove Ave (151st-Keywest)

Construction-in-Progress ending 2025

- Street improvements:
    - 151st St widening
- Well improvements
- Improvements to the following water mains and road reconstructions :
    - Hamilton, Jefferson, Washington St
- WWTP design and enhancements
- 13th St lift station
- Heritage Village Playground
- City Hall HVAC

Residential economic development has continued to soar in the City. This has been shown with projects that are currently moving in progress:

- Redwood rental neighborhood is under construction
- Springs Apartments are under construction
- Silo Bend, Oak Valley, Sadie Ridge, Lago Vista & Oak Creek include new housing construction

Fiscal year 2025 was once again, a year of substantial record achievement. Given the professionalism and dedication of the Mayor, City Council, and City staff, I believe that the accomplishments of the future will be no less weighty. All are committed to seeing the Lockport residents and businesses receive first-rate municipal service.

Other Information

Independent Audit – The State of Illinois and City policy dictate that an annual audit be performed of the financial statements of the City. The City engaged the independent auditing firm of Sikich LLC to render an opinion on the financial statements. All requirements have been completed relative to the audit and the report of independent auditor's opinion has been included in the financial section of the report.

Acknowledgements – The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the Finance Department, including Maggie Hickey-Hall, Assistant Finance Director. In closing, I would like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,

Lisa Heglund

Lisa Heglund
Director of Finance

FINANCIAL SECTION

SIKICH®

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lockport, Illinois (the City), as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lockport, Illinois as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich CPA LLC

Naperville, Illinois
May 22, 2026

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

Members of the City Council
City of Lockport, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lockport, Illinois (the City) as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 22, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Sikich CPA LLC

Naperville, Illinois
May 22, 2026

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

L O C K P O R T

Mayor
Steven Streit

City Clerk
Kathleen Gentile

City Administrator
Ben Benson

Alderman
Jonathan Pugh - 1st Ward
Susan King - 1st Ward
Robin Lif - 2nd Ward
JR Gillogly - 2nd Ward
Christina Bergbower - 3rd Ward
Darren Deskin – 3rd Ward
Steve Cardamone - 4th Ward
Joanne Bartelsen - 4th Ward

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

As management of the City of Lockport ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025. This narrative is meant to:

- Assist the reader in focusing on significant issues,
- Provide an overview of the City's financial activity,
- Identify changes in the City's financial position (its ability to address the next and subsequent year challenges),
- Identify any material deviations from the financial plan (the approved budget), and
- Identify individual fund issues or concerns.

Financial Highlights

The City's total net position is $270,177,999, of which $161,473,029 is represented by governmental activities and $108,704,970 is represented by business-type activities. During the year ended December 31, 2025, the prior year governmental net position of $153,745,486 increased by $7,727,543 or 5.0%, and the business-type activities' prior year net position of $104,251,277 increased by $4,453,693 or 4.3%.

The City's current assets of $65,473,319 increased from the prior year of $62,086,314. The majority of this change pertains to the increase in tax receivables. Capital assets were increased from $244,838,147 in 2024 to $251,155,975 in 2025 as the City continues to invest in capital infrastructure.

Deferred total outflow of resources in 2025 decreased to $6,321,679 from the 2024 figure of $8,148,817 and deferred total inflow increased from $10,292,526 to $13,415,018. Deferred outflows decreased and deferred inflows increased primarily due to favorable pension investment performance, actuarial experience, and assumption changes recommended by the actuary.

The City's long-term liabilities decreased from $30,595,301 to $24,352,919 as debt payments are made. Other liabilities decreased from $16,188,688 to $15,005,037. Governmental activity liabilities increased due to accounts payable associated with infrastructure projects, while business-type activity liabilities decreased as unearned revenue was utilized for the lift station project.

The governmental activities revenues were $38,809,193 for the 2025 fiscal year, and expenses were $31,081,650. The business-type activities revenue were $20,899,359 and expenses were $16,445,666. Changes in revenues and expenses of both Governmental and Business-Type Activities will be reviewed in greater detail under the Current Year Impacts of the Government-Wide Financial Statements section of the Management Discussion and Analysis.

General Fund Summary – The City's General Fund reported a net increase for the 2025 fiscal year of $2,453,890, in part due to revenues exceeding budget. The City has maintained a conservative budgeting approach for development revenues, with building permits exceeding budget by $431,112. This has allowed a safe, but strategic approach to

operations and capital projects. Tax revenues performed 22% ahead of budget estimates mostly due to sales tax revenues outperforming the budget. Each department managed expenses exceedingly well and finished the year below or very close to budgeted figures. A developer received a redevelopment agreement to construct an apartment building in the City's downtown. This incentive was recorded as a note issued in 2025, although the first payment is not due until the next fiscal year. Although several departments finished under budget, total General Fund expenditures exceeded the amended budget by approximately .8%, primarily due to the recognition of the downtown development incentive agreement.

The City continues to invest in capital infrastructure in a methodical approach utilizing cash reserves, while reducing existing debt. At the same time, the City continues to maintain strong reserve levels in both governmental and business-type activities.

Using the Financial Section of this Annual Comprehensive Report

The City's financial statements present two kinds of financial statements, each with a different snapshot of the City's finances. The financial statements' focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City's accountability.

Government-Wide Financial Statements

The government-wide financial statements (see pages 7-10) are presented using the accrual basis of accounting and economic resources measurement focus in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

- The focus of the *Statement of Net Position* (the "Unrestricted Net Position") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.
- The *Statement of Activities* is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.
- The *Governmental Activities* reflect the City's basic services, including administration, police & animal control, buildings, planning and development, streets and yard waste, and public works. Property taxes, sales taxes, and shared state income taxes finance the majority of these services.
- The *Business-Type Activities* reflect private sector type operations (Water & Sewer), where the fee for service typically covers all or most of the cost of operation including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation (pages 11-22) more familiar. The focus is on Major Funds, rather than the previous model fund types. 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 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 are presented on a source and use of liquid resource basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid (spendable) resources is a clear and appropriate focus of any analysis of government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith. Governmental Funds are recorded using the current financial resource method. The flow of current

financial resources will reflect issuance of debt and inter-fund transfers as other financial sources, as well as, capital expenditures and bond principal payments as expenditures. A reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the Government-Wide Financial Statements).

- *Proprietary Funds*, also called Enterprise Funds, include the Water/Sewer/Garbage Fund. These are used to report the same function presented in business-type activities in the Government-Wide Financial Statements. Accounting for this type of fund, we utilize the economic resources method, in a similar fashion as corporate accounting. Unlike Governmental Funds, the Business-Type Activities column on the Business-Type Fund Financial Statements is the same as the Business-Type column on the Government-Wide Financial Statements.
- *Fiduciary Funds* represent trust responsibilities of the government, but which have resources that are held for the benefit of parties outside the City. These assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements. Accounting for fiduciary component units is similar to that used by proprietary funds. Currently the City has one fiduciary component unit, the Police Pension Fund.

Notes to the Financial Statements

These notes provide additional information that is essential to a full understanding of the information provided in the Government-Wide and Fund Financial Statements. In addition to the basic financial statements, this report also includes certain required supplementary information related to budgetary information and the City's progress in funding its obligation to provide pension & other postemployment benefits to its employees.

Government-Wide Financial Analysis

Statement of Net Position

The following table reflects the condensed statement of net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
Fiscal Year	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Assets						
Current and Other Assets	48,242,235	43,084,456	17,231,084	19,001,858	65,473,319	62,086,314
Capital Assets	148,904,616	144,025,144	102,251,359	100,813,003	251,155,975	244,838,147
Total Assets	**197,146,851**	**187,109,600**	**119,482,443**	**119,814,861**	**316,629,294**	**306,924,461**
Deferred Outflows of Resources						
Asset Retirement Obligation	-	-	610,000	624,000	610,000	624,000
IMRF, Police Pension, & OPEB	4,718,909	6,387,160	992,770	1,137,657	5,711,679	7,524,817
Total Def. Outflows	**4,718,909**	**6,387,160**	**1,602,770**	**1,761,657**	**6,321,679**	**8,148,817**
Liabilities						
Long-Term Liabilities	16,287,803	21,793,535	8,065,116	8,801,766	24,352,919	30,595,301
Other Liabilities	10,881,972	7,874,459	4,123,065	8,314,229	15,005,037	16,188,688
Total Liabilities	**27,169,775**	**29,667,994**	**12,188,181**	**17,115,995**	**39,357,956**	**46,783,989**
Deferred Inflows of Resources						
Unearned Revenue						
Property Taxes & Pension	13,222,956	10,083,280	192,062	209,246	13,415,018	10,292,526
Total Def. Inflows	**13,222,956**	**10,083,280**	**192,062**	**209,246**	**13,415,018**	**10,292,526**
Net Position						
Net Investment in Capital Assets	141,138,951	136,217,607	94,150,002	89,792,060	235,288,953	226,009,667
Restricted	4,019,222	6,334,435	-	-	4,019,222	6,334,435
Unrestricted	16,314,856	11,193,444	14,554,968	14,459,217	30,869,824	25,652,661
Total Net Position	**161,473,029**	**153,745,486**	**108,704,970**	**104,251,277**	**270,177,999**	**257,996,763**

Budget Amendment

The TIF Fund was amended to account for the additional property tax revenue and subsequent rebate of surplus to taxing bodies. In addition, the City incurred expenses by completing a project removing an underground storage tank and utilized TIF Funds along with State funding. Revenue and expense accounts were amended for the project.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

- *Net Results of Activities* – which will impact (increase/decrease) current assets and unrestricted net position.
- *Borrowing for Capital* – which will increase current assets and long-term debt.
- *Spending Borrowed Proceeds on New Capital* – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested capital assets and an increase in related net debt, which will not change the net investment in capital assets.
- *Spending of Non-Borrowed Current Assets on New Capital* - which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net investment in capital assets.
- *Principal Payment on Debt* - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase in net investment in capital assets.
- *Reduction of Capital Assets Through Depreciation* – which will reduce capital assets and net investment in capital assets.

Current Year Impacts

Total City combined net position increased from $257,996,763 to $270,177,999. The net increase of $12,181,236 is attributable to an increase of $7,727,543 in Governmental Activities, an increase of $4,453,693 in Business-Type Activities.

Continued conservative budgeting and strong development continue to help the City to achieve increases to unrestricted net position.

Current asset increases in governmental funds pertain largely to sales tax receivable increases, and current assets in business-type funds decreased due to use of cash for infrastructure expenses.

In 2014, the City of Lockport implemented a Capital Improvement Plan. Fiscal Year 2025 concluded year 11 of this plan. Capital Assets have increased from $244,838,147 in 2024 to $251,155,975 in 2025 for an increase of $6,317,828 over the prior year. The major funding source for these projects was excess reserves, sales tax revenue, grants, and developer contributions.

Deferred outflows for the City's pension plans decreased from $7,524,817 to $5,711,679 in 2025 and inflows increased for pension items from $2,139,576 to $4,954,993. Deferred outflows decreased and deferred inflows increased primarily due to favorable pension investment performance, actuarial experience, and assumption changes recommended by the actuary. The plan fiduciary net position as a percentage of total pension liability in both pension funds continues to improve, with at IMRF 94.7% and police pension at 86.6%. While the amount of funding determined actuarially continues to increase, the contributions as a percentage of covered payroll remains fairly consistent year over year.

Long term liabilities continue to decrease as debt is being repaid each year. Other liabilities in governmental funds increased due to accounts payable for infrastructure projects and decreased in business-type funds due to unearned revenue being utilized for a lift station project.

By far the largest portion of Lockport's net position, which is 87.1%, reflects its net investment in capital assets (for example – land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens and customers; consequently, these assets are not available for future spending. Although Lockport's net 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.

Change in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
Fiscal Year	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
REVENUES						
Charges for Services	2,812,092	5,047,337	18,910,834	19,739,081	21,722,926	24,786,418
Operating Grants/Contrib.	1,952,873	1,315,414	51,106	49,383	2,003,979	1,364,797
Capital Grants/Contrib.	1,455,983	4,487,081	1,302,796	5,923,385	2,758,779	10,410,466
Property Taxes	8,866,787	8,669,093	-	-	8,866,787	8,669,093
Sales Taxes	14,786,276	8,845,992	-	-	14,786,276	8,845,992
State Shared Income Tax	4,705,904	4,431,294	-	-	4,705,904	4,431,294
Other Revenues/Taxes	4,229,278	3,871,702	634,623	617,535	4,863,901	4,489,237
Total Revenues:	**38,809,193**	**36,667,913**	**20,899,359**	**26,329,384**	**59,708,552**	**62,997,297**
EXPENSES						
General Administration	3,883,333	3,909,207	-	-	3,883,333	3,909,207
Police & Animal Control	9,689,448	10,810,928	-	-	9,689,448	10,810,928
Building, Planning, & Dev	4,833,059	2,538,704	-	-	4,833,059	2,538,704
Streets & Yard Waste	10,599,137	12,507,301	-	-	10,599,137	12,507,301
Public Works	1,886,364	761,796	-	-	1,886,364	761,796
Interest	190,309	266,005	-	-	190,309	266,005
Waterworks ans Sewerage	-	-	13,018,323	12,569,461	13,018,323	12,569,461
Garbage	-	-	3,427,343	3,316,256	3,427,343	3,316,256
Total Expenses:	**31,081,650**	**30,793,941**	**16,445,666**	**15,885,717**	**47,527,316**	**46,679,658**
Excess (Deficiency) of Revenues Over Expenses Before Transfers	**7,727,543**	**5,873,972**	**4,453,693**	**10,443,667**	**12,181,236**	**16,317,639**
Transfers In (Out)	-	-	-	-	-	-
Change in Net Position	**7,727,543**	**5,873,972**	**4,453,693**	**10,443,667**	**12,181,236**	**16,317,639**
Net Position, January 1	**153,745,486**	**147,871,514**	**104,251,277**	**93,807,610**	**257,996,763**	**241,679,124**
Net Position, December 31	**161,473,029**	**153,745,486**	**108,704,970**	**104,251,277**	**270,177,999**	**257,996,763**

N*ormal Impacts*

Revenues:

- Economic Condition – which can reflect a declining, stable, or growing economic environment and has a substantial impact on state income, sales and utility tax revenue, as well as, public spending habits for building permits, elective user fees and volumes of consumption.
- Increase/Decrease in City Approved Rates – while certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease certain rates (property taxes, water rates, building fees, utility tax rates, etc.).
- Changing Patterns in Intergovernmental and Grant Revenue (Both Recurring and Non-Recurring) – certain recurring revenues (state-shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.
- Market Impacts on Investment Income – the City's investment portfolio is managed using a shorter average maturity than most governments and the market condition may cause investment income to fluctuate more than alternative longer options.

Expenses:

- Introduction of New Programs – within the functional expense categories (General Government, Police, Public Services, etc.) individual programs may be added or deleted to meet changing community needs.
- Increase in Authorized Personnel – changes in service demand may cause the City Council to increase/decrease authorized staffing.
- Salary Increases (Annual Adjustments and Merit) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range in the market place.
- Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, natural gas and fuels, and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

Development in 2025 continues to be strong with 90 new housing permits. There are various residential subdivisions with current construction occurring: Silo Bend, Oak Creek, Lago Vista, Oak Valley, Redwood and Springs Apartments. The Springs Apartments took out all of their building permits and tap on fees for the whole development in 2024, slightly skewing revenue comparisons from year to year. A new apartment complex opened in downtown during 2025. A redevelopment agreement for $2 million was recorded as of year-end, thus increasing expenses in the CED Department. From an industrial perspective the City has 3 business park locations under varying degrees of construction: Prime Business Park, Star Innovation District, and ProLogis. Varying stages of development will impact whether the revenue is achieved in permits or in engineering review/inspection fees.

The City received a number of grants for infrastructure replacement in 2025, but 2024 recognized the one-time ARPA funds which were fully obligated and expended. The continued investment in infrastructure continued into 2025 with over $7 million invested in infrastructure improvements. The City also accepted a large number of developer contributions for infrastructure in 2025, but not as much as in 2024, due to timing of subdivision acceptance.

Due to a change in the way the State of Illinois charged sales tax revenue for online sales (Leveling the Playing Field), the City's revenues have increased by over $2 million dollars from 2023 to 2025. In addition, new businesses are opening up in town increasing revenues and an additional 1% sales tax was implemented in January 2025.

No new annexation agreements were approved in 2025. Amended annexation agreements were made to Sadie Ridge subdivision, Lockport Square Lot 6, Malysa Property by Thornton St, and Serenity Landing subdivision.

The net pension liability for police pension decreased by approximately $1 million in 2025 due primarily to favorable investment returns and actuarial assumption changes.

Inflation has put some additional pressures on expenses especially in larger capital infrastructure projects during 2025.

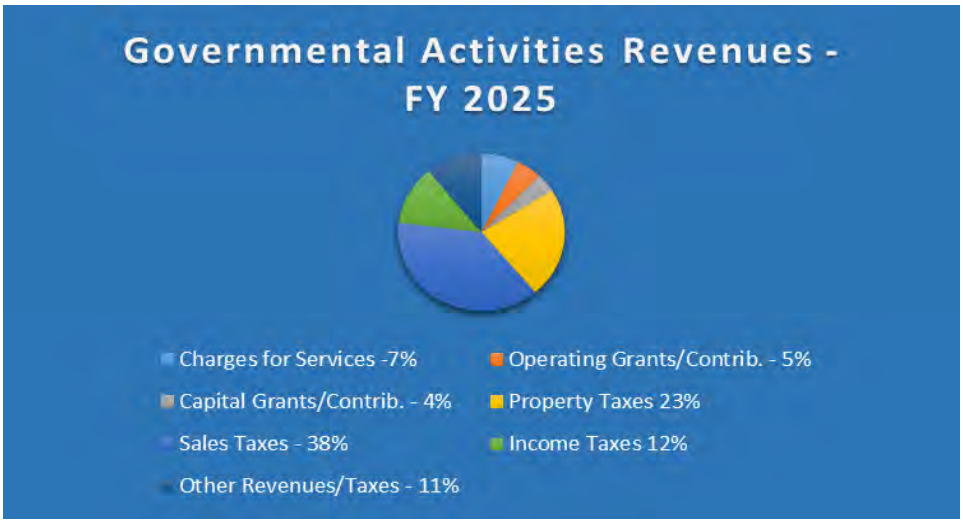
Governmental Activities:

Revenues: Total revenues from Governmental Activities for the year ended December 31, 2025 amounted to $38,809,193, whereas prior year revenues were $36,667,913.

The increase in revenue was attributed mainly to the increase in sales tax from both the additional 1% that went into effect January 2025, changes made by the State of Illinois in how sales tax is allocated, and increase in sales throughout the City of Lockport.

Infrastructure assets donated in 2025 in the governmental fund pertain to streets & storm sewer at Clover Ridge unit 3, & Rose Center, and storm sewers at J&A Sales.

