CITY OF NEOGA, ILLINOIS

FINANCIAL STATEMENTS
For the Year Ended April 30, 2026

TABLE OF CONTENTS

Page No.

INDEPENDENT AUDITOR'S REPORT 1

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position 4
Statement of Activities 6

FUND FINANCIAL STATEMENTS

Balance Sheet - Governmental Funds 8
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 10
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds 11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities 13
Statement of Net Position - Proprietary Funds 14
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds 16
Statement of Cash Flows - Proprietary Funds 17
Notes to Financial Statements 19

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule - General Fund - Cash Basis 38
Budgetary Comparison Schedule - Tax Increment Financing Fund - Cash Basis 40
Notes to Budget Comparison Schedules 41
Schedule of Changes in Net Pension Liability and Related Ratios 44
Schedule of Employer Contributions 45
Schedule of Changes in Net OPEB Liability and Related Ratios 47

SUPPLEMENTARY INFORMATION

Combining Balance Sheet - Nonmajor Governmental Funds 48
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds 49
Budgetary Comparison Schedule - Business District Fund - Cash Basis 50
Budgetary Comparison Schedule - Tax Increment Financing East Fund - Cash Basis 51
Budgetary Comparison Schedule - Tax Increment Financing West Fund - Cash Basis 52
Budgetary Comparison Schedule - Employee Benefits Fund - Cash Basis 53
Budgetary Comparison Schedule - Motor Fuel Tax Fund - Cash Basis 54
Illinois Grant Accountability and Transparency Act - Consolidated Year-End Financial Report 55

OTHER INFORMATION

Schedule of Combining Balance Sheet - General Fund 56
Schedule of Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - General Fund 58
Assessed Valuation, Tax Rates, Taxes Extended and Collected 60
Legal Debt Margin 61
Other Additional Information 62

GILBERT, METZGER & MADIGAN, LLP
CERTIFIED PUBLIC ACCOUNTANTS

6029 Park Drive, Suite A
Charleston, Illinois 61920

Michael J. Metzger, CPA
Kelsey D. Swing, CPA

phone (217) 345-2128
fax (217) 345-2315
website gmmcpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commissioners
City of Neoga
Neoga, Illinois

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 Neoga, Illinois, as of and for the year ended April 30, 2026, and the related notes to the financial statements, which collectively comprise the City of Neoga, Illinois' 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 Neoga, Illinois, as of April 30, 2026, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Neoga, Illinois' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Neoga, Illinois' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting

Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Neoga, Illinois' basic financial statements. The combining nonmajor fund financial statements, budgetary comparison schedules for nonmajor funds, and consolidated year-end financial report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, budgetary comparison schedules for nonmajor funds, and consolidated year-end financial report 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 section. The other information section 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 section, 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 section 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.

Gilbert, Metzger & Madigan, LLP

October 23, 2026

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF NEOGA, ILLINOIS
STATEMENT OF NET POSITION
April 30, 2026

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash deposits	$ 2,097,327.17	$ 2,205,719.17	$ 4,303,046.34
Receivables:			
Property taxes	659,184.32	-	659,184.32
Utility taxes	5,947.45	-	5,947.45
Accounts receivable - users	-	105,402.71	105,402.71
Due from other governmental agencies	124,360.84	203,585.00	327,945.84
Other receivable	6,628.03	-	6,628.03
Lease receivable	29,795.08	-	29,795.08
Prepaid expenses	54,764.58	9,273.36	64,037.94
Inventory	17,884.75	48,682.66	66,567.41
Restricted assets:			
Cash deposits	-	100,746.25	100,746.25
Capital assets, net of accumulated depreciation	3,028,347.53	6,473,688.28	9,502,035.81
Total assets	6,024,239.75	9,147,097.43	15,171,337.18
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	17,413.88	-	17,413.88
LIABILITIES			
Accounts payable	266,320.04	528,227.68	794,547.72
Accrued payroll taxes and withholdings	8,416.80	-	8,416.80
Accrued interest	-	5,781.25	5,781.25
Accrued salaries	5,504.89	3,213.60	8,718.49
Unearned revenue	13,567.01	-	13,567.01
Meter deposits	-	14,000.00	14,000.00
Net pension liability	7,881.00	-	7,881.00
Net OPEB liability	40,924.00	10,407.00	51,331.00
Subscription liability, due within one year	-	4,386.06	4,386.06
Subscription liability, due in more than one year	-	51,780.86	51,780.86
Accrued compensated absences, due within one year	29,285.64	34,054.52	63,340.16
Accrued compensated absences, due in more than one year	13,881.75	6,500.34	20,382.09
Note payable, due within one year	-	2,033.73	2,033.73
Note payable, due in more than one year	-	91,510.02	91,510.02
Bonds payable, due within one year	-	25,000.00	25,000.00
Bonds payable, due in more than one year	-	900,000.00	900,000.00
Other long-term liabilities, due within one year	54,530.11	-	54,530.11
Other long-term liabilities, due in more than one year	34,166.23	-	34,166.23
Total liabilities	474,477.47	1,676,895.06	2,151,372.53