The following chart shows the breakdown of Governmental Activities Revenues:

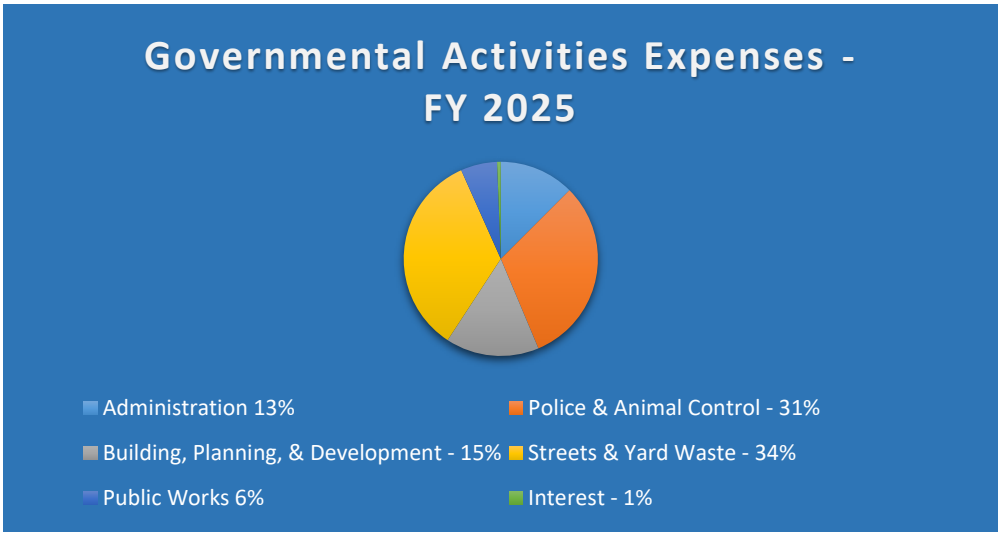


Expenses: For the fiscal year ended December 31, 2025, expenses for governmental activities totaled $31,081,650, whereas expenses in 2024 were $30,793,941. Although the difference across years appears to be relatively flat some variability by department did exist. The City issued a $2,000,000 redevelopment agreement to a developer, payable over the next 6 years. The payments start in 2026, but the note issuance became due once the contractor received occupancy for the apartment building in 2025.

During 2018 the City Council approved a 10-year Capital Improvement Plan. The Capital Projects fund is a major fund used to account for various capital projects that the City funds. The City has been able to fund the majority of its new infrastructure using cash reserves, but took out a large bond in 2018 to speed up the projects being completed.

The Bond Sinking fund is used to account for the resources for the payment of principal and interest on the City's long-term debt. This fund recorded $1,955,000 in principal and $225,325 in interest payments on the City's governmental long-term debt.

The following chart shows the breakdown of Governmental Activities Expenses:



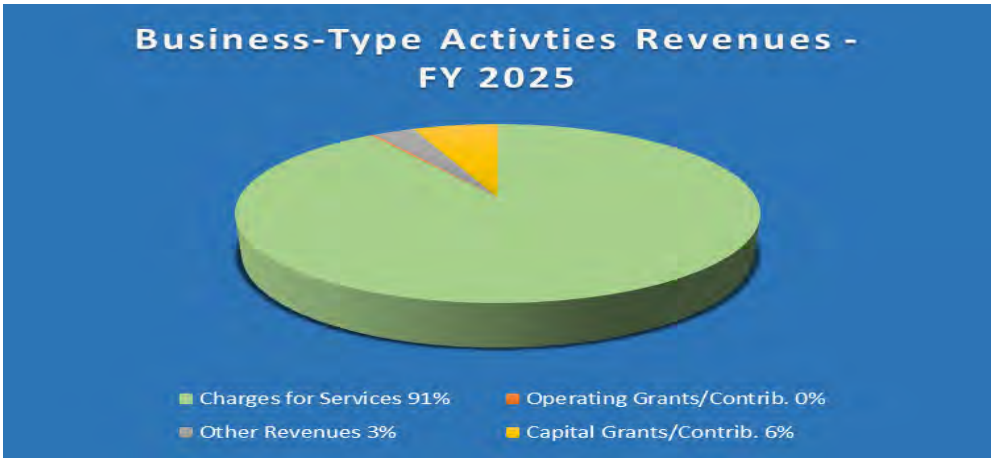
Business-Type Activities

Revenues: Total revenues from Business-Type Activities for the year ended December 31, 2025 amounted to $20,899,359, which was less than the prior year $26,329,384. This decrease was due mostly to fewer developer contributions in 2025. Developer contributions fluctuate based on timing of subdivision acceptance and infrastructure dedication.

Water rates increased due to structure approved by City Council in 2023. The rate increase was implemented to help fund capital improvements to the Water and Sewer Fund, provide additional funds for operations, and pay for long-term debt.

Infrastructure assets donated by developers in 2025 pertain to water mains and sanitary sewer at the following locations: Redwood phase 1, Clover Ridge unit 3, Rose Center, & Gash & Wash.

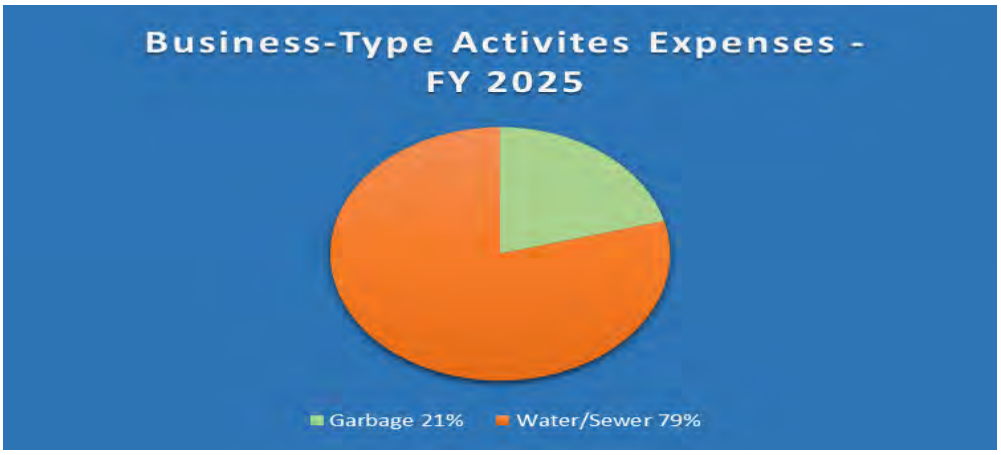
The following chart shows the breakdown of Business-Type Activities Revenues:



Expenses: Total expenses from Business-Type Activities for the year ended December 31, 2025 amounted to $16,445,666, whereas 2024 expenses were $15,885,717. Expenses remained relatively stable year over year.

There are two different operations that are a part of these activities: Garbage and Water/Sewer. The change in Garbage Expenses can be attributed to the City's contract with Waste Management. This is primarily a pass-through expense in which the City bills the customers and then in turn pays a monthly fee to Waste Management.

The following chart shows the breakdown of Business-Type Activities Expenses:



Financial Analysis of the City's Operating Funds

The following table reflects the condensed statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund:

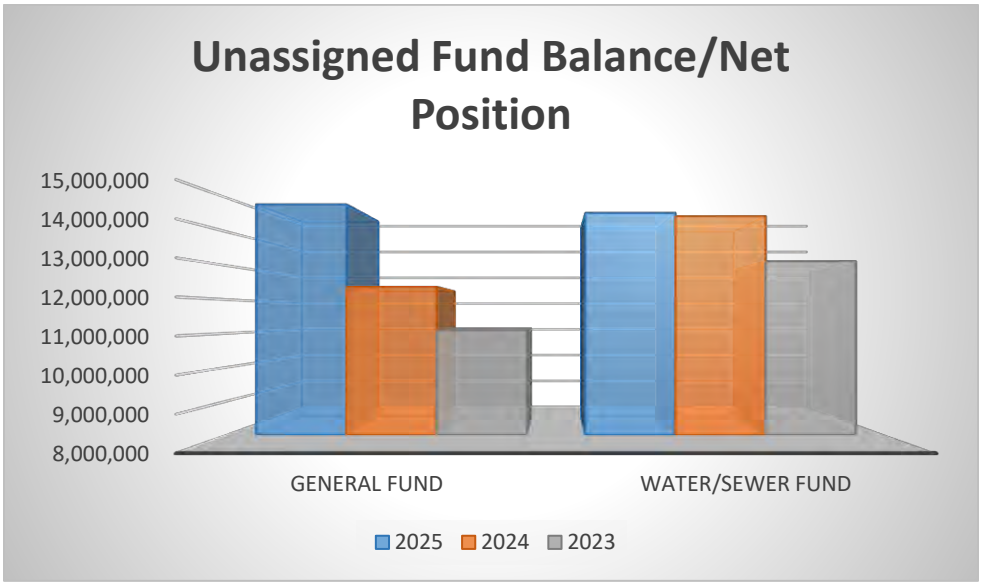
	Fiscal Year 2025			Fiscal Year 2024		
General Fund	**Adopted Budget**	**Final Budget**	**Actual**	**Adopted Budget**	**Final Budget**	**Actual**
Revenues						
Property Taxes	6,989,000	6,989,000	7,015,877	6,883,000	6,883,000	6,781,173
Sales Taxes	5,225,000	5,225,000	6,565,429	5,060,000	5,060,000	5,685,674
Other Taxes	810,000	810,000	863,679	680,000	680,000	793,908
State Shared Income Taxes	4,590,000	4,590,000	4,705,904	4,900,000	4,900,000	4,431,294
Licenses & Permits	1,546,000	1,546,000	2,124,873	1,555,500	1,595,500	2,832,560
Fines and Forfeits	593,100	593,100	687,218	568,100	568,100	631,360
Refunds & Reimbursements	487,000	487,000	558,765	495,000	495,000	528,869
Grants	660,000	660,000	431,189	630,000	630,000	531,311
Investment Income	511,000	511,000	573,781	231,000	231,000	891,946
Other Revenues	119,000	119,000	230,090	76,500	76,500	169,489
Total	**21,530,100**	**21,530,100**	**23,756,805**	**21,079,100**	**21,119,100**	**23,277,584**
Expenditures						
General Administration	3,715,000	3,715,000	3,537,493	3,346,400	3,346,400	3,307,411
Police & Animal Control	11,071,700	11,071,700	10,243,604	10,642,600	10,642,600	10,496,206
Building, Planning & Development	2,754,200	2,754,200	4,243,765	2,753,600	2,870,600	2,597,173
Streets & Yard Waste	2,874,500	2,874,500	2,574,567	2,859,000	2,859,000	2,455,016
Public Works	466,800	466,800	377,071	417,200	417,200	383,616
Principal Retirement/Interest	-	-	82,034	-	-	-
Total	**20,882,200**	**20,882,200**	**21,058,534**	**20,018,800**	**20,135,800**	**19,239,422**
Other Financing Sources (Uses)						
Transfers In (Out)	(1,760,000)	(1,760,000)	(1,760,000)	(3,000,000)	(3,000,000)	(3,000,000)
Developer Note Issuance	-	-	1,515,619	-	-	-
Origination of SBITA and Lease Oblig	-	-	-	-	-	301,355
Total Other Financing sources (uses	(1,760,000)	(1,760,000)	(244,381)	(3,000,000)	(3,000,000)	(2,698,645)
Net Change in Fund Balance	**(1,112,100)**	**(1,112,100)**	**2,453,890**	**(1,939,700)**	**(2,016,700)**	**1,339,517**

Property tax revenue continues to be the largest general fund revenue source, and increased by 3.5% over the prior year. City Council is working to become less reliant on this revenue source as overall property tax bills continue to soar in the community. Sales tax revenue continues to grow for Lockport due to new businesses opening up, an additional 1% increase to the rate, and online sales tax changes that were put in place by the State. Income tax revenues increased as state incomes rose over the prior year. The decrease in licenses and permits pertains to the Springs Apartments which took out all of their building permits in 2024.

General Fund expenses increased over the prior year. Personnel expenses make up the largest portion of general fund expenses. Salary increases were provided to employees and health insurance and pension expenses increased year over year. A number of façade grants were also provided to commercial businesses to improve their outward appearance. The large increase in expenses in the building/planning department pertains to a redevelopment agreement that was provided to a new apartment complex in the downtown providing $2 million over the next 6 years.

Fund Balance/Net Position Analysis

The City monitors its unassigned fund balance/net position to be sure that a healthy fund balance is being maintained. While the City has been using excess reserves to fund capital infrastructure projects, it is important to not go below the established fund balance/net position policies in the General and Water/Sewer Funds. The unassigned fund balance in the General Fund and the unrestricted net position in the Water/Sewer Fund increased from 2024 to 2025.



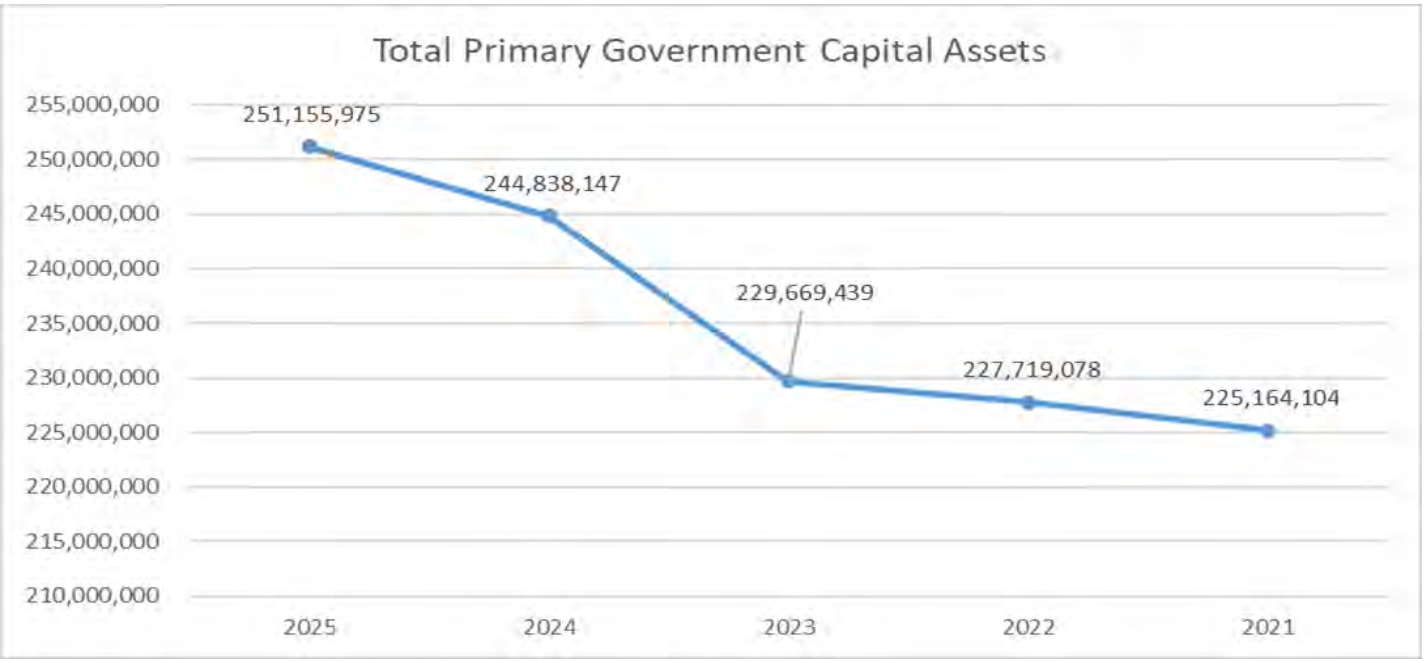
Capital Assets and Debt Administration

Capital Assets

GASB 34 requires that infrastructure (roads, bridges, etc.), a government's largest group of assets be valued and reported within the Governmental Activities column of the Government-Wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system, (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City has chosen to apply the option of retroactively reporting its infrastructure assets and will depreciate assets over their useful life. If a road project is considered maintenance, a recurring cost that does not extend the road's original useful life or expand its capacity, the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

At the end of Fiscal Year 2025, the City had a combined total of Capital Assets of $251,155,975 invested in a broad range of capital assets including general government buildings and equipment, police, public works equipment, other City physical plant, roads and related infrastructure, and water and sewer plant equipment.

The City's commitment to investing in infrastructure is reflected in the amount of infrastructure expenses incurred each year. Utilizing excess revenues, grants, sales tax revenue, and developer contributions the City's capital assets have continued to increase year over year.



Governmental and Business-Type Activities

The following table reflects the condensed statement of capital assets, which is presented in greater detail within the Notes to the Financial Statements on pages 34 thru 35:

	Governmental Activities 2025	Governmental Activities 2024	Business-Type Activities 2025	Business-Type Activities 2024	Total Primary Gov't 2025	Total Primary Gov't 2024
Non-Depreciable Assets						
Land	3,763,064	3,703,890	301,991	301,991	4,065,055	4,005,881
Land Right of Way	23,393,913	23,386,033	-	-	23,393,913	23,386,033
Construction in Progress	12,665,741	6,380,908	12,739,325	13,236,471	25,405,066	19,617,379
Permanent Easements	1,019,638	986,534	-	-	1,019,638	986,534
Other Capital Assets (net of depreciation)						
Infrastructure	94,723,417	95,485,412	-	-	94,723,417	95,485,412
Water System	-	-	80,828,256	78,750,047	80,828,256	78,750,047
Buildings	9,486,585	9,884,484	6,618,598	6,901,462	16,105,183	16,785,946
Transportation/Equip	3,622,229	3,891,174	1,763,189	1,623,032	5,385,418	5,514,206
Lease/Subscription	230,029	306,709	-	-	230,029	306,709
Total	148,904,616	144,025,144	102,251,359	100,813,003	251,155,975	244,838,147

Governmental Activities

In 2025, Construction in Progress, current projects include: Heritage Village Playground, 151st St widening, and City Hall HVAC project. The following project is in engineering: road reconstruction Hamilton/Jefferson/Washington St.

The City completed capital projects in 2025, which are shown under the Infrastructure category: 8th St pedestrian bridge, IL7 Channelization, Road reconstructions at 11th St (Garfield-State) and Cove Ave (151st-Keywest).

Equipment purchases: Squad cars, sans power vault storage equipment, and ballistic machine.

Leased equipment: Body cameras

Business-Type Activities

The capital assets of the Business-Type Activities are mainly comprised of assets which provide the City with its water and sewer services.

In 2025, Construction in Progress, current projects include: Well improvements and 13th St lift station. The following projects are under engineering: WWTP design and enhancements, and water main improvements at Hamilton/Jefferson/Washington St.

The City completed the following water and sewer capital projects in 2025: Well repairs, non-potable water system at sewer treatment plant, Briggs St lift station, and water main replacements at 11th St (Garfield-State) and Cove Ave (151st-Keywest).

Equipment purchases: Pickup truck, sanitary lift station control panel upgrade, and gravity belt thickener control upgrade.

Debt Outstanding

The City's long-term debt can be found in detail on pages 36-41.

As an Illinois home-rule community, the City is not subject to any debt limitation. In 2023, Standard and Poor's Rating Services affirmed a AA+ credit rating for the City's general obligation bonds. The AA+ rating indicates a very strong capacity to meet financial commitments. The following was stated about the City of Lockport:

- Strong and expanding economy, within the board and diverse Chicago MSA
- Strong management, with good financial policies and practices which include strong budgetary assumptions and monitoring and long-term financial planning and a strong institutional framework,
- Historically strong budgetary performance, with operating surpluses in the general fund expected to continue in the near term which will support very strong liquidity and budgetary flexibility
- Very strong debt and contingent liability profile as the city's debt is less than 3% of market value and is repaid rapidly plus pension contributions are affordable and have been meeting our minimum funding progress metric, which will reduce the probability of cost escalation.

	Obligations Outstanding January 1, 2025	Debt Additions	Debt Retirement	Obligations Outstanding December 31, 2025	Due Within One Year
Governmental Activities:					
2018 G.O. Limited Tax Bonds	4,400,000	-	1,050,000	3,350,000	1,085,000
2023 G.O. Limited Tax Bonds	1,855,000	-	905,000	950,000	950,000
Unamortized Premium	96,847	-	44,324	52,523	-
Lease Payable	45,203	-	10,725	34,478	11,100
SBITA payable	256,152	-	60,777	195,375	62,901
Developer Note Payable	-	2,000,000	-	2,000,000	333,333
Net Postemployment Benefits	4,472,526	-	143,311	4,329,215	215,378
Net Pension Liability IMRF	552,734	241,546	-	794,280	-
Net Pension Liability Police Pension	12,251,237	-	5,077,277	7,173,960	-
Compensated Absences	796,953	74,369	-	871,322	805,638
Total Governmental Activities:	**24,726,652**	**2,315,915**	**7,291,414**	**19,751,153**	**3,463,350**
IEPA Wastewater Treat Facility Loan	2,641,149	-	575,977	2,065,172	590,467
IEPA Well 14 Iron Filtration	1,226,053	-	81,840	1,144,213	83,188
IEPA Well 15	3,525,201	-	182,296	3,342,905	185,960
Net Postemployment Benefits	1,079,511	-	30,399	1,049,112	45,686
Net Pension Liability - IMRF	487,726	161,031	-	648,757	-
Compensated Absences	238,854	20,592	-	259,446	239,188
Asset Retirement Obligation	700,000	-	-	700,000	-
Total Business-Type Activities:	**9,898,494**	**181,623**	**870,512**	**9,209,605**	**1,144,489**

Governmental Activities

During the 2018 Fiscal Year, the City issued a $9,835,000 General Obligation Bond to be paid for using Municipal Gasoline Tax and Income Taxes. The funds from this bond were used to fund capital projects in the Street Dept. The outstanding balance is $3,350,000.

During the 2023 Fiscal Year, the City issued a $1,855,000 General Obligation Bond to be paid for using Property Tax Revenue. The funds from this bond were used for capital projects in the Street Dept. The outstanding balance is $950,000.

The Unamortized Premium of $52,523 is associated with the 2018 and 2023 General Obligation Bonds.

A developer note payable was added to the long-term liabilities for the City during 2025 due to a developer obtaining occupancy permits, but payments will not begin until 2026. No other debt was taken on by the City in 2025 in either the governmental activities nor business-type activities.

Business-Type Activities

The City has four low interest loans through the Illinois Environmental Protection Agency (IEPA) for the construction of water system improvements and wastewater treatment facilities. As of December 31, 2025, the remaining balance on the loans is $6,552,290. These loans are paid with user fees of the water and sewer system.

Economic Factors

The City is located in Will County, approximately 30 miles southwest of Chicago. Lockport was founded on the banks of the Historic I & M Canal as the headquarters for the initial canal development. Presently the City consists of 11.40 square miles. The City's Assessed Valuation has had 9 years of increases from $561,952,338 in 2014 to $1,132,949,774 in 2025.

The extension of the North/South Tollway System, I-355, from Boughton Road in Bolingbrook to I-80 in New Lenox has offered great potential to the City of Lockport. With exits at 143rd Street and 159th Street, Lockport is planning on how to capitalize off of a strategic location within the Southwestern Chicago Suburbs. These Tollway exits have continued to provide Commercial, Industrial and Residential growth opportunities.

The City experienced rapid growth of residential real estate during the 2000's. Much of that growth can be attributed to the proximity of Lockport to the City of Chicago, a charming national registered historic downtown district, and planning of former elected officials and staff.

In Fiscal Year 2025, the City issued 90 new housing permits and opened various new businesses. There are also three growing business parks, which are at different stages: ProLogis, Prime Boulevard, and Star Innovation District. Six subdivisions are at different phases in their construction including: Silo Bend, Lago Vista, Clover Ridge, Parkside Estates, Redwood, Oak Valley, and Oak Creek.

The City is dependent on several sources of intergovernmental, or shared state revenue, to finance general operations. While the City has experienced revenue growth over the past few years, staff is also keeping a watchful eye on possible revenue reductions from the State and having the ability to adjust to them will be critical moving forward. The City is also aggressively looking for ways to better diversify its Governmental Revenue sources as to rely to a lesser extent on Property Taxes.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions regarding this report or requests for additional information should be directed to:

Lisa Heglund
Director of Finance
City of Lockport
222 E. 9th Street
Lockport, IL 60441

BASIC FINANCIAL STATEMENTS

CITY OF LOCKPORT, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	$ 34,041,903	$ 14,652,853	$ 48,694,756
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	8,460,025	-	8,460,025
Sales tax	4,051,826	-	4,051,826
Motor fuel tax allotments	105,641	-	105,641
Due from customers	-	2,190,937	2,190,937
Grants	213,229	-	213,229
Interest	-	14,851	14,851
Other	932,080	194,653	1,126,733
Inventory	45,480	129,729	175,209
Prepaid items	392,051	48,061	440,112
Capital assets not being depreciated	40,842,356	13,041,316	53,883,672
Capital assets, net of accumulated depreciation	108,062,260	89,210,043	197,272,303
Total assets	197,146,851	119,482,443	316,629,294
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	886,762	679,960	1,566,722
Pension items - Police Pension	2,445,258	-	2,445,258
Pension items - OPEB	1,386,889	312,810	1,699,699
Asset retirement obligation items	-	610,000	610,000
Total deferred outflows of resources	4,718,909	1,602,770	6,321,679
LIABILITIES			
Accounts payable	4,733,268	2,330,321	7,063,589
Accrued payroll	317,043	102,545	419,588
Accrued interest payable	8,033	53,731	61,764
Unearned revenue	1,768,948	480,555	2,249,503
Due to fiduciary fund	14,675	-	14,675
Other liabilities	576,655	11,424	588,079
Noncurrent liabilities			
Due within one year	3,463,350	1,144,489	4,607,839
Due in more than one year	16,287,803	8,065,116	24,352,919
Total liabilities	27,169,775	12,188,181	39,357,956
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	8,460,025	-	8,460,025
Pension items - IMRF	4,283	16,883	21,166
Pension items - Police Pension	4,052,665	-	4,052,665
Pension items - OPEB	705,983	175,179	881,162
Total deferred inflows of resources	13,222,956	192,062	13,415,018

(This statement is continued on the following page.)

CITY OF LOCKPORT, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net investment in capital assets	$ 141,138,951	$ 94,150,002	$ 235,288,953
Restricted for			
Public safety	66,757	-	66,757
Public safety equipment	610,878	-	610,878
Commuter lot	4,698	-	4,698
Debt service	24,887	-	24,887
Road repairs and improvements	2,825,242	-	2,825,242
Economic development	486,760	-	486,760
Unrestricted	16,314,856	14,554,968	30,869,824
TOTAL NET POSITION	$ 161,473,029	$ 108,704,970	$ 270,177,999

See accompanying notes to financial statements.

CITY OF LOCKPORT, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General administration	$ 3,883,333	$ 585,853	$ 53,244	$ -
Police and animal control	9,689,448	689,898	510,114	-
Buildings, planning and development	4,833,059	1,474,538	-	-
Streets and yard waste	10,599,137	-	1,359,815	542,390
Public works	1,886,364	61,803	29,700	913,593
Interest	190,309	-	-	-
Total governmental activities	31,081,650	2,812,092	1,952,873	1,455,983
Business-Type Activities				
Waterworks and sewerage	13,018,323	15,470,565	51,106	1,302,796
Garbage	3,427,343	3,440,269	-	-
Total business-type activities	16,445,666	18,910,834	51,106	1,302,796
TOTAL PRIMARY GOVERNMENT	$ 47,527,316	$ 21,722,926	$ 2,003,979	$ 2,758,779

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	$ (3,244,236)	$ -	$ (3,244,236)
	(8,489,436)	-	(8,489,436)
	(3,358,521)	-	(3,358,521)
	(8,696,932)	-	(8,696,932)
	(881,268)	-	(881,268)
	(190,309)	-	(190,309)
	(24,860,702)	-	(24,860,702)
	-	3,806,144	3,806,144
	-	12,926	12,926
	-	3,819,070	3,819,070
	(24,860,702)	3,819,070	(21,041,632)
General Revenues			
Taxes			
Property	8,866,787	-	8,866,787
Sales	14,786,276	-	14,786,276
Other	2,232,867	-	2,232,867
Intergovernmental, unrestricted			
State shared income taxes	4,705,904	-	4,705,904
Personal property replacement	108,969	-	108,969
Investment income	1,049,211	513,368	1,562,579
Miscellaneous	838,231	116,955	955,186
Gain on sale of capital asset	-	4,300	4,300
Total	32,588,245	634,623	33,222,868
CHANGE IN NET POSITION	7,727,543	4,453,693	12,181,236
NET POSITION, JANUARY 1	153,745,486	104,251,277	257,996,763
NET POSITION, DECEMBER 31	$ 161,473,029	$ 108,704,970	$ 270,177,999

See accompanying notes to financial statements.

CITY OF LOCKPORT, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2025

	General	Motor Fuel Tax	Capital Projects	Nonmajor Governmental	Total Governmental
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and investments	$ 18,125,678	$ 4,595,562	$ 9,812,172	$ 844,609	$ 33,378,021
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	7,217,970	-	249,384	992,671	8,460,025
Sales tax	1,784,209	-	2,267,617	-	4,051,826
Motor fuel tax allotments	-	105,641	-	-	105,641
Grants	-	-	100,229	113,000	213,229
Other	728,647	-	203,433	-	932,080
Inventory	45,480	-	-	-	45,480
Prepaid items	384,880	-	7,171	-	392,051
Total assets	28,286,864	4,701,203	12,640,006	1,950,280	47,578,353
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 28,286,864	$ 4,701,203	$ 12,640,006	$ 1,950,280	$ 47,578,353

(This statement is continued on the following page.)

CITY OF LOCKPORT, ILLINOIS

BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS

December 31, 2025

	General	Motor Fuel Tax	Capital Projects	Nonmajor Governmental	Total Governmental
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 775,588	$ 1,834,243	$ 1,790,475	$ 332,962	$ 4,733,268
Accrued payroll	317,043	-	-	-	317,043
Unearned revenue	1,185,656	41,718	541,574	-	1,768,948
Due to fiduciary fund	14,675	-	-	-	14,675
Other liabilities	576,655	-	-	-	576,655
Total liabilities	2,869,617	1,875,961	2,332,049	332,962	7,410,589
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	7,217,970	-	249,384	992,671	8,460,025
Unavailable revenue - intergovernmental	-	-	-	113,000	113,000
Total deferred inflows of resources	7,217,970	-	249,384	1,105,671	8,573,025
FUND BALANCES					
Nonspendable					
Inventory	45,480	-	-	-	45,480
Prepaid items	384,880	-	7,171	-	392,051
Restricted					
Public safety	66,757	-	-	-	66,757
Public safety equipment	610,878	-	-	-	610,878
Commuter lot	4,698	-	-	-	4,698
Debt service	-	-	-	24,887	24,887
Road repairs and improvements	-	2,825,242	-	-	2,825,242
Economic development	-	-	-	486,760	486,760
Committed					
Economic development	1,165,045	-	-	-	1,165,045
Assigned					
Capital projects	1,114,902	-	10,051,402	-	11,166,304
Unassigned	14,806,637	-	-	-	14,806,637
Total fund balances	18,199,277	2,825,242	10,058,573	511,647	31,594,739
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 28,286,864	$ 4,701,203	$ 12,640,006	$ 1,950,280	$ 47,578,353

See accompanying notes to financial statements.

CITY OF LOCKPORT, ILLINOIS

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

December 31, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS	$	31,594,739
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		148,904,616
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds		
General obligation bonds		(4,300,000)
Leases payable		(34,478)
SBITAs payable		(195,375)
Developer note payable		(2,000,000)
Compensated absences		(207,440)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position		(8,033)
Deferred charges such as bond premiums and discounts, are expenditures in the governmental funds but shown as assets on the statement of net position		(52,523)
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position		(794,280)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows of resources on the statement of net position		882,479
Net pension liability for the Police Pension Fund is shown as a liability on the statement of net position		(7,173,960)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position		(1,607,407)
The total other postemployment benefit liability is shown as a liability on the statement of net position		(4,329,215)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings for the other postemployment benefit plan are recognized as deferred outflows and inflows of resources on the statement of net position		680,906
Revenues are recognized for governmental activities when earned regardless of availability		113,000
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	161,473,029

See accompanying notes to financial statements.

CITY OF LOCKPORT, ILLINOIS

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

For the Year Ended December 31, 2025

	General	*Formerly Nonmajor* Motor Fuel Tax	Capital Projects	Nonmajor Governmental	Total Governmental
REVENUES					
Taxes					
Property levies, net	$ 7,015,877	$ -	$ 200,492	$ 1,650,419	$ 8,866,788
Sales	6,565,429	-	8,220,846	-	14,786,275
Utility	-	-	1,478,157	-	1,478,157
Other	754,710	-	-	-	754,710
Intergovernmental					
Shared income taxes	4,705,904	-	-	-	4,705,904
Personal property replacement	108,969	-	-	-	108,969
Grants	431,189	-	589,248	-	1,020,437
Contributions and donations	19,170	-	354,045	-	373,215
Motor fuel tax allotments	-	1,359,815	-	-	1,359,815
Charges for services					
Licenses, permits and inspections	2,124,873	-	-	-	2,124,873
Fines, forfeitures and penalties	687,218	-	-	-	687,218
Investment income	573,781	171,213	282,153	22,064	1,049,211
Miscellaneous					
Refunds and reimbursements	558,765	-	-	-	558,765
Other	210,920	-	68,546	-	279,466
Total revenues	23,756,805	1,531,028	11,193,487	1,672,483	38,153,803
EXPENDITURES					
Current					
General administration	3,537,493	-	7,248	-	3,544,741
Police and animal control	10,243,604	-	-	-	10,243,604
Building, planning and development	4,243,765	-	-	-	4,243,765
Streets and yard waste	2,574,567	3,595,426	-	-	6,169,993
Public works	377,071	-	-	955,436	1,332,507
Capital outlay	-	-	9,645,676	484,381	10,130,057
Debt service					
Principal retirement	71,502	-	-	1,955,000	2,026,502
Interest and fiscal charges	10,532	-	-	226,600	237,132
Total expenditures	21,058,534	3,595,426	9,652,924	3,621,417	37,928,301
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,698,271	(2,064,398)	1,540,563	(1,948,934)	225,502
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	1,760,000	1,182,900	2,942,900
Transfers (out)	(1,760,000)	-	(1,182,900)	-	(2,942,900)
Developer note issuance	1,515,619	-	-	484,381	2,000,000
Sale of capital assets	-	-	32,386	-	32,386
Total other financing sources (uses)	(244,381)	-	609,486	1,667,281	2,032,386
NET CHANGE IN FUND BALANCES	2,453,890	(2,064,398)	2,150,049	(281,653)	2,257,888
FUND BALANCES, JANUARY 1, AS REPORTED	15,745,387	-	7,908,524	5,682,940	29,336,851
Change within financial reporting entity	-	4,889,640	-	(4,889,640)	-
FUND BALANCES, JANUARY 1, AS RESTATED	15,745,387	4,889,640	7,908,524	793,300	29,336,851
FUND BALANCES, DECEMBER 31	$ 18,199,277	$ 2,825,242	$ 10,058,573	$ 511,647	$ 31,594,739

See accompanying notes to financial statements.

CITY OF LOCKPORT, ILLINOIS

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

For the Year Ended December 31, 2025

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$	2,257,888
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities		9,636,391
Contributions of capital assets are only reported in the statement of activities		542,390
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Depreciation and amortization		(5,238,463)
The loss on disposal of capital assets is netted with proceeds from the disposal on the statement of activities		(60,846)
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities		2,026,502
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities		
Developer note payable		(2,000,000)
The change in accrued interest is reported as expenses on the statement of activities		2,499
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities		44,324
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities		(241,546)
The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities		(84,505)
The change in the net pension liability for the Police Pension Fund is reported only in the statement of activities		5,077,277
The change in deferred inflows and outflows for the Police Pension Fund is reported only in the statement of activities		(4,079,900)
The change in total OPEB liability is reported as an expense on the statement of activities		143,311
The change in deferred inflows and outflows of resources for the total OPEB liability is reported only in the statement of activities		(336,447)
The change in the compensated absences liability is shown as a reduction of expenses on the statement of activities		(74,332)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds		113,000
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	7,727,543

See accompanying notes to financial statements.

CITY OF LOCKPORT, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2025

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Fund
CURRENT ASSETS		
Cash and cash equivalents	$ 14,652,853	$ 663,882
Receivables (net, where applicable, of allowances for uncollectibles)		
Due from customers	2,190,937	-
Interest	14,851	-
Other	194,653	-
Inventory	129,729	-
Prepaid items	48,061	-
Total current assets	17,231,084	663,882
NONCURRENT ASSETS		
Capital assets		
Capital assets not being depreciated	13,041,316	-
Capital assets, net of accumulated depreciation	89,210,043	-
Total noncurrent assets	102,251,359	-
Total assets	119,482,443	663,882
DEFERRED OUTFLOWS OF RESOURCES		
Pension items - IMRF	679,960	-
Pension items - OPEB	312,810	-
Asset retirement obligation	610,000	-
Total deferred outflows of resources	1,602,770	-

(This statement is continued on the following page.)

CITY OF LOCKPORT, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2025

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Fund
CURRENT LIABILITIES		
Accounts payable	$ 2,330,321	$ -
Accrued payroll	102,545	-
Accrued interest payable	53,731	-
Unearned revenue	480,555	-
Other liabilities	11,424	-
IEPA loans	859,615	-
Total OPEB liability	45,686	-
Compensated absences	239,188	598,198
Total current liabilities	4,123,065	598,198
NONCURRENT LIABILITIES		
IEPA loans	5,692,675	-
Total OPEB liability	1,003,426	-
Net pension liability - IMRF	648,757	-
Compensated absences	20,258	65,684
Asset retirement obligation	700,000	-
Total noncurrent liabilities	8,065,116	65,684
Total liabilities	12,188,181	663,882
DEFERRED INFLOWS OF RESOURCES		
Pension Items - IMRF	16,883	-
Pension Items - OPEB	175,179	-
Total deferred inflows of resources	192,062	-
NET POSITION		
Net investment in capital assets	94,150,002	-
Unrestricted	14,554,968	-
TOTAL NET POSITION	$ 108,704,970	$ -

See accompanying notes to financial statements.

CITY OF LOCKPORT, ILLINOIS

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

For the Year Ended December 31, 2025

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Fund
OPERATING REVENUES		
Charges for sales and services	$ 18,143,994	$ 37
Total operating revenues	18,143,994	37
OPERATING EXPENSES		
Water administration	909,501	-
Water operations	3,775,830	-
Sewer operations	4,409,009	-
Garbage operations	3,427,343	-
Other operations	-	37
Depreciation	3,766,520	-
Amortization	14,000	-
Total operating expenses	16,302,203	37
OPERATING INCOME	1,841,791	-
NON-OPERATING REVENUES (EXPENSES)		
Interest expense	(143,463)	-
Investment income	513,368	-
Intergovernmental income	51,106	-
Miscellaneous income	116,955	-
Gain (loss) on sale of capital asset	4,300	-
Tap-on fees	766,840	-
Total non-operating revenues (expenses)	1,309,106	-
INCOME BEFORE CONTRIBUTIONS AND CAPITAL GRANTS	3,150,897	-
CONTRIBUTIONS AND CAPITAL GRANTS		
Capital contributions	1,162,604	-
Capital grants	140,192	-
Total contributions and capital grants	1,302,796	-
CHANGE IN NET POSITION	4,453,693	-
NET POSITION, JANUARY 1	104,251,277	-
NET POSITION, DECEMBER 31	$ 108,704,970	$ -

See accompanying notes to financial statements.

CITY OF LOCKPORT, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customer and users	$ 15,561,281	$ 37
Receipts from others	116,955	-
Payments to employees	(3,144,632)	-
Payments to suppliers	(8,999,330)	-
Net cash from operating activities	3,534,274	37
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Intergovernmental income	51,106	-
Tap-on fees	766,840	-
Net cash from noncapital financing activities	817,946	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases and construction of capital assets	(6,121,745)	-
Receipts from capital grants	140,192	-
Receipts from sale of assets	4,300	-
Principal paid on long-term debt	(840,113)	-
Interest paid on long-term debt	(151,823)	-
Net cash from capital and related financing activities	(6,969,189)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	509,146	-
Net cash from investing activities	509,146	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,107,823)	37
CASH AND CASH EQUIVALENTS, JANUARY 1	16,760,676	663,845
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 14,652,853	$ 663,882

(This statement is continued on the following page.)

CITY OF LOCKPORT, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2025

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	$ 1,841,791	$ -
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation	3,766,520	-
Amortization	14,000	-
Miscellaneous income	116,955	-
Changes in assets and liabilities		
Accounts receivable	(378,191)	-
Inventory	37,652	-
Prepaid items	7,713	-
Accounts payable	47,585	-
Accrued payroll	7,306	-
Unearned revenue	(2,204,522)	-
Compensated absences	20,592	37
Other liabilities	(1,462)	-
Pension items - IMRF	217,367	-
OPEB items	40,968	-
NET CASH FROM OPERATING ACTIVITIES	$ 3,534,274	$ 37
NONCASH ACTIVITIES		
Capital contributions	$ 1,162,604	$ -
Capital assets financed by accounts payable	(1,549,067)	-
TOTAL NONCASH ACTIVITIES	$ (386,463)	$ -

See accompanying notes to financial statements.

CITY OF LOCKPORT, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND

December 31, 2025

	Police Pension
ASSETS	
Cash and cash equivalents	$ 15,018
Investments, at fair value	
Money market mutual funds	412,216
Illinois Police Officer's Pension Investment Fund	45,783,014
Accrued interest receivable	
Prepaid items	6,552
Due from City	14,675
Total assets	46,231,475
LIABILITIES	
Accounts payable	1,615
Total liabilities	1,615
NET POSITION RESTRICTED FOR PENSION BENEFITS	$ 46,229,860

See accompanying notes to financial statements.

CITY OF LOCKPORT, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND

For the Year Ended December 31, 2025

	Police Pension
ADDITIONS	
Contributions	
Employer	$ 2,100,000
Employee	879,095
Total contributions	2,979,095
Investment income	
Net appreciation in fair value of investments	6,670,970
Interest	233,542
Total investment income	6,904,512
Less investment expense	(42,336)
Net investment income	6,862,176
Total additions	9,841,271
DEDUCTIONS	
Retirement and disability benefits	2,237,238
Administrative expenses	41,260
Total deductions	2,278,498
NET INCREASE	7,562,773
NET POSITION RESTRICTED FOR PENSION BENEFITS	
January 1	38,667,087
December 31	$ 46,229,860

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The City, a home rule city, was founded in 1830. The City is governed by a mayor-council form of government. As required by GAAP, these financial statements present the City (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government. A fiduciary component unit, although legally separate, is in substance, part of the City's operations and so data from this unit is combined with the data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column on the government-wide financial statements to emphasize it is legally separate from the City.

Pension Trust Fund

The City's financial statements include the Police Pension System (PPS) as a fiduciary component unit reported as a Pension Trust Fund. The City's sworn police employees participate in PPS. PPS functions for the benefit of those employees and is governed by a five-member Pension Board. Two members appointed by the Mayor, one elected pension beneficiary and two elected police officers constitute the Pension Board. The City and PPS participants are obligated to fund all PPS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of the contribution levels. Accordingly, the PPS is fiscally dependent on the City. Separate financial statements are not available for PPS.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Potential Component Units

The City has excluded the Bonnie Brae Forest Manor Sanitary District and the Lockport Heights Sanitary District from the City's reporting entity as the districts are not fiscally dependent on the City and do not provide a financial benefit or burden on the City. The City and the two sanitary districts entered into an intergovernmental agreement on August 16, 2000, under which the City assumed day-to-day operation of the two sanitary districts; however, the districts are governed by their own separate boards.

b. Fund Accounting

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. The costs for interfund services provided/used between funds are not eliminated in the process of the consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

The City reports the following major governmental funds:

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

The Motor Fuel Tax Fund accounts for funds received from the State of Illinois Motor Fuel Tax that are used for operating and maintaining local streets and roads.

The Capital Projects Fund accounts for various capital projects that the City funds with various restricted, committed and assigned revenues.

The City reports the following major proprietary funds:

The Waterworks and Sewerage Fund, an enterprise fund, accounts for the provision of water and sewer services and garbage services to the residents of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following proprietary funds:

The Internal Service Fund accounts for the City's employee benefits, including vacation and sick leave provided to other departments of the City on a cost reimbursement basis. These are reported as part of the governmental activities on the government-wide financial statements as the fund provides these services to the City's governmental funds/activities.

The City reports the following fiduciary fund:

The Police Pension Fund, a Pension Trust Fund, is used to accumulate resources for pension benefit payments to qualified police personnel.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both "measurable" and "available." Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The City reports unavailable/deferred and unearned revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or year intended to finance criteria for recognition in the current period. Unearned revenues arise when resources are received by the City before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflow of resources for unavailable/deferred and unearned revenue is removed from the financial statements and revenue is recognized.

e. Deposits and Investments

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

Cash and investments of the City are pooled into a common pooled account in order to maximize investment opportunities. Each fund whose monies are deposited into the pooled account has equity herein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's equity in the pooled account is available upon demand and is considered to be a cash equivalent when preparing these financial statements. Each fund's portion of the pool is displayed on its respective balance sheet/statement of net position as cash and cash equivalents.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These short-term receivables and payables are classified as "due from other funds" or "due to other funds" on the financial statements. Long-term portions, if any, are classified as "advances to other funds" or "advances from other funds."

g. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method and are accounted for on the consumption method.

h. Prepaid Items/Expenses

Payments in governmental funds made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses. Prepaid expenditures are recognized on the consumption method in governmental funds.

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess $20,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Intangible right-to-use assets represent the City's right-to-use leased assets and subscriptions. These intangible assets, as defined by GASB Statement No. 87, *Leases*, and GASB Statement No. 96, S*ubscription-Based Information Technology Arrangements*, are for lease contracts of nonfinancial assets including equipment and software. Intangibles are amortized over the shorter of the lease/subscription term or useful life of the intangible asset.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

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

	Years
Building and improvements	10-50
Machinery and equipment	5-20
Transportation equipment	5-10
Infrastructure	30-50

j. Compensated Absences

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

Accumulated unpaid vacation, sick pay and other employee benefit amounts for governmental fund types are accrued in these funds as a current liability to the extent that employees have retired or terminated at year end but have not been paid. The remaining liability is reported in the Internal Service Fund.

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Balances/Net Position

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

The City has established a fund balance policy for its General Fund that targets unrestricted fund balance at 120 days (four months) of estimated operating expenditures. The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned funds and then unassigned funds.

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

None of the City's restricted net position or fund balances results from enabling legislation adopted by the City.

m. Deferred Outflows/Inflows of Resources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Interfund Transactions

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

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

o. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

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

The City's investment policy authorizes the City to make deposits/invest in insured financial institutions, obligations of the U.S. Treasury and U.S. agencies, municipal bonds, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations and The Illinois Funds. The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants,* and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Marine Bank Building, 1 East Old State Capitol Plaza, Springfield, Illinois 62701-1320.

The Illinois Trust is a diversified, open-end, actively managed investment trust designed to address the short-term cash investment needs of Illinois public investors, including school districts, municipalities and their political subdivisions and agencies. The Illinois Portfolio - IIIT Class is a short-term liquid portfolio and cash management vehicle rated AAA by

2. DEPOSITS AND INVESTMENTS (Continued)

Standard & Poor's and is permitted as an investment for all local governments pursuant to the Illinois Public Fund Investment Act, 30 ILCS 235/1 et seq. The investments is not registered with the SEC as an Investment Company. Investments in the IIIT Class are valued at the share price, the price for which an investment could be sold. The IIIT Class does not have any limitations or restrictions on participant withdrawals.

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

a. City Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the City's deposits may not be returned to it. The City's investment policy requires pledging of collateral with a fair value of 105% of all bank balances in excess of federal depository insurance with the collateral held by the City or the City's agent in the City's name. The City's deposits with the Illinois Funds and the Illinois Portfolio - IIIT Class are not subject to custodial credit risk. The City's deposits were fully collateralized as of December 31, 2025.

b. City Investments

The following table presents the investments and maturities of the City's debt securities as of December 31, 2025:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	$ 1,951,433	$ 586,904	$ 1,364,529	$ -	$ -
U.S. Agency obligations	200,653	-	200,653	-	-
Municipal bonds	175,944	49,451	126,493	-	-
Negotiable certificates of deposit	1,141,469	757,570	383,899	-	-
TOTAL	$ 3,469,499	$ 1,393,925	$ 2,075,574	$ -	$ -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a two-year period. The investment policy limits the maximum maturity length of investments two years from date of purchase, except for reserve funds. Investments in reserve funds may be purchased with maturities to match future projects or liability requirements.

2. DEPOSITS AND INVESTMENTS (Continued)

b. City Investments (Continued)

Additionally, the City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of December 31, 2025: the U.S. Treasury obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs). The municipal bonds, U.S. Agency Securities, and negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs).

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in certificates of deposit at $250,000 or less each and money market mutual funds. The U.S. Treasury obligations and corporate bonds are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the City's name. IMET and money market mutual funds are not subject to custodial credit risk.

Concentration of Credit Risk - The City's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle to 50% of the portfolio, excluding U.S. Treasury obligations.

The City's investment policy does not specifically prohibit the use of or the investment in derivatives.

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2025 levy year attach as an enforceable lien on January 1, 2025, on property values assessed as of the same date. Taxes are levied by December of the same year by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about May 1 and August 1, and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. Since the levy is intended to fund the 2026 fiscal year, the levy has been recorded as a receivable and unavailable/deferred revenue as of December 31, 2025.

4. CAPITAL ASSETS

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

	Balances January 1	Additions	Retirements	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 3,703,890	$ 59,174	$ -	$ 3,763,064
Land right of way	23,386,033	7,880	-	23,393,913
Construction in progress	6,380,908	9,386,485	3,101,652	12,665,741
Permanent easements	986,534	33,104	-	1,019,638
Total capital assets not being depreciated	34,457,365	9,486,643	3,101,652	40,842,356
Capital assets being depreciated/ amortized				
Building and improvements	16,312,275	47,970	-	16,360,245
Transportation equipment	7,868,817	301,583	131,333	8,039,067
Infrastructure	159,258,737	3,444,237	219,273	162,483,701
Lease assets				
Equipment	57,508	-	-	57,508
Subscription assets	325,881	-	-	325,881
Total capital assets being depreciated/amortized	183,823,218	3,793,790	350,606	187,266,402
Less accumulated depreciation/ amortization				
Building and improvements	6,427,791	445,869	-	6,873,660
Transportation equipment	3,977,643	570,528	131,333	4,416,838
Infrastructure	63,773,325	4,145,386	158,427	67,760,284
Lease assets				
Equipment	11,502	11,502	-	23,004
Subscription assets	65,178	65,178	-	130,356
Total accumulated depreciation	74,255,439	5,238,463	289,760	79,204,142
Total capital assets being depreciated/ amortized, net	109,567,779	(1,444,673)	60,846	108,062,260
TOTAL GOVERNMENTAL ACTIVITIES, NET	$ 144,025,144	$ 8,041,970	$ 3,162,498	$ 148,904,616

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

GOVERNMENTAL ACTIVITIES	
General administration	$ 184,211
Police and animal control	395,990
Buildings, planning and development	6,777
Streets and yard waste	4,145,386
Public works	506,099
TOTAL DEPRECIATION/AMORTIZATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 5,238,463

4. CAPITAL ASSETS (Continued)

	Balances January 1	Additions	Retirements	Balances December 31
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	$ 301,991	$ -	$ -	$ 301,991
Construction in progress	13,236,471	3,662,723	4,159,869	12,739,325
Total capital assets not being depreciated	13,538,462	3,662,723	4,159,869	13,041,316
Capital assets being depreciated				
Building and improvements	11,868,028	-	-	11,868,028
Transportation equipment	3,777,857	397,510	-	4,175,367
Water distribution, storm and sanitary system infrastructure	114,889,285	5,304,512	-	120,193,797
Total capital assets being depreciated	130,535,170	5,702,022	-	136,237,192
Less accumulated depreciation for				
Building and improvements	4,966,566	282,864	-	5,249,430
Transportation equipment	2,154,825	257,353	-	2,412,178
Water distribution, storm and sanitary system infrastructure	36,139,238	3,226,303	-	39,365,541
Total accumulated depreciation	43,260,629	3,766,520	-	47,027,149
Total capital assets being depreciated, net	87,274,541	1,935,502	-	89,210,043
TOTAL BUSINESS-TYPE ACTIVITIES, NET	$ 100,813,003	$ 5,598,225	$ 4,159,869	$ 102,251,359

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

BUSINESS-TYPE ACTIVITIES	
Waterworks and sewerage	$ 3,766,520

5. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In response to this exposure, the City has purchased insurance through traditional policies. Settled risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City is a member of the Southwest Agency for Health Management (SWAHM), an agency comprised of eight communities formed to be a single member in the Intergovernmental Personnel Benefits Cooperative (IPBC) which administers personnel benefits (primarily medical, dental and life insurance coverage) on behalf of its members. Premiums are paid monthly to another member of SWAHM, which is responsible for collecting all monies and remitting them to IPBC.

5. RISK MANAGEMENT (Continued)

IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs offered by these members to their officers and employees and to the officers and employees of certain governmental, quasi-governmental and nonprofit public service entities. IPBC receives, processes and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers; a Benefit Administrator and a Treasurer. The City, through its membership in SWAHM, does not exercise any control over the activities of IPBC beyond SWAHM's representation on the Board of Directors.

6. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

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

	Balances January 1	Issuances	Retired	Balances December 31	Current Portion
General obligation bonds	$ 6,255,000	$ -	$ 1,955,000	$ 4,300,000	$ 2,035,000
Unamortized premium	96,847	-	44,324	52,523	-
Leases payable	45,203	-	10,725	34,478	11,100
SBITAs payable	256,152	-	60,777	195,375	62,901
Developer note payable	-	2,000,000	-	2,000,000	333,333
Total OPEB liability*	4,472,526	-	143,311	4,329,215	215,378
Net pension liability - IMRF*	552,734	241,546	-	794,280	-
Net pension liability - Police Pension*	12,251,237	-	5,077,277	7,173,960	-
Compensated absences**	796,953	74,369	-	871,322	805,638
TOTAL GOVERNMENTAL ACTIVITIES	$ 24,726,652	$ 2,315,915	$ 7,291,414	$ 19,751,153	$ 3,463,350

*These liabilities are generally liquidated by the General Fund and the Internal Service Fund.

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

6. LONG-TERM DEBT (Continued)

a. Changes in Long-Term Liabilities (Continued)

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

	Balances January 1	Issuances	Retired	Balances December 31	Current Portion
IEPA loans	$ 7,392,403	$ -	$ 840,113	$ 6,552,290	$ 859,615
Total OPEB liability	1,079,511	-	30,399	1,049,112	45,686
Net pension liability - IMRF	487,726	161,031	-	648,757	-
Compensated absences*	238,854	20,592	-	259,446	239,188
Asset retirement obligation	700,000	-	-	700,000	-
TOTAL BUSINESS-TYPE ACTIVITIES	$ 9,898,494	$ 181,623	$ 870,512	$ 9,209,605	$ 1,144,489

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

b. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledges the full faith and credit of the City and are payable from governmental activities/funds and business-type activities/enterprise funds. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 30	Current Portion
$9,835,000 General Obligation Limited Tax Bonds of 2018, due in annual installments of $625,000 to $1,150,000 through December 30, 2028, interest at 3% payable each June 30 and December 30.	Bond Sinking	$ 4,400,000	$ -	$ 1,050,000	$ 3,350,000	$ 1,085,000
$1,855,000 General Obligation Bonds of 2023, due in two installments of $905,000 to $950,000 through December 30, 2026, interest at 5.0% payable each June 30 and December 30.	Bond Sinking	1,855,000	-	905,000	950,000	950,000
TOTAL		$ 6,255,000	$ -	$ 1,955,000	$ 4,300,000	$ 2,035,000

6. LONG-TERM DEBT (Continued)

c. IEPA Loans

The City, through the Illinois Environmental Protection Agency (IEPA), received low interest loans for the construction of water system improvements and wastewater treatment facilities payable from water and sewer fees. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances January 1	Additions	Retirements	Balances December 30	Current Portion
IEPA Loan II	Waterworks and Sewerage	$ 2,641,149	$ -	$ 575,977	$ 2,065,172	$ 590,467
IEPA Loan III	Waterworks and Sewerage	1,226,053	-	81,840	1,144,213	83,188
IEPA Loan IV	Waterworks and Sewerage	3,525,201	-	182,296	3,342,905	185,960
TOTAL		$ 7,392,403	$ -	$ 840,113	$ 6,552,290	$ 859,615

d. Leases Payable

The City entered into an agreement with Axon Enterprises, Inc. in relation to body cameras used by the City's Police Department. The agreement began in January 2024 and the period spans five years, ending in December 2028. In relation to the agreement, the City has recognized a lease liability measured at the present value of payments expected during the lease term and an intangible right-to-use asset for equipment included in capital assets and amortized over the life of the lease in accordance with GASB Statement No. 87, *Leases*. The right-to-use assets related to equipment acquired through the lease component of the agreement have a cost of $57,508 and related accumulated amortization of $23,004, which equals a net book value of $34,504 as of December 31, 2025.

e. SBITAs Payable

The City has recognized a right-to-use subscription asset measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before the commencement of the subscription term, and (3) capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The City has also recognized a corresponding subscription liability measured at the present value of subscription payments expected to be made during the subscription term. The right-to-use subscription asset acquired through the agreement has a cost of $325,881 and related amortization of $130,356, which equals a net book value of $195,525 as of December 31, 2025.

6. LONG-TERM DEBT (Continued)

f. Developer Note Payable

The City entered into a note payable agreement for redevelopment of vacant land and property. The City has agreed to provide a total economic incentive of $2,000,000, paid in annual installments of $333,333, for six years after the first certificate of occupancy is obtained. Installment payments are expected to begin in 2026.

g. Debt Service Requirements to Maturity

Debt service requirements to maturity are as follows:

Governmental Activities

Fiscal Year Ending December 31,	General Obligation Bonds	
	Principal	Interest
2026	$ 2,035,000	$ 148,575
2027	1,115,000	68,525
2028	1,150,000	35,075
TOTAL	$ 4,300,000	$ 252,175

Fiscal Year Ending December 31,	Leases Payable	
	Principal	Interest
2026	$ 11,100	$ 1,205
2027	11,488	817
2028	11,890	415
TOTAL	$ 34,478	$ 2,437

Fiscal Year Ending December 31,	SBITAs Payable	
	Principal	Interest
2026	$ 62,901	$ 6,828
2027	65,099	4,630
2028	67,375	2,354
TOTAL	$ 195,375	$ 13,812

6. LONG-TERM DEBT (Continued)

g. Debt Service Requirements to Maturity (Continued)

Governmental Activities (Continued)

Fiscal Year Ending December 31,	Developer Note Payable	
	Principal	Interest
2026	$ 333,333	$ -
2027	333,333	-
2028	333,333	-
2029	333,333	-
2030	333,333	-
2031	333,335	-
TOTAL	$ 2,000,000	$ -

Business-Type Activities

Fiscal Year Ending December 31,	IEPA Loans	
	Principal	Interest
2026	$ 859,615	$ 132,320
2027	879,576	112,359
2028	900,009	91,926
2029	533,601	71,581
2030	290,172	63,334
2031-2035	1,535,649	231,883
2036-2040	1,428,969	84,529
2041	124,699	1,247
TOTAL	$ 6,552,290	$ 789,179

h. Conduit Debt

The City, through participation in an intergovernmental agreement with several other Illinois municipalities, has issued $250,000,000 in Collateralized Single Family Mortgage Revenue Bonds to provide financial assistance to low and moderate income residents for the purchase of single family homes. The bonds are secured by the property financed and are payable solely from the payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the subject property is transferred to the purchaser. None of the participating municipalities are obligated in any manner for the repayment of the bonds and, accordingly, no liability is recorded in the accompanying financial statements.

6. LONG-TERM DEBT (Continued)

i. Asset Retirement Obligations

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various deep water wells 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 useful lives of the water wells is 50 years.

7. INDIVIDUAL FUND DISCLOSURES

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

	Transfers In	Transfers Out
General Fund	$ -	$ 1,760,000
Capital Projects Fund	1,760,000	1,182,900
Nonmajor Governmental Funds	1,182,900	-
TOTAL	$ 2,942,900	$ 2,942,900

The purposes of significant interfund transfers are as follows:

- $1,760,000 transferred to the Capital Projects Fund from the General Fund for a budgeted drawdown on fund balance.

- $1,182,900 transferred to the Nonmajor Governmental Funds (Bond Sinking Fund) from the Capital Projects Fund for long-term debt principal and interest payments.

8. TAX ABATEMENTS

The City has entered into an economic incentive agreement with an entity whereby the City has agreed to reimburse the commercial entity through hotel tax rebates. The economic incentive agreement has a term of 20 years. If the entity ceases to operate the hotel and the hotel closes, the entity is obligated to refund certain rebates based on the closing date. The terms of the rebate arrangement is specified within a written agreement with the business concerned as allowed under the Illinois Compiled Statute Municipal Code (65 ILCS 5/8-11-20). These agreements are authorized through formal approval by the City Council. The City has rebated hotel tax during the year ended December 31, 2025 in the amount of $137,956. Future contingent rebates of approximately $2,837,857 in hotel taxes may be rebated if certain criteria are met in future years.

8. TAX ABATEMENTS (Continued)

The City has entered into two economic incentive agreements with entities whereby the City has agreed to reimburse the commercial entities through sales tax rebates. The economic incentive agreements have terms of 20 to 25 years. If either entity ceases to operate the business and the business closes, the entity is obligated to refund certain rebates based on the closing date. The terms of the rebate arrangement is specified within a written agreement with the business concerned as allowed under the Illinois Compiled Statute Municipal Code (65 ILCS 5/8-11-20). These agreements are authorized through formal approval by the City Council. The City has rebated sales tax during the year ended December 31, 2025 in the amount of $297,898. Future contingent rebates of approximately $17,409,709 in sales taxes may be rebated if certain criteria are met in future years.

The City has entered into an economic incentive agreement with an entity whereby the City has agreed to reimburse the commercial entity through motor fuel tax rebates. The economic incentive agreement has a term of three years. If the entity ceases to operate the business and the business closes, the entity is obligated to refund certain rebates based on the closing date. The terms of the rebate arrangement is specified within a written agreement with the business concerned as allowed under the Illinois Compiled Statute Municipal Code (65 ILCS 5/8-11-20). These agreements are authorized through formal approval by the City Council. The City rebated motor fuel tax during the year ended December 31, 2025 in the amount of $108,465. Future contingent rebates of approximately $231,260 in motor fuel taxes may be rebated if certain criteria are met in future years.

9. DEFINED BENEFIT PENSION PLANS

The City contributes to two defined benefit pension plans: the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org.

The table below is a summary for all pension plans as of and for the year ended December 31, 2025:

	IMRF	Police Pension	Total
Net pension liability	$ 1,443,037	$ 7,173,960	$ 8,616,997
Deferred outflows of resources	1,566,722	2,445,258	4,011,980
Deferred inflows of resources	21,166	4,052,665	4,073,831
Pension expense (income)	947,429	1,102,623	2,050,052

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

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

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

Plan Membership

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

Inactive employees or their beneficiaries currently receiving benefits	60
Inactive employees entitled to but not yet receiving benefits	68
Active employees	68
TOTAL	196

Benefits Provided

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

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the year ended December 31, 2025 was 6.44% of covered payroll.

Net Pension Liability

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

Actuarial valuation date	December 31, 2024
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Cost of living adjustments	2.75%
Asset valuation method	Fair value

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

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

Long-Term Expected Rate of Return

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	33.50%	4.35%
International equity	18.00%	5.40%
Fixed income	24.50%	5.20%
Real estate	10.50%	6.40%
Alternative investments	12.50%	4.85% to 6.25%
Cash equivalents	1.00%	3.60%
TOTAL	100.00%	

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2024	$ 25,247,266	$ 24,206,806	$ 1,040,460
Changes for the period			
Service cost	484,516	-	484,516
Interest	1,808,894	-	1,808,894
Difference between expected and actual experience	623,496	-	623,496
Changes in assumptions	-	-	-
Employer contributions	-	363,874	(363,874)
Employee contributions	-	267,649	(267,649)
Net investment income	-	2,375,766	(2,375,766)
Benefit payments and refunds	(1,078,533)	(1,078,533)	-
Other (net transfer)	-	(492,960)	492,960
Net changes	1,838,373	1,435,796	402,577
BALANCES AT DECEMBER 31, 2024	$ 27,085,639	$ 25,642,602	$ 1,443,037

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2025, the City recognized pension expense of $947,429. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 635,531	$ 21,166
Changes in assumption	409	-
Net difference between projected and actual earnings on pension plan investments	526,771	-
Employer contributions after the measurement date	404,011	-
TOTAL	$ 1,566,722	$ 21,166

$404,011 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending December 31,	
2026	$ 533,472
2027	912,777
2028	(173,734)
2029	(130,970)
2030	-
Thereafter	-
TOTAL	$ 1,141,545

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	$ 4,968,773	$ 1,443,037	$ (1,250,121)

Police Pension Plan

Plan Administration

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

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

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At December 31, 2024 (most recent data available), the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	25
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	40
TOTAL	68

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired as a police officer prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the 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; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded.

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Police Pension Plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the City has elected to fund 100% of the past service cost by 2033. For the year ended December 31, 2025, the City's contribution was 44.80% of covered payroll.

Illinois Police Officers' Pension Investment Fund

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Deposits with Financial Institutions

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

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

Investments

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

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at December 31, 2025.

Net Asset Value

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was $45,783,014 at December 31, 2025. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2025. The plan may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Rate of Return

For the year ended December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2025	$ 50,918,324	$ 38,667,087	$ 12,251,237
Changes for the period			
Service cost	1,109,979	-	1,109,979
Interest	3,487,886	-	3,487,886
Difference between expected and actual experience	124,869	-	124,869
Changes in assumptions	-	-	-
Changes of benefit terms	-	-	-
Employer contributions	-	2,100,000	(2,100,000)
Employee contributions	-	879,095	(879,095)
Net investment income	-	6,862,176	(6,862,176)
Benefit payments and refunds	(2,237,238)	(2,237,238)	-
Administrative expense	-	(41,260)	41,260
Net changes	2,485,496	7,562,773	(5,077,277)
BALANCES AT DECEMBER 31, 2025	$ 53,403,820	$ 46,229,860	$ 7,173,960

The funded ratio at December 31, 2025 was 86.60%.

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation as of January 1, 2025, using the following actuarial methods and assumptions. The total pension liability was rolled forward by the actuary using updating procedures to December 31, 2025.

Actuarial valuation date	January 1, 2025
Measurement date	December 31, 2025
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.00% to 9.93%
Interest rate	7.00%
Cost of living adjustments	2.50%
Asset valuation method	Fair value

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

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 7% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	$ 15,270,846	$ 7,173,960	$ 588,809

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2025, the City recognized police pension expense of $1,102,623. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,247,960	$ 977,965
Changes in assumption	1,197,298	-
Net difference between projected and actual earnings on pension plan investments	-	3,074,700
TOTAL	$ 2,445,258	$ 4,052,665

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

Year Ending December 31,	
2026	$ 317,465
2027	(1,191,703)
2028	(761,320)
2029	(642,293)
2030	292,549
Thereafter	377,895
TOTAL	$ (1,607,407)

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the City provides postemployment health benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan does not issue a separate report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

b. Benefits Provided

The City provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans or meet COBRA requirements.

All health care benefits are provided through the City's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. The City pays 50% to 100% of the premium of certain retirees until they reach the age of 65. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is removed from the City's health and life insurance plans. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime.

c. Membership

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

Inactive employees currently receiving benefit payments	13
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	107
TOTAL	120
Participating employers	1

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Total OPEB Liability

The City's total OPEB liability of $5,378,327 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2025.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2025, as determined by an actuarial valuation as of January 1, 2025 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to December 31, 2025, including updating the discount rate, as noted below.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	3.00%
Discount rate	4.83%
Healthcare cost trend rates	7.80% to 7.90% Initial, 5.00% Ultimate

The discount rate used in the determination of the total OPEB liability is based on the municipal bond rate. The municipal bond rate was based on the index rate for 20-year tax exempt general obligation municipal bonds rated AA or better at December 31, 2025.

Mortality rates for IMRF were based on PubG-2010(B) Improved Generationally using MP-2020 Improvement rates, weighted per IMRF Experience Study dated January 4, 2024.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT JANUARY 1, 2025	$ 5,552,037
Changes for the period	
Service cost	205,222
Interest	221,198
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	(339,066)
Benefit payments	(261,064)
Net changes	(173,710)
BALANCES AT DECEMBER 31, 2025	$ 5,378,327

Changes in assumption related to the discount rate; the discount rate was increased from 4.08% for the fiscal year ended December 31, 2024 to 4.83% to better reflect the current high-quality fixed income environment..

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 4.83% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.83%) or 1 percentage point higher (5.83%) than the current rate:

	1% Decrease (3.83%)	Current Discount Rate (4.83%)	1% Increase (5.83%)
Total OPEB liability	$ 5,835,067	$ 5,378,327	$ 4,958,520

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

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

	1% Decrease	Current Healthcare Rate	1% Increase
Total OPEB liability	$ 4,785,970	$ 5,378,327	$ 6,065,315

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

For the year ended December 31, 2025, the City recognized OPEB expense of $495,168. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 676,552	$ 214,220
Changes in assumptions	1,023,147	666,942
TOTAL	$ 1,699,699	$ 881,162

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

Year Ending December 31,	
2026	$ 68,748
2027	68,748
2028	68,748
2029	70,244
2030	129,409
Thereafter	412,640
TOTAL	$ 818,537

11. CHANGE WITHIN FINANCIAL REPORTING ENTITY

The City's beginning fund balances were adjusted due to a change within the reporting entity, in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*. The Motor Fuel Tax Fund was reported as nonmajor for the fiscal year ended December 31, 2024, and is reported as major for the fiscal year ended December 31, 2025. The effect of this change is as follows:

	Motor Fuel Tax	Nonmajor Governmental
BEGINNING FUND BALANCE, AS REPORTED	$ -	$ 5,682,940
Change within financial reporting entity	4,889,640	(4,889,640)
Total net restatement	4,889,640	(4,889,640)
BEGINNING FUND BALANCE, AS RESTATED	$ 4,889,640	$ 793,300

12. SUBSEQUENT EVENT

The City received approval from the Illinois Environmental Protection Agency for a loan in an amount not to exceed $60 million through the IEPA Water Pollution Control Loan program to finance eligible water and wastewater infrastructure improvements. Loan proceeds will be disbursed on a reimbursement basis as project costs are incurred and approved by the IEPA. Accordingly, amounts will be drawn incrementally over the construction period based on eligible expenditures submitted for reimbursement.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LOCKPORT, ILLINOIS

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
Property levies, net	$ 6,989,000	$ 6,989,000	$ 7,015,877	$ 26,877
Sales	5,225,000	5,225,000	6,565,429	1,340,429
Other	635,000	635,000	754,710	119,710
Intergovernmental				
Shared income taxes	4,590,000	4,590,000	4,705,904	115,904
Personal property replacement	175,000	175,000	108,969	(66,031)
Grants	660,000	660,000	431,189	(228,811)
Contributions and donations	17,000	17,000	19,170	2,170
Charges for services				
Licenses, permits and inspections	1,546,000	1,546,000	2,124,873	578,873
Fines, forfeitures and penalties	593,100	593,100	687,218	94,118
Investment income	511,000	511,000	573,781	62,781
Miscellaneous				
Refunds and reimbursements	487,000	487,000	558,765	71,765
Other	102,000	102,000	210,920	108,920
Total revenues	21,530,100	21,530,100	23,756,805	2,226,705
EXPENDITURES				
Current				
General administration	3,715,000	3,715,000	3,537,493	(177,507)
Police and animal control	11,071,700	11,071,700	10,243,604	(828,096)
Building, planning and development	2,754,200	2,754,200	4,243,765	1,489,565
Streets and yard waste	2,874,500	2,874,500	2,574,567	(299,933)
Public works	466,800	466,800	377,071	(89,729)
Debt service				
Principal retirement	-	-	71,502	71,502
Interest and fiscal charges	-	-	10,532	10,532
Total expenditures	20,882,200	20,882,200	21,058,534	176,334
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	647,900	647,900	2,698,271	2,050,371
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(1,760,000)	(1,760,000)	(1,760,000)	-
Developer note issuance	-	-	1,515,619	1,515,619
Total other financing sources (uses)	(1,760,000)	(1,760,000)	(244,381)	1,515,619
NET CHANGE IN FUND BALANCE	$ (1,112,100)	$ (1,112,100)	2,453,890	$ 3,565,990
FUND BALANCE, JANUARY 1			15,745,387	
FUND BALANCE, DECEMBER 31			$ 18,199,277	

(See independent auditor's report.)

CITY OF LOCKPORT, ILLINOIS

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
Motor fuel tax allotments	$ 1,180,000	$ 1,180,000	$ 1,359,815	$ 179,815
Investment income	100,000	100,000	171,213	71,213
Total revenues	1,280,000	1,280,000	1,531,028	251,028
EXPENDITURES				
Current				
Streets and yard waste	3,776,800	3,776,800	3,595,426	(181,374)
Total expenditures	3,776,800	3,776,800	3,595,426	(181,374)
NET CHANGE IN FUND BALANCE	$ (2,496,800)	$ (2,496,800)	(2,064,398)	$ 432,402
FUND BALANCE, JANUARY 1			4,889,640	
FUND BALANCE, DECEMBER 31			$ 2,825,242	

(See independent auditor's report.)

CITY OF LOCKPORT, ILLINOIS

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

Last Eight Fiscal Years

MEASUREMENT DATE MAY 31,	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL OPEB LIABILITY								
Service cost	$ 102,113	$ 93,311	$ 122,985	$ 177,720	$ 183,984	$ 122,702	$ 137,629	$ 205,222
Interest	139,345	156,581	124,475	86,492	84,771	141,826	129,131	221,198
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	(534,752)	-	156,406	-	705,310	-
Changes of assumptions	(222,232)	734,101	60,047	(9,350)	(475,961)	131,112	730,410	(339,066)
Benefit payments, including refunds of member contributions	(237,958)	(257,069)	(264,984)	(206,670)	(232,406)	(271,149)	(223,035)	(261,064)
Net change in total OPEB liability	(218,732)	726,924	(492,229)	48,192	(283,206)	124,491	1,479,445	(173,710)
Total OPEB liability - beginning	4,167,152	3,948,420	4,675,344	4,183,115	4,231,307	3,948,101	4,072,592	5,552,037
TOTAL OPEB LIABILITY - ENDING	$ 3,948,420	$ 4,675,344	$ 4,183,115	$ 4,231,307	$ 3,948,101	$ 4,072,592	$ 5,552,037	$ 5,378,327
Covered-employee payroll	$ 7,151,324	$ 8,721,379	$ 8,110,731	$ 8,148,118	$ 8,626,251	$ 9,149,251	$ 10,477,401	$ 10,986,700
Employer's total OPEB liability as a percentage of covered-employee payroll	55.21%	53.61%	51.58%	51.93%	45.77%	44.51%	52.99%	48.95%

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

In 2018, because it was an implementation year of GASB 74/75, the beginning Total OPEB Liability was based on the same data and plan provisions as the ending Total OPEB Liability. For the purpose of developing changes in OPEB Liability for GABS 74/75 reporting, the only change in assumptions was the discount rate.

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

In 2020, changes in assumptions related to medical costs and the discount rate.

In 2021, changes in assumption related to mortality rates, improvement rates, retirement rates, termination rates, disability rates, and the discount rate.

In 2022, changes in assumptions related to medical costs and the discount rate.

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

In 2024, changes in assumptions related to inflation rate, retirement rates, termination rates, disability rates, mortality rates, mortality improvement rates, and medical costs.

In 2025, changes in assumptions related to the change in discount rate.

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

CITY OF LOCKPORT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	$ 427,432	$ 443,314	$ 450,166	$ 395,645	$ 476,021	$ 505,102	$ 385,582	$ 316,362	$ 362,812	$ 404,011
Contributions in relation to the actuarially determined contribution	427,405	449,605	450,166	395,645	476,021	505,102	385,582	316,362	362,812	404,011
CONTRIBUTION DEFICIENCY (Excess)	$ 27	$ (6,291)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,864,663	$ 3,990,221	$ 4,183,693	$ 4,258,829	$ 4,330,509	$ 4,766,811	$ 4,911,876	$ 5,381,595	$ 5,965,139	$ 6,272,670
Contributions as a percentage of covered payroll	11.06%	11.27%	10.76%	9.29%	10.99%	10.60%	7.85%	5.88%	6.08%	6.44%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 19 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.75% to 13.75% compounded annually and postretirement benefit increases of 2.50% compounded annually.

(See independent auditor's report.)

CITY OF LOCKPORT, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	$ 1,275,761	$ 1,397,864	$ 1,485,713	$ 1,457,974	$ 1,568,991	$ 1,796,688	$ 1,768,706	$ 1,613,628	$ 1,878,829	$ 2,021,464
Contributions in relation to the actuarially determined contribution	1,410,000	1,498,000	1,538,000	1,570,000	1,569,000	1,797,000	1,769,100	1,879,000	2,017,000	2,100,000
CONTRIBUTION DEFICIENCY (Excess)	$ (134,239)	$ (100,136)	$ (52,287)	$ (112,026)	$ (9)	$ (312)	$ (394)	$ (265,372)	$ (138,171)	$ (78,536)
Covered payroll	$ 3,657,558	$ 3,785,573	$ 3,396,143	$ 3,506,517	$ 3,880,330	$ 3,814,636	$ 3,914,694	$ 4,107,278	$ 4,521,881	$ 4,687,911
Contributions as a percentage of covered payroll	38.55%	39.57%	45.29%	44.77%	40.43%	47.11%	45.19%	45.75%	44.61%	44.80%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay (closed) with a remaining amortization period of 9.47 years; the asset valuation method was at five-year smoothed market value; and the significant actuarial assumptions were an investment rate of return at 7.00% annually, projected salary increases assumption of 3.75% to 9.68% compounded annually and postretirement benefit increases of 3.00% (Tier 1) and the lesser of 3.00% or the original benefit or 1/2 of the CPI-U applied to the original benefit compounded annually.

(See independent auditor's report.)

CITY OF LOCKPORT, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL PENSION LIABILITY										
Service cost	$ 398,439	$ 405,518	$ 416,215	$ 390,559	$ 440,536	$ 424,262	$ 404,716	$ 417,771	$ 474,681	$ 484,516
Interest	1,203,080	1,288,820	1,351,964	1,403,166	1,492,542	1,553,926	1,577,455	1,614,055	1,714,576	1,808,894
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	233,102	(81,955)	415,526	316,163	67,893	(131,745)	(395,786)	370,662	168,071	623,496
Changes of assumptions	24,273	(25,629)	(634,279)	674,304	-	(299,511)	-	-	821	-
Benefit payments, including refunds of member contributions	(691,616)	(700,960)	(845,298)	(862,507)	(1,000,052)	(1,292,250)	(1,132,994)	(1,043,175)	(1,045,729)	(1,078,533)
Net change in total pension liability	1,167,278	885,794	704,128	1,921,685	1,000,919	254,682	453,391	1,359,313	1,312,420	1,838,373
Total pension liability - beginning	16,187,656	17,354,934	18,240,728	18,944,856	20,866,541	21,867,460	22,122,142	22,575,533	23,934,846	25,247,266
TOTAL PENSION LIABILITY - ENDING	$ 17,354,934	$ 18,240,728	$ 18,944,856	$ 20,866,541	$ 21,867,460	$ 22,122,142	$ 22,575,533	$ 23,934,846	$ 25,247,266	$ 27,085,639
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 411,273	$ 427,405	$ 449,605	$ 450,166	$ 395,645	$ 473,323	$ 530,490	$ 385,582	$ 314,286	$ 363,874
Contributions - member	172,185	173,910	179,560	188,267	191,648	194,873	221,804	221,035	242,172	267,649
Net investment income	74,027	1,021,619	2,723,508	(964,727)	3,203,312	2,863,641	3,835,171	(3,143,720)	2,400,455	2,375,766
Benefit payments, including refunds of member contributions	(691,616)	(700,960)	(845,298)	(862,507)	(1,000,052)	(1,292,250)	(1,132,994)	(1,043,175)	(1,045,729)	(1,078,533)
Administrative expense	(102,997)	93,249	(116,404)	349,713	88,904	194,681	(583,246)	(88,351)	489,820	(492,960)
Net change in plan fiduciary net position	(137,128)	1,015,223	2,390,971	(839,088)	2,879,457	2,434,268	2,871,225	(3,668,629)	2,401,004	1,435,796
Plan fiduciary net position - beginning	14,859,503	14,722,375	15,737,598	18,128,569	17,289,481	20,168,938	22,603,206	25,474,431	21,805,802	24,206,806
PLAN FIDUCIARY NET POSITION - ENDING	$ 14,722,375	$ 15,737,598	$ 18,128,569	$ 17,289,481	$ 20,168,938	$ 22,603,206	$ 25,474,431	$ 21,805,802	$ 24,206,806	$ 25,642,602
EMPLOYER'S NET PENSION LIABILITY (ASSET)	$ 2,632,559	$ 2,503,130	$ 816,287	$ 3,577,060	$ 1,698,522	$ (481,064)	$ (2,898,898)	$ 2,129,044	$ 1,040,460	$ 1,443,037

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Plan fiduciary net position as a percentage of the total pension liability (asset)	84.80%	86.30%	95.70%	82.90%	92.20%	102.20%	112.80%	91.10%	95.90%	94.70%
Covered payroll	$ 3,749,074	$ 3,864,663	$ 3,990,221	$ 4,183,693	$ 4,258,829	$ 4,330,509	$ 4,766,810	$ 4,911,876	$ 5,381,595	$ 5,965,139
Employer's net pension liability (asset) as a percentage of covered payroll	70.22%	64.77%	20.46%	85.50%	39.88%	(11.11%)	(60.81%)	43.35%	19.33%	24.19%

Changes in assumptions related to the discount rate were made in 2015, 2016 and 2018.

Changes in assumptions related to price inflation and salary increases were made in 2017.

Changes in assumptions related to inflation rates, salary rate increases and mortality rates were made in 2020.

Changes in assumptions related to inflation rates, salary rate increases and mortality rates were made in 2023.

(See independent auditor's report.)

CITY OF LOCKPORT, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
TOTAL PENSION LIABILITY										
Service cost	$ 753,779	$ 806,544	$ 798,423	$ 824,742	$ 905,268	$ 905,834	$ 1,008,881	$ 966,596	$ 1,004,673	$ 1,109,979
Interest	2,165,803	2,243,918	2,366,673	2,443,569	2,602,715	2,680,181	2,807,972	3,046,518	3,208,687	3,487,886
Changes of benefit terms	-	-	-	166,145	-	-	(30,050)	-	701,642	-
Differences between expected and actual experience	191,541	100,233	(691,263)	135,317	(955,645)	(926,403)	(101,862)	1,389,760	220,976	124,869
Changes of assumptions	(655,192)	-	-	1,059,788	-	-	-	-	1,116,649	-
Benefit payments, including refunds of member contributions	(1,242,096)	(1,437,889)	(1,356,211)	(1,394,435)	(1,437,409)	(1,517,402)	(1,679,647)	(1,895,469)	(1,944,615)	(2,237,238)
Net change in total pension liability	1,213,835	1,712,806	1,117,622	3,235,126	1,114,929	1,142,210	2,005,294	3,507,405	4,308,012	2,485,496
Total pension liability - beginning	31,561,085	32,774,920	34,487,726	35,605,348	38,840,474	39,955,403	41,097,613	43,102,907	46,610,312	50,918,324
TOTAL PENSION LIABILITY - ENDING	$ 32,774,920	$ 34,487,726	$ 35,605,348	$ 38,840,474	$ 39,955,403	$ 41,097,613	$ 43,102,907	$ 46,610,312	$ 50,918,324	$ 53,403,820
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 1,410,000	$ 1,498,000	$ 1,538,000	$ 1,570,000	$ 1,569,000	$ 1,797,000	$ 1,769,100	$ 1,879,000	$ 2,017,000	$ 2,100,000
Contributions - member	320,152	328,146	336,990	484,846	381,497	400,401	753,857	428,387	462,609	879,095
Net investment income	1,071,358	2,418,290	(946,628)	3,971,821	3,809,869	3,272,758	(5,201,835)	4,082,660	3,332,608	6,862,176
Benefit payments, including refunds of member contributions	(1,242,096)	(1,437,889)	(1,356,211)	(1,394,435)	(1,437,409)	(1,517,402)	(1,679,647)	(1,895,469)	(1,944,615)	(2,237,238)
Administrative expense	(59,613)	(55,143)	(43,304)	(47,821)	(46,945)	(41,212)	(49,241)	(38,749)	(41,117)	(41,260)
Net change in plan fiduciary net position	1,499,801	2,751,404	(471,153)	4,584,411	4,276,012	3,911,545	(4,407,766)	4,455,829	3,826,485	7,562,773
Plan fiduciary net position - beginning	18,240,519	19,740,320	22,491,724	22,020,571	26,604,982	30,880,994	34,792,539	30,384,773	34,840,602	38,667,087
PLAN FIDUCIARY NET POSITION - ENDING	$ 19,740,320	$ 22,491,724	$ 22,020,571	$ 26,604,982	$ 30,880,994	$ 34,792,539	$ 30,384,773	$ 34,840,602	$ 38,667,087	$ 46,229,860
EMPLOYER'S NET PENSION LIABILITY	$ 13,034,600	$ 11,996,002	$ 13,584,777	$ 12,235,492	$ 9,074,409	$ 6,305,074	$ 12,718,134	$ 11,769,710	$ 12,251,237	$ 7,173,960

MEASUREMENT DATE	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Plan fiduciary net position as a percentage of the total pension liability	60.20%	65.20%	61.80%	68.50%	77.30%	84.70%	70.50%	74.70%	75.90%	86.60%
Covered payroll	$ 3,657,558	$ 3,785,573	$ 3,396,143	$ 3,506,517	$ 3,880,330	$ 3,814,636	$ 3,914,694	$ 4,107,278	$ 4,521,881	$ 4,687,911
Employer's net pension liability as a percentage of covered payroll	356.40%	316.90%	400.00%	348.90%	233.90%	165.30%	324.90%	286.60%	270.90%	153.00%

Changes in assumptions related to mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates were made during 2016.

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

In 2019, the results reflect plan benefit changes under PA-101-0610 (SB 1300). These legislative changes reflect modifications to the Tier II plan provisions.

In 2024, the change in benefit terms was the result of the passage of Public Act 102-0811.

In 2024, changes in assumptions related to the inflation rate, individual pay increases, retirement rates, termination rates, disability rates, mortality rates, mortality improvement rates, and duty death probability.

(See independent auditor's report.)

CITY OF LOCKPORT, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual money-weighted rate of return, net of investment expense	5.85%	12.24%	(4.21%)	17.85%	14.22%	10.50%	(3.41%)	13.66%	9.59%	17.79%

(See independent auditor's report.)

BUDGETS

The annual appropriations ordinance (budget) is adopted on a basis consistent with GAAP for all funds.

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

a. The City Council adopts a Budget Ordinance which includes a budget for all funds utilized by the City. This ordinance serves as an appropriate authorization.

b. Public budget hearings are conducted to obtain taxpayer comments.

c. The budget is legally enacted through passage of an ordinance.

d. The City Administration is authorized to transfer budgeted amounts between departments within any funds. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.

e. Budgets are adopted on the modified accrual basis of accounting and the current financial resources measurement focus for governmental and enterprise funds. The level of control (level at which expenditures may not exceed budget/appropriations) is the fund. Budgets lapse at the end of the fiscal year.

EXPENDITURES IN EXCESS OF BUDGET

For the fiscal year ended December 31, 2025, the following governmental funds had expenditures in excess of the final budget:

Fund	Excess
General Fund	$ 176,333
Downtown TIF Fund	271,917

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

CITY OF LOCKPORT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL ADMINISTRATION				
Personnel	$ 972,400	$ 972,400	$ 918,966	$ (53,434)
Supplies	144,700	144,700	125,830	(18,870)
Maintenance	827,000	827,000	674,753	(152,247)
Contractual services	2,192,900	2,192,900	1,846,390	(346,510)
Miscellaneous	290,000	290,000	437,733	147,733
Less administrative costs charged to other departments and funds	(712,000)	(712,000)	(466,179)	245,821
Total general administration	3,715,000	3,715,000	3,537,493	(177,507)
POLICE AND ANIMAL CONTROL				
Personnel	6,228,000	6,228,000	6,054,561	(173,439)
Supplies	223,800	223,800	187,996	(35,804)
Maintenance	200,000	200,000	157,813	(42,187)
Contractual services	3,774,900	3,774,900	3,667,905	(106,995)
Capital outlay	345,000	345,000	175,329	(169,671)
Other	300,000	300,000	-	(300,000)
Total police and animal control	11,071,700	11,071,700	10,243,604	(828,096)
BUILDING, PLANNING AND DEVELOPMENT				
Personnel	1,514,200	1,514,200	1,405,165	(109,035)
Supplies	41,100	41,100	23,896	(17,204)
Maintenance	39,500	39,500	33,589	(5,911)
Contractual services	1,159,400	1,159,400	1,265,496	106,096
Capital outlay	-	-	1,515,619	1,515,619
Total building, planning and development	2,754,200	2,754,200	4,243,765	1,489,565
STREETS AND YARD WASTE				
Personnel	1,544,000	1,544,000	1,450,901	(93,099)
Supplies	203,500	203,500	136,671	(66,829)
Maintenance	508,000	508,000	392,377	(115,623)
Contractual services	619,000	619,000	594,618	(24,382)
Total streets and yard waste	2,874,500	2,874,500	2,574,567	(299,933)
PUBLIC WORKS				
Personnel	219,800	219,800	188,411	(31,389)
Supplies	55,200	55,200	59,745	4,545
Maintenance	75,000	75,000	30,056	(44,944)
Contractual services	116,800	116,800	98,859	(17,941)
Total public works	466,800	466,800	377,071	(89,729)
DEBT SERVICE				
Principal retirement	-	-	71,502	71,502
Interest and fiscal charges	-	-	10,532	10,532
TOTAL EXPENDITURES	$ 20,882,200	$ 20,882,200	$ 21,058,534	$ 176,334

(See independent auditor's report.)

CITY OF LOCKPORT, ILLINOIS

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
Property levies, net	$ 200,000	$ 200,000	$ 200,492	$ 492
Sales	6,000,000	6,000,000	8,220,846	2,220,846
Utility	1,425,000	1,425,000	1,478,157	53,157
Intergovernmental				
Grants	1,878,300	1,878,300	589,248	(1,289,052)
Contributions and donations	25,000	25,000	354,045	329,045
Investment income	150,000	150,000	282,153	132,153
Miscellaneous	-	-	68,546	68,546
Total revenues	9,678,300	9,678,300	11,193,487	1,515,187
EXPENDITURES				
Current				
General administration				
Personnel	190,000	190,000	7,248	(182,752)
Capital outlay	13,114,000	13,114,000	9,645,676	(3,468,324)
Total expenditures	13,304,000	13,304,000	9,652,924	(3,651,076)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,625,700)	(3,625,700)	1,540,563	5,166,263
OTHER FINANCING SOURCES (USES)				
Transfers in	1,760,000	1,760,000	1,760,000	-
Transfers (out)	(1,183,000)	(1,183,000)	(1,182,900)	100
Sale of capital assets	-	-	32,386	32,386
Total other financing sources (uses)	577,000	577,000	609,486	32,486
NET CHANGE IN FUND BALANCE	$ (3,048,700)	$ (3,048,700)	2,150,049	$ 5,198,749
FUND BALANCE, JANUARY 1			7,908,524	
FUND BALANCE, DECEMBER 31			$ 10,058,573	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF LOCKPORT, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2025

	Special Revenue	Debt Service	Total
	Downtown TIF	Bond Sinking	Nonmajor Governmental
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and cash equivalents	$ 819,722	$ 24,887	$ 844,609
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	-	992,671	992,671
Grants	113,000	-	113,000
Total assets	932,722	1,017,558	1,950,280
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total deferred outflows of resources	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 932,722	$ 1,017,558	$ 1,950,280
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 332,962	$ -	$ 332,962
Total liabilities	332,962	-	332,962
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	992,671	992,671
Unavailable revenue - intergovernmental	113,000	-	113,000
Total deferred inflows of resources	113,000	992,671	1,105,671
FUND BALANCES			
Restricted			
Debt service	-	24,887	24,887
Economic development	486,760	-	486,760
Total fund balances	486,760	24,887	511,647
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 932,722	$ 1,017,558	$ 1,950,280

(See independent auditor's report.)

CITY OF LOCKPORT, ILLINOIS

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

For the Year Ended December 31, 2025

	Special Revenue		Debt Service	
	Formerly Nonmajor Motor Fuel Tax	Downtown TIF	Bond Sinking	Total Nonmajor Governmental
REVENUES				
Taxes				
Property levies, net	$ -	$ 652,290	$ 998,129	$ 1,650,419
Investment income	-	18,631	3,433	22,064
Total revenues	-	670,921	1,001,562	1,672,483
EXPENDITURES				
Current				
Public works	-	955,436	-	955,436
Capital outlay	-	484,381	-	484,381
Debt service				
Principle retirement	-	-	1,955,000	1,955,000
Interest and fees	-	-	226,600	226,600
Total expenditures	-	1,439,817	2,181,600	3,621,417
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,182,900	1,182,900
Developer note issuance	-	484,381	-	484,381
Total other financing sources	-	484,381	1,182,900	1,667,281
NET CHANGE IN FUND BALANCES	-	(284,515)	2,862	(281,653)
FUND BALANCES, JANUARY 1, AS REPORTED	4,889,640	771,275	22,025	5,682,940
Change in financial reporting entity	(4,889,640)	-	-	(4,889,640)
FUND BALANCES, JANUARY 1, AS RESTATED	-	771,275	22,025	793,300
FUND BALANCES, DECEMBER 31	$ -	$ 486,760	$ 24,887	$ 511,647

(See independent auditor's report.)

CITY OF LOCKPORT, ILLINOIS

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
Property levies, net	$ 420,000	$ 650,000	$ 652,290	$ 2,290
Intergovernmental	-	197,000	-	(197,000)
Investment income	10,000	10,000	18,631	8,631
Total revenues	430,000	857,000	670,921	(186,079)
EXPENDITURES				
Current				
Public works	435,000	1,167,900	955,436	(212,464)
Capital outlay	-	-	484,381	484,381
Total expenditures	435,000	1,167,900	1,439,817	271,917
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,000)	(310,900)	(768,896)	(457,996)
OTHER FINANCING SOURCES (USES)				
Developer note issuance	-	-	484,381	484,381
Total other financing sources (uses)	-	-	484,381	484,381
NET CHANGE IN FUND BALANCE	$ (5,000)	$ (310,900)	(284,515)	$ 26,385
FUND BALANCES, JANUARY 1			771,275	
FUND BALANCES, DECEMBER 31			$ 486,760	

(See independent auditor's report.)

CITY OF LOCKPORT, ILLINOIS

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

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
Property levies, net	$ 997,750	$ 997,750	$ 998,129	$ 379
Investment income	1,700	1,700	3,433	1,733
Total revenues	999,450	999,450	1,001,562	2,112
EXPENDITURES				
Debt service				
Principal retirement	1,955,000	1,955,000	1,955,000	-
Interest and fees	226,950	226,950	226,600	(350)
Total expenditures	2,181,950	2,181,950	2,181,600	(350)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,182,500)	(1,182,500)	(1,180,038)	2,462
OTHER FINANCING SOURCES (USES)				
Transfers in	1,182,900	1,182,900	1,182,900	-
NET CHANGE IN FUND BALANCE	$ 400	$ 400	2,862	$ 2,462
FUND BALANCE, JANUARY 1			22,025	
FUND BALANCE, DECEMBER 31			$ 24,887	

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

CITY OF LOCKPORT, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS
WATERWORKS AND SEWERAGE FUND

For the Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Over (Under)
OPERATING REVENUES				
Charges for sales and services				
Water and sewer services	$ 15,126,000	$ 15,126,000	$ 14,644,057	$ (481,943)
Garbage services	3,398,000	3,398,000	3,440,269	42,269
Penalties and meter	55,000	55,000	59,668	4,668
Total operating revenues	18,579,000	18,579,000	18,143,994	(435,006)
OPERATING EXPENSES				
Water administration	447,700	447,700	909,501	461,801
Water operations	14,416,800	14,416,800	6,564,319	(7,852,481)
Sewer operations	5,222,900	5,222,900	5,662,792	439,892
Garbage operations	3,398,000	3,398,000	3,427,343	29,343
Amortization	14,000	14,000	14,000	-
Total operating expenses	23,499,400	23,499,400	16,577,955	(6,921,445)
OPERATING INCOME (LOSS)	(4,920,400)	(4,920,400)	1,566,039	6,486,439
NON-OPERATING REVENUES (EXPENSES)				
Interest expense	(152,600)	(152,600)	(143,463)	9,137
Investment income	300,000	300,000	513,368	213,368
Intergovernmental income	51,500	51,500	51,106	(394)
Miscellaneous income	110,000	110,000	116,955	6,955
Tap-on fees	300,000	300,000	766,840	466,840
Total non-operating revenues (expenses)	608,900	608,900	1,304,806	695,906
NET INCOME - BUDGETARY BASIS	$ (4,311,500)	$ (4,311,500)	2,870,845	$ 7,182,345
ADJUSTMENTS TO GAAP BASIS				
Depreciation			(3,766,520)	
Capital assets capitalized - water			2,788,489	
Capital assets capitalized - sewer			1,253,783	
Capital contributions			1,162,604	
Capital grants			140,192	
Gain (loss) on sale of capital asset			4,300	
Total adjustments to GAAP basis			1,582,848	
CHANGE IN NET POSITION			4,453,693	
NET POSITION, JANUARY 1			104,251,277	
NET POSITION, DECEMBER 31			$ 108,704,970	

(See independent auditor's report.)

STATISTICAL SECTION

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

Contents	Page(s)
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	79-88
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	89-92
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	93-95
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	96-97
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	98-100

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

CITY OF LOCKPORT, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	$ 103,138,039	$ 113,713,277	$ 114,515,004	$ 119,144,375
Restricted	2,744,415	3,806,603	2,911,862	3,480,290
Unrestricted	1,905,820	423,129	1,686,646	(7,097)
TOTAL GOVERNMENTAL ACTIVITIES	$ 107,788,274	$ 117,943,009	$ 119,113,512	$ 122,617,568
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	$ 49,209,726	$ 53,326,504	$ 56,663,105	$ 61,484,918
Unrestricted	15,356,034	15,996,899	15,824,570	14,544,373
TOTAL BUSINESS-TYPE ACTIVITIES	$ 64,565,760	$ 69,323,403	$ 72,487,675	$ 76,029,291
PRIMARY GOVERNMENT				
Net investment in capital assets	$ 152,347,765	$ 167,039,781	$ 171,178,109	$ 180,629,293
Restricted	2,744,415	3,806,603	2,911,862	3,480,290
Unrestricted	17,261,854	16,420,028	17,511,216	14,537,276
TOTAL PRIMARY GOVERNMENT	$ 172,354,034	$ 187,266,412	$ 191,601,187	$ 198,646,859

Data Source

Audited financial statements

2020	2021	2022	2023	2024	2025
$ 123,048,290	$ 130,499,273	$ 131,271,648	$ 129,802,838	$ 136,217,607	$ 141,138,951
4,016,505	4,640,965	3,797,499	5,191,634	6,334,435	4,019,222
332,533	3,443,550	8,457,571	12,877,042	11,193,444	16,314,856
$ 127,397,328	$ 138,583,788	$ 143,526,718	$ 147,871,514	$ 153,745,486	$ 161,473,029
$ 66,275,153	$ 74,059,126	$ 75,784,006	$ 80,680,115	$ 89,792,060	$ 94,150,002
12,804,632	13,150,039	15,243,677	13,127,495	14,459,217	14,554,968
$ 79,079,785	$ 87,209,165	$ 91,027,683	$ 93,807,610	$ 104,251,277	$ 108,704,970
$ 189,323,443	$ 204,558,399	$ 207,055,654	$ 210,482,953	$ 226,009,667	$ 235,288,953
4,016,505	4,640,965	3,797,499	5,191,634	6,334,435	4,019,222
13,137,165	16,593,589	23,701,248	26,004,537	25,652,661	30,869,824
$ 206,477,113	$ 225,792,953	$ 234,554,401	$ 241,679,124	$ 257,996,763	$ 270,177,999

CITY OF LOCKPORT, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
EXPENSES				
Governmental activities				
General administration	$ 2,277,416	$ 2,694,058	$ 2,386,277	$ 2,804,836
Police and animal control	7,990,998	7,952,758	8,636,591	8,833,816
Buildings, planning and development	1,100,668	1,147,961	1,478,300	2,097,915
Streets and yard waste	6,647,383	5,777,184	7,541,329	7,198,870
Public works and special projects	420,549	584,072	932,783	1,326,932
Interest	138,630	67,020	264,129	310,996
Total governmental activities expenses	18,575,644	18,223,053	21,239,409	22,573,365
Business-type activities				
Waterworks and sewage	7,694,434	8,365,014	8,937,295	9,652,986
Garbage	2,320,121	2,428,079	2,466,914	2,579,347
Total business-type activities expenses	10,014,555	10,793,093	11,404,209	12,232,333
TOTAL PRIMARY GOVERNMENT EXPENSES	$ 28,590,199	$ 29,016,146	$ 32,643,618	$ 34,805,698
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General administration	$ 912,841	$ 908,490	$ 1,094,506	$ 784,968
Police and animal control	1,062,795	1,197,194	1,471,146	1,314,662
Buildings, planning and development	1,152,432	540,535	1,334,055	1,324,979
Streets and yard waste	-	-	-	-
Public works and special projects	203,793	275,524	286,180	445,685
Operating grants and contributions	813,393	794,838	822,704	1,014,142
Capital grants and contributions	306,586	8,947,828	1,812,270	2,002,685
Total governmental activities program revenues	4,451,840	12,664,409	6,820,861	6,887,121
Business-type activities				
Charges for services				
Waterworks and sewage	11,365,155	11,029,121	11,860,221	12,274,169
Garbage	2,326,516	2,439,391	2,483,648	2,584,109
Operating grants and contributions	179,543	41,759	41,746	62,487
Capital grants and contributions	-	2,351,159	891,506	943,100
Total business-type activities program revenues	13,871,214	15,861,430	15,277,121	15,863,865
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	$ 18,323,054	$ 28,525,839	$ 22,097,982	$ 22,750,986
NET (EXPENSE) REVENUE				
Governmental activities	$ (14,123,804)	$ (5,558,644)	$ (14,418,548)	$ (15,686,244)
Business-type activities	3,856,659	5,068,337	3,872,912	3,631,532
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	$ (10,267,145)	$ (490,307)	$ (10,545,636)	$ (12,054,712)

2020	2021	2022	2023	2024	2025
$ 2,781,847	$ 2,637,449	$ 2,820,062	$ 3,318,913	$ 3,909,207	$ 3,883,333
8,751,531	7,890,546	9,413,309	9,552,009	10,810,928	9,689,448
1,995,568	1,911,034	1,943,480	2,228,638	2,538,704	4,833,059
7,231,607	7,081,136	9,623,476	11,170,557	12,507,301	10,599,137
1,106,632	1,190,345	632,875	755,238	761,796	1,886,364
276,759	282,435	236,575	211,686	266,005	190,309
22,143,944	20,992,945	24,669,777	27,237,041	30,793,941	31,081,650
10,291,530	10,408,917	11,199,704	12,712,316	12,569,461	13,018,323
2,683,519	2,876,114	3,047,947	3,173,905	3,316,256	3,427,343
12,975,049	13,285,031	14,247,651	15,886,221	15,885,717	16,445,666
$ 35,118,993	$ 34,277,976	$ 38,917,428	$ 43,123,262	$ 46,679,658	$ 47,527,316
$ 745,907	$ 822,167	$ 885,846	$ 2,081,460	$ 745,081	$ 585,853
1,219,806	1,185,772	1,522,034	1,811,932	1,564,890	689,898
1,308,828	1,534,000	2,182,399	1,426,390	2,180,131	1,474,538
-	-	3,671	2,683	-	-
243,177	151,652	968,229	93,919	557,235	61,803
2,677,045	1,729,774	1,729,827	1,343,347	1,315,414	1,952,873
2,612,281	6,095,159	768,271	1,180,830	4,487,081	1,455,983
8,807,044	11,518,524	8,060,277	7,940,561	10,849,832	6,220,948
13,000,132	13,219,000	14,700,065	14,463,373	16,416,778	15,470,565
2,691,813	2,871,507	3,056,365	3,180,898	3,322,303	3,440,269
44,297	44,908	49,043	50,165	49,383	51,106
136,435	5,154,542	210,584	334,562	5,923,385	1,302,796
15,872,677	21,289,957	18,016,057	18,028,998	25,711,849	20,264,736
$ 24,679,721	$ 32,808,481	$ 26,076,334	$ 25,969,559	$ 36,561,681	$ 26,485,684
$ (13,336,900)	$ (9,474,421)	$ (16,609,500)	$ (19,296,480)	$ (19,944,109)	$ (24,860,702)
2,897,628	8,004,926	3,768,406	2,142,777	9,826,132	3,819,070
$ (10,439,272)	$ (1,469,495)	$ (12,841,094)	$ (17,153,703)	$ (10,117,977)	$ (21,041,632)

CITY OF LOCKPORT

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	$ 6,473,321	$ 6,699,786	$ 7,118,537	$ 7,310,357
Sales	4,666,091	4,870,460	5,325,186	5,703,814
Other	750,772	785,033	1,484,917	1,794,058
Intergovernmental, unrestricted				
State shared income taxes	2,417,928	2,289,805	2,450,654	2,723,776
Personal property replacement tax	73,193	77,295	70,276	87,363
Investment income	67,636	170,353	487,141	784,537
Miscellaneous	136,624	183,078	151,593	278,395
Gain on sale of capital asset	(3,226)	125,569	21,135	-
Transfers	723,158	512,000	508,000	508,000
Total governmental activities	15,305,497	15,713,379	17,617,439	19,190,300
Business-type activities				
Investment income	68,478	164,454	306,713	406,268
Transfers	(723,158)	(512,000)	(508,000)	(508,000)
Miscellaneous	35,558	36,852	17,214	11,816
Gain on sale of capital asset	-	-	-	-
Total business-type activities	(619,122)	(310,694)	(184,073)	(89,916)
TOTAL PRIMARY GOVERNMENT	$ 14,686,375	$ 15,402,685	$ 17,433,366	$ 19,100,384
CHANGE IN NET POSITION				
Governmental activities	$ 1,181,693	$ 10,154,735	$ 3,198,891	$ 3,504,056
Business-type activities	3,237,537	4,757,643	3,688,839	3,541,616
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	$ 4,419,230	$ 14,912,378	$ 6,887,730	$ 7,045,672

Data Source

Audited financial statements

2020	2021	2022	2023	2024	2025
$ 7,552,253	$ 7,962,131	$ 7,890,501	$ 8,154,932	$ 8,669,093	$ 8,866,787
5,807,343	7,254,182	7,613,934	7,880,213	8,845,992	14,786,276
1,548,103	1,831,416	1,814,202	1,861,620	2,083,813	2,232,867
2,780,838	3,384,051	4,251,947	4,167,718	4,431,294	4,705,904
78,080	137,070	279,521	228,555	135,426	108,969
220,073	14,910	100,943	1,154,158	1,549,910	1,049,211
129,970	77,121	44,222	194,080	102,553	838,231
-	-	-	-		-
-	-	-	-	-	-
18,116,660	20,660,881	21,995,270	23,641,276	25,818,081	32,588,245
134,897	40	9,319	606,994	617,535	513,368
-	-	-	-	-	
17,969	124,414	40,793	30,156	-	116,955
-	-	-	-	-	4,300
152,866	124,454	50,112	637,150	617,535	634,623
$ 18,269,526	$ 20,785,335	$ 22,045,382	$ 24,278,426	$ 26,435,616	$ 33,222,868
$ 4,779,760	$ 11,186,460	$ 5,385,770	$ 4,344,796	$ 5,873,972	$ 7,727,543
3,050,494	8,129,380	3,818,518	2,779,927	10,443,667	4,453,693
$ 7,830,254	$ 19,315,840	$ 9,204,288	$ 7,124,723	$ 16,317,639	$ 12,181,236

CITY OF LOCKPORT, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
GENERAL FUND				
Nonspendable	$ 2,543,362	$ 2,145,059	$ 290,775	$ 304,619
Restricted	940,130	756,129	837,806	987,143
Committed	424,500	616,747	813,730	929,500
Assigned	3,150,000	3,900,000	3,000,000	700,000
Unassigned	6,826,807	7,214,382	10,075,661	11,083,014
TOTAL GENERAL FUND	$ 13,884,799	$ 14,632,317	$ 15,017,972	$ 14,004,276
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	$ 1,143	$ -	$ -	$ -
Restricted	1,804,142	3,050,474	10,329,475	8,626,160
Committed	-	-	-	-
Assigned	1,243,536	328,564	2,233,938	1,906,728
Unassigned (deficit)	(57,074)	-	-	-
TOTAL ALL OTHER GOVERNMENT FUNDS	$ 2,991,747	$ 3,379,038	$ 12,563,413	$ 10,532,888

Data Source

Audited financial statements

2020	2021	2022	2023	2024	2025
$ 490,221	$ 479,499	$ 554,727	$ 425,709	$ 448,701	$ 430,360
749,746	536,777	603,410	661,378	651,495	682,333
749,345	816,523	891,429	971,688	1,014,083	1,165,045
3,901,000	-	-	1,259,050	1,259,050	1,114,902
8,748,124	9,844,814	10,086,634	11,088,045	12,372,058	14,806,637
$ 14,638,436	$ 11,677,613	$ 12,136,200	$ 14,405,870	$ 15,745,387	$ 18,199,277
$ 19,647	$ -	$ -	$ -	$ -	$ 7,171
3,266,759	4,104,188	3,194,089	4,530,256	5,682,940	3,336,889
-	-	-	-	-	-
2,101,482	5,916,342	8,858,432	9,470,360	7,908,524	10,051,402
-	-	-	-	-	-
$ 5,387,888	$ 10,020,530	$ 12,052,521	$ 14,000,616	$ 13,591,464	$ 13,395,462

CITY OF LOCKPORT, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2016	2017	2018	2019
REVENUES				
Taxes				
Property	$ 6,473,321	$ 6,699,786	$ 7,118,537	$ 7,310,357
Sales*	4,666,091	4,870,460	5,325,186	5,703,814
Utility**	780,417	745,249	1,428,090	1,557,986
Other	170,061	211,640	214,952	236,072
Intergovernmental				
Shared income taxes	2,417,928	2,289,805	2,450,654	2,723,776
Personal property replacement	73,193	77,295	70,276	87,363
Grants	797,390	816,646	1,023,649	778,639
Contributions and donations	372,811	416,407	428,276	517,342
Motor fuel tax allotments	675,802	679,895	698,544	891,304
Charges for services				
Licenses, permits and inspections	1,797,772	1,207,044	2,152,628	2,030,809
Fines, forfeitures and penalties	470,531	706,911	702,802	595,377
Other	-	-	-	-
Investment income	67,636	170,353	487,141	784,537
Miscellaneous				
Refunds and reimbursements	167,889	162,677	157,346	200,558
Other	97,351	129,938	147,222	275,761
Total revenues	19,028,193	19,184,106	22,405,303	23,693,695
EXPENDITURES				
General administration	2,215,599	2,226,999	2,084,655	2,264,903
Police and animal control	7,595,333	8,131,841	8,345,676	8,644,310
Building, planning and development	1,032,446	1,121,715	1,464,740	2,073,285
Streets and yard waste	2,158,632	2,390,758	3,003,810	2,748,528
Public works	211,492	241,713	267,967	312,308
Capital projects	4,098,613	4,610,668	5,583,040	9,864,685
Debt service				
Principal retirement	2,240,000	2,280,000	2,235,000	2,955,000
Interest and fiscal charges	176,664	134,496	369,706	585,221
Total expenditures	19,728,779	21,138,190	23,354,594	29,448,240
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(700,586)	(1,954,084)	(949,291)	(5,754,545)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,248,658	1,538,000	3,525,400	5,637,700
Transfers (out)	(2,525,500)	(1,026,000)	(3,017,400)	(5,129,700)
Bonds issued	-	2,020,000	9,835,000	1,790,000
Developer note issuance	-	-	-	-
SBITA and lease issuance	-	-	-	-
Premium (discount) on bonds issued	-	151,762	145,459	175,140
Sale of capital assets	3,812	405,131	30,862	56,780
Total other financing sources (uses)	726,970	3,088,893	10,519,321	2,529,920
NET CHANGES IN FUND BALANCES	$ 26,384	$ 1,134,809	$ 9,570,030	$ (3,224,625)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	14.19%	14.32%	13.32%	16.29%

*Home rule sales tax began on June 2, 2017.
**Municipal motor fuel tax began in March 2018.

Data Source

Audited financial statements

2020	2021	2022	2023	2024	2025
$ 7,552,253	$ 7,962,131	$ 7,890,501	$ 8,154,932	$ 8,669,093	$ 8,866,788
5,807,343	7,254,182	7,613,934	7,880,213	8,845,992	14,786,275
1,370,485	1,334,609	1,222,864	1,292,079	4,431,294	1,478,157
177,618	496,808	591,338	569,541	658,482	754,710
2,780,838	3,384,051	4,251,947	4,167,718	1,425,331	4,705,904
78,080	137,070	279,521	228,555	135,426	108,969
1,843,792	576,232	756,746	792,635	2,151,843	1,020,437
250,860	171,354	988,099	195,933	636,043	373,215
1,552,743	1,655,813	1,636,737	1,179,751	1,202,608	1,359,815
1,955,984	2,228,458	2,956,499	3,394,403	2,832,560	2,124,873
508,753	571,734	620,264	664,669	631,360	687,218
14,084	-	-	-	-	-
220,073	14,910	100,943	1,154,158	1,549,910	1,049,211
159,295	294,243	397,018	578,909	528,869	558,765
127,526	73,251	44,222	194,080	102,553	279,466
24,399,727	26,154,846	29,350,633	30,447,576	33,801,364	38,153,803
2,572,372	2,530,632	2,926,319	3,133,036	3,559,535	3,544,741
9,270,304	9,434,388	9,756,523	9,730,537	10,496,206	10,243,604
1,968,104	1,984,504	2,005,274	2,211,477	2,597,173	4,243,765
2,767,797	3,031,840	4,892,792	2,678,003	3,034,296	6,169,993
728,892	357,710	286,386	366,840	383,616	1,332,507
9,477,660	7,017,370	4,879,445	7,832,756	10,776,731	10,130,057
1,685,000	1,790,000	1,855,000	1,985,000	2,025,000	2,026,502
440,438	351,525	280,311	242,475	299,797	237,132
28,910,567	26,497,969	26,882,050	28,180,124	33,172,354	37,928,301
(4,510,840)	(343,123)	2,468,583	2,267,452	629,010	225,502
2,381,900	7,085,800	5,181,700	4,332,900	4,183,500	2,942,900
(2,381,900)	(7,085,800)	(5,181,700)	(4,332,900)	(4,183,500)	(2,942,900)
-	2,000,000	-	1,855,000	-	-
-	-	-	-	-	2,000,000
-	-	-	-	301,355	-
-		-	89,333	-	-
-	14,942	21,995	5,980	-	32,386
-	2,014,942	21,995	1,950,313	301,355	2,032,386
$ (4,510,840)	$ 1,671,819	$ 2,490,578	$ 4,217,765	$ 930,365	$ 2,257,888
10.33%	10.52%	9.40%	9.03%	8.54%	8.00%

CITY OF LOCKPORT, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm and Miscellaneous Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2015	$ 508,509,258	$ 60,211,540	$ 24,020,156	$ 476,649	$ 624,869	$ 593,842,472	$ 0.9617	$ 1,781,527,416	33.333%
2016	540,642,059	61,801,979	38,878,588	486,344	653,412	642,462,382	0.9193	1,927,387,146	33.333%
2017	576,978,460	62,523,133	59,331,922	513,537	424,068	699,771,120	0.8940	2,099,313,360	33.333%
2018	614,535,566	61,510,009	62,923,381	511,520	437,773	739,918,249	0.8648	2,219,754,747	33.333%
2019	648,715,869	61,529,743	84,437,504	483,791	431,382	795,598,289	0.8270	2,386,794,867	33.333%
2020	686,967,509	66,904,592	90,097,268	526,174	436,436	844,931,979	0.8136	2,534,795,937	33.333%
2021	717,327,788	71,459,586	102,011,891	535,501	458,044	891,792,810	0.8091	2,675,378,430	33.333%
2022	772,671,593	72,924,996	104,637,154	564,654	474,937	951,273,334	0.7779	2,853,820,002	33.333%
2023	833,549,539	76,797,703	108,548,171	794,335	491,165	1,020,180,913	0.7600	3,060,542,739	33.333%
2024	943,543,540	76,528,816	111,625,305	736,729	505,384	1,132,939,774	0.6899	3,398,819,322	33.333%

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value. Data is based on the most recent information available.

Data Source

Office of the County Clerk

CITY OF LOCKPORT, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
CITY DIRECT RATES										
Corporate	0.3327	0.3126	0.3132	0.2943	0.2792	0.2743	0.2849	0.2734	0.2446	0.2269
Street - bridge	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Police protection	0.1341	0.1321	0.1278	0.1373	0.1313	0.1370	0.1402	0.1357	0.1303	0.1221
Civil defense	0.0011	0.0011	0.0009	0.0010	0.0011	0.0011	0.0011	0.0011	0.0010	0.0009
IMRF	0.0270	0.0274	0.0238	0.0239	0.0230	0.0219	0.0227	0.0175	0.0168	0.0156
Social Security	0.0270	0.0275	0.0238	0.0239	0.0230	0.0219	0.0227	0.0259	0.0248	0.0230
Tort/liability insurance	0.0370	0.0338	0.0314	0.0302	0.0292	0.0281	0.0267	0.0258	0.0248	0.0230
Police pension	0.2149	0.2082	0.2086	0.1974	0.1875	0.1844	0.1752	0.1691	0.1624	0.1506
Audit	0.0042	0.0040	0.0037	0.0038	0.0038	0.0037	0.0037	0.0000	0.0025	0.0023
School crossing guard	0.0002	0.0003	0.0002	0.0002	0.0003	0.0003	0.0003	0.0000	0.0000	0.0000
Garbage disposal	0.0003	0.0003	0.0003	0.0003	0.0004	0.0004	0.0004	0.0004	0.0000	0.0000
Street lighting	0.0352	0.0338	0.0314	0.0303	0.0293	0.0284	0.0237	0.0228	0.0213	0.0197
Stormwater management	0.0002	0.0004	0.0004	0.0004	0.0005	0.0005	0.0006	0.0006	0.0197	0.0177
Bond and interest	0.1478	0.1378	0.1285	0.1218	0.1184	0.1116	0.1069	0.1056	0.1118	0.0881
Total direct rate	0.9617	0.9193	0.8940	0.8648	0.8270	0.8136	0.8091	0.7779	0.7600	0.6899
OVERLAPPING RATES										
Will County	0.6140	0.6121	0.5986	0.5927	0.5842	0.5788	0.5761	0.5620	0.5495	0.5145
Will County Forest Preserve District	0.1937	0.1944	0.1895	0.1504	0.1462	0.1443	0.1339	0.1257	0.1164	0.0874
Will County Comm Mental Health Board	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0362	0.0263
Will County Building Commission	0.0218	0.0026	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Lockport Township	0.2261	0.2084	0.2016	0.1987	0.1915	0.1886	0.1859	0.1828	0.1677	0.1520
City of Lockport Road & Bridge	0.0566	0.0521	0.0514	0.0510	0.0504	0.0498	0.0492	0.0486	0.0485	0.0452
Lockport Fire District	1.1941	1.1371	1.1161	1.0967	1.0864	1.1647	1.1521	1.1421	1.1345	1.0753
Des Plaines Valley Public Library District	0.3168	0.3028	0.2953	0.2894	0.2688	0.2649	0.2627	0.2584	0.2565	0.2435
Lockport Park District	0.4797	0.4556	0.4464	0.4398	0.4269	0.4137	0.4096	0.4037	0.4036	0.3849
School District No. 91	4.2175	3.9744	3.8404	3.7326	3.6356	3.5670	3.5378	3.5010	3.5283	3.3098
School District No. 205	2.0834	2.0301	2.0068	1.9940	1.9593	1.9402	1.9211	1.9161	1.8792	1.7880
Community College District No. 525	0.3065	0.3099	0.2994	0.2924	0.2938	0.2891	0.2848	0.2876	0.2818	0.2687
TOTAL TAX RATES	10.6719	10.1988	9.9395	9.7025	9.4701	9.4147	9.3223	9.2059	9.1622	8.5855

Note: Data is based on most recent information available & finalized by the County (2024 Tax Levy)

Data Source

Office of the County Clerk

CITY OF LOCKPORT, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

	2025			2016		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Valuation**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Valuation**
Prologis (402-009)	$ 11,253,675	1	0.99%	$ -	N/A	0.00%
MLRP Lockport 8 LLC	7,683,237	2	0.68%	2,952,910.00	3	0.42%
Prologis (305-002)	6,781,852	3	0.60%	-	N/A	0.00%
MLRP Lockport 5 LLC	5,620,635	4	0.50%	-	N/A	0.00%
MLRP Lockport 7 LLC	5,620,342	5	0.50%	-	N/A	0.00%
MLRP Lockport 6 LLC	5,580,258	6	0.49%	-	N/A	0.00%
Redwood Lockport	5,316,337	7	0.47%	-	N/A	0.00%
Prologic LP (205-002)	4,927,748	8	0.43%	-	N/A	0.00%
Prologis (205-001)	4,748,375	9	0.42%	-	N/A	0.00%
BCI IV 355 Logistics Ctr LLC	4,745,700	10	0.42%	-	N/A	0.00%
Wal-Mart Real Estate Business Trust	-	N/A	0.00%	5,167,209	1	0.74%
Pecten Midstream	-	N/A	0.00%	4,340,447	2	0.62%
Panduit Corp	-	N/A	0.00%	2,791,638	4	0.40%
Jetco Properties Inc	-	N/A	0.00%	2,422,276	5	0.35%
LCMC Associates, LLC	-	N/A	0.00%	2,160,000	6	0.31%
Baric Retail LLC	-	N/A	0.00%	1,606,769	7	0.23%
Gator Lockport, LLC	-	N/A	0.00%	1,512,958	8	0.22%
MLRP Lockport 2 LLC	-	N/A	0.00%	1,489,858	9	0.21%
Lockport 355 Owner LLC	-	N/A	0.00%	1,424,435	10	0.20%
	$ 62,278,159		5.50%	$ 25,868,500		3.70%

N/A - Not available

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked. The 2024 EAV is the most current available.

Data Source

Office of the County Clerk

CITY OF LOCKPORT, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	$ 6,358,096	$ 6,354,724	99.95%	$ -	$ 6,354,724	99.95%
2016	6,556,365	6,534,879	99.67%	-	6,534,879	99.67%
2017	6,983,554	6,929,216	99.22%	-	6,929,216	99.22%
2018	7,140,818	7,102,753	99.47%	-	7,102,753	99.47%
2019	7,377,194	7,311,958	99.12%	-	7,311,958	99.12%
2020	7,718,117	7,652,827	99.15%	34,841	7,687,668	99.61%
2021	7,210,129	7,177,389	99.55%	-	7,177,389	99.55%
2022	7,399,947	7,378,854	99.71%	-	7,378,854	99.71%
2023	7,753,374	7,731,953	99.72%	-	7,731,953	99.72%
2024	7,816,221	7,814,674	99.98%	-	7,814,674	99.98%

Note: Property in the City is reassessed every three years. Property is assessed at 33% of actual value.

Data Source

Office of the County Clerk

CITY OF LOCKPORT, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities					Business-Type Activities		Total Primary Government	Per Capita*	% of EAV	% of Personal Income
	General Obligation Bonds	General Obligation Alt. Revenue	Leases	SBITAs	Note Payable	Debt Certificates	IEPA Loans				
2016	$ 1,957,330	$ 5,916,315	$ -	$ -	$ -	$ -	$ 9,042,495	$ 16,916,140	$ 681.03	0.90%	2.40%
2017	2,494,010	4,473,920	-	-	-	-	9,924,875	16,892,805	612.28	0.90%	2.40%
2018	11,626,286	3,006,528	-	-	-	-	9,234,017	23,866,831	865.05	1.14%	2.68%
2019	12,042,104	1,514,131	-	-	-	-	8,392,573	21,948,808	795.53	0.99%	2.36%
2020	10,250,452	-	-	-	-	-	11,376,885	21,627,337	783.88	0.91%	2.20%
2021	10,387,527	-	-	-	-	-	10,218,177	20,605,704	678.14	0.66%	1.90%
2022	8,488,790	-	-	-	-	-	9,206,659	17,695,449	678.14	0.66%	1.34%
2023	8,421,170	-	-	-	-	-	8,520,349	16,941,519	649.25	0.59%	1.48%
2024	6,351,847	-	45,203	256,152	-	-	7,392,403	14,045,605	538.27	0.46%	1.07%
2025	4,352,523	-	34,478	195,375	2,000,000	-	6,552,290	13,134,666	503.36	0.39%	0.96%

*See the schedule of Demographic and Economic Information for personal income and population data.

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

CITY OF LOCKPORT, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Taxable Value of Property*	Per Capita
2016	$ 1,957,330	$ 6,504	$ 1,950,826	0.11%	$ 78.54
2017	2,494,010	8,499	2,485,511	0.13%	90.09
2018	11,626,286	7,703	11,618,583	0.55%	421.12
2019	12,042,104	8,797	12,033,307	0.54%	436.15
2020	10,250,452	7,777	10,242,675	0.43%	371.25
2021	8,488,790	3,288	8,485,502	0.32%	324.76
2022	8,488,790	14,451	8,474,339	0.32%	324.76
2023	8,421,170	18,555	8,402,615	0.29%	322.01
2024	6,351,847	22,025	6,329,822	0.21%	242.58
2025	4,352,523	24,887	4,327,636	0.13%	165.85

*See the schedule of Assessed Value and Actual Value of Taxable Property on page 89 for property value data.

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

CITY OF LOCKPORT, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2025

Governmental unit	Gross Debt	Percentage Debt Applicable to the City (1)	The City's Share of Debt
City	$ 6,582,376	100.00%	$ 6,582,376
Will County	325,370,000	3.71%	12,069,331
Will County Forest Preserve District	89,555,000	3.71%	3,321,969
Homer Township	550,000	30.69%	168,801
Homer Township Library District	1,365,000	30.69%	418,933
White Oak Library	8,965,000	16.56%	1,484,849
Lockport Park District	905,000	42.03%	380,379
Homer Township Fire District	2,528,000	31.30%	791,193
Schools			
School District No. 89	1,710,000	62.34%	1,065,929
School District No. 90	2,510,000	87.85%	2,205,038
School District No. 91	3,200,800	88.70%	2,839,168
School District No. 92	13,140,000	35.55%	4,671,082
High School District No. 205	18,345,000	31.89%	5,850,480
Community College District No. 525	89,285,000	3.80%	3,391,479
	557,428,800		38,658,631
	$ 564,011,176		$ 45,241,007

(1) Overlapping debt percentages based on 2024 EAV, the most current available.

Data Source

Will County Clerk

CITY OF LOCKPORT, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Personal Income	Population	Per Capita Personal Income	Unemployment Rate
2016	$ 703,415,641	24,839	$ 28,319	5.2%
2017	703,415,641	25,590	27,488	4.3%
2018	826,838,490	25,590	32,311	3.3%
2019	863,176,290	25,590	33,731	3.0%
2020	913,716,540	25,590	35,706	6.7%
2021	931,712,364	26,094	35,706	5.8%
2022	1,318,634,196	26,094	39,118	3.6%
2023	1,147,013,958	26,094	43,957	3.5%
2024	1,318,634,196	26,094	50,534	4.2%
2025	1,368,395,454	26,094	52,441	3.7%

Data Source

Illinois Department of Security

CITY OF LOCKPORT, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

	2025			2016		
Employer	**Employees**	**Rank**	**% of Total City Population**	**Employees**	**Rank**	**% of Total City Population**
Julian Electric	300	1	1.1%	n/a	n/a	n/a
Grand Prairie Transit	155	2	0.6%	150	1	0.6%
Lockport Steel Fabricators, Inc.	150	3	0.6%	n/a	n/a	n/a
Magenta, LLC	100	4	0.4%	n/a	n/a	n/a
Toyal America Inc	95	5	0.4%	95	2	0.4%
McMahon Transport Group, Inc	85	6	0.3%	50	6	0.2%
Concrete by Wagner Inc.	80	7	0.3%	80	3	0.3%
Hendrickson Bumper International	75	8	0.3%	n/a	n/a	n/a
Greif Packaging, LLC	60	9	0.2%	50	6	0.2%
Deerfield Construction Group Ind.	57	10	0.2%	60	5	0.2%
Bending Specialists LLC	n/a	n/a	n/a	73	4	0.3%
Centry 21/Pro Team	n/a	n/a	n/a	60	5	0.2%
Atmi Dynacore	n/a	n/a	n/a	50	6	0.2%
Binzel Industries	n/a	n/a	n/a	50	6	0.2%
Coldwell Banker/Honig Bell	n/a	n/a	n/a	45	7	0.2%
TOTAL	1,157		4.4%	763		3.0%

N/A - Not available

Data Source

2026 Illinois Manufacturers Directory; 2026 Illinois Service Directory & a selective telephone survey.

CITY OF LOCKPORT, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GENERAL GOVERNMENT										
Management services	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Finance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Planning	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Building	3.00	3.00	3.00	3.00	3.00	4.00	4.00	6.00	6.00	6.00
Administration	8.60	8.60	8.10	6.80	6.75	6.75	6.27	6.25	6.25	6.25
Subtotal general government	17.60	17.60	18.10	17.80	17.75	18.75	18.27	20.25	21.25	22.25
PUBLIC SAFETY										
Police										
Officers	37.00	37.00	37.00	39.00	39.00	41.00	41.00	41.00	41.00	41.00
Civilians	10.50	9.80	9.80	10.00	10.05	9.27	9.30	8.30	5.00	6.80
Subtotal public safety	47.50	46.80	46.80	49.00	49.05	50.27	50.30	49.30	46.00	47.80
PUBLIC WORKS										
Administration	2.70	3.70	2.00	3.00	1.00	2.00	2.00	3.00	3.00	3.00
Engineering	3.90	3.90	3.90	4.00	4.50	5.50	5.50	5.00	5.25	5.75
Yard waste	1.00	1.00	2.20	1.00	1.50	1.50	1.30	2.25	2.25	3.00
Street maintenance	12.00	11.50	12.00	13.00	14.00	14.00	15.00	16.00	16.00	16.00
Maintenance (garage)	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Subtotal public works	20.60	21.10	21.10	22.00	22.00	25.00	25.80	28.25	28.50	29.75
WATERWORKS AND SEWERAGE										
Water										
Administration	2.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Laborers	5.90	7.40	8.40	6.80	7.75	7.75	8.00	8.00	8.00	8.00
Sewer	9.20	10.70	10.70	10.00	10.30	10.27	11.00	11.25	11.25	11.25
Subtotal waterworks and sewerage	17.10	19.10	20.10	17.80	19.05	19.02	21.00	21.25	21.25	21.25
TOTAL	102.80	104.60	106.10	106.60	107.85	113.04	115.37	119.05	117.00	121.05

Note: Does not include: census workers, crossing guards, elected/appointed officials and auxiliary officers (used 1 to 2 times yearly).

Data Source

City Budget

CITY OF LOCKPORT, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PUBLIC SAFETY										
Police										
Physical arrests	723	806	1,534	484	286	226	583	571	546	587
Parking violations	4,153	3,806	9,292	4,768	2,503	9,948	2,686	2,639	2,768	3,664
Traffic violations	5,659	6,616	10,167	11,798	2,800	2,926	9,923	7,466	7,952	10,205
PUBLIC WORKS										
Streeting resurfacing (miles)	3.75	2.33	6.10	5.00	1.75	3.20	5.18	5.4	5.66	4.28
Pothole repairs	1,125	1,183	778	695	473	410	342	237	276	15
WATER										
New connections	123	86	143	75	50	103	164	91	109	103
Water main breaks	50	40	58	58	30	29	42	35	38	20
Average daily consumption (MGD)	2.83	2.71	2.39	2.36	2.37	2.580	2.52	2.37	2.85	2.5
Peak daily consumption (MGD)	6.42	7.13	6.16	11.46	6.51	5.410	7.55	3.62	6.67	6.44
WASTEWATER										
Average daily treatment (MGD)	4.43	5.11	4.80	6.00	4.79	4.870	5.000	7.260	7.260	7.260

Data Source

Various city departments

CITY OF LOCKPORT, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Calendar Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	49	51	52	45	50	46	45	45	46	51
PUBLIC WORKS										
Residential streets (miles)	101	101	101	102	102	105	105	105	108	108
Traffic signals	15	15	15	17	17	17	17	17	3	3
WATER										
Water mains (miles)	146	146	148	150	150	155	155	155	155	155
Fire hydrants	2,220	2,220	2,220	2,244	2,248	2,341	2,341	2,341	2,367	2,367
Storage capacity (gallons)	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
WASTEWATER										
Sanitary sewers (miles)	136	130	130	132	132	135	135	135	128	128
Storm sewers (miles)	-	-	13	123	-	130	130	130	117	117
Treatment capacity (MGD)	21	21	21	21	21	21	21	21	21	21

Data Source

Various city departments