CITY OF NEOGA, ILLINOIS
STATEMENT OF NET POSITION (Continued)
April 30, 2026

	Governmental Activities	Business-Type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	186,146.00	-	186,146.00
Deferred leases	28,139.80	-	28,139.80
Deferred property taxes	659,184.32	-	659,184.32
Total deferred inflows of resources	873,470.12	-	873,470.12
NET POSITION			
Net investment in capital assets	2,790,565.56	4,891,470.38	7,682,035.94
Restricted for:			
Debt service	-	80,965.00	80,965.00
Public safety	7,677.63	-	7,677.63
Unemployment insurance	31,832.20	-	31,832.20
Social security and medicare tax	19,415.20	-	19,415.20
Economic development and assistance	205,226.76	-	205,226.76
Street maintenance	74,435.96	-	74,435.96
Workers compensation insurance	23,008.09	-	23,008.09
Sanitation	26,420.67	-	26,420.67
Cemetery maintenance (nonexpendable)	13,550.00	-	13,550.00
Veteran's memorial	12,224.65	-	12,224.65
Unrestricted	1,489,349.32	2,497,766.99	3,987,116.31
Total Net Position	$ 4,693,706.04	$ 7,470,202.37	$ 12,163,908.41

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities	Net (Expenses) Revenue and Changes in Net Position: Business-Type Activities	Net (Expenses) Revenue and Changes in Net Position: Total
Governmental activities:							
General government	$ 377,332.27	$ 15,714.50	$ 300.00	$ -	$ (361,317.77)	$ -	$ (361,317.77)
Cemetery	17,257.00	700.00	499.38	-	(16,057.62)	-	(16,057.62)
Public safety	356,304.26	16,574.16	20,000.00	-	(319,730.10)	-	(319,730.10)
Highways and streets	474,355.60	2,287.03	64,125.36	419.04	(407,524.17)	-	(407,524.17)
Sanitation	11,889.43	-	-	-	(11,889.43)	-	(11,889.43)
Health and welfare	5,373.96	7,040.00	-	-	1,666.04	-	1,666.04
Economic development and assistance	568,743.55	85,438.00	-	-	(483,305.55)	-	(483,305.55)
Total governmental activities	1,811,256.07	127,753.69	84,924.74	419.04	(1,598,158.60)	-	(1,598,158.60)
Business-type activities:							
Water	592,330.78	409,875.77	27,844.38	584,405.63	-	429,795.00	429,795.00
Sewer	521,204.79	438,265.03	-	195,520.00	-	112,580.24	112,580.24
Total business-type activities	1,113,535.57	848,140.80	27,844.38	779,925.63	-	542,375.24	542,375.24
Total government	$ 2,924,791.64	$ 975,894.49	$ 112,769.12	$ 780,344.67	(1,598,158.60)	542,375.24	(1,055,783.36)
General revenues:							
Taxes:							
Property taxes					605,518.18	-	605,518.18
Personal property replacement tax					14,435.84	-	14,435.84
Municipal retailers' occupation tax					256,358.65	-	256,358.65
Local use tax					13,127.27	-	13,127.27
Illinois income tax					255,836.39	-	255,836.39
Cannabis tax					2,154.25	-	2,154.25
Franchise taxes					20,055.43	-	20,055.43
Utility taxes					79,965.36	-	79,965.36
Telecommunications tax					15,183.86	-	15,183.86
Video gaming tax					30,986.78	-	30,986.78
Interest income					62,662.37	86,694.57	149,356.94
Gain (loss) on sale of capital assets					2,718.00	-	2,718.00
Miscellaneous					10,277.91	13,654.91	23,932.82
Total general revenues					1,369,280.29	100,349.48	1,469,629.77

CITY OF NEOGA, ILLINOIS
STATEMENT OF ACTIVITIES (Continued)
For the Year Ended April 30, 2026

	Net (Expenses) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Change in net position	(228,878.31)	642,724.72	413,846.41
Net position, beginning of year	4,922,584.35	6,827,477.65	11,750,062.00
Net Position, End of Year	$ 4,693,706.04	$ 7,470,202.37	$ 12,163,908.41

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

CITY OF NEOGA, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2026

	General	Tax Increment Financing	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash deposits	$ 1,248,445.59	$ 479,321.83	$ 369,559.75	$ 2,097,327.17
Receivables:				
Property taxes	195,570.93	349,118.94	114,494.45	659,184.32
Utility taxes	5,947.45	-	-	5,947.45
Due from other governmental agencies	116,759.31	-	7,601.53	124,360.84
Other receivables	6,628.03	-	-	6,628.03
Lease receivable	29,795.08	-	-	29,795.08
Due from other funds	-	63,142.00	-	63,142.00
Prepaid expenditures	18,805.57	-	-	18,805.57
Inventory	17,089.75	-	795.00	17,884.75
Total Assets	$ 1,639,041.71	$ 891,582.77	$ 492,450.73	$ 3,023,075.21
LIABILITIES				
Accounts payable	$ 55,769.99	$ 210,255.05	295.00	$ 266,320.04
Accrued payroll taxes and withholdings	-	-	8,416.80	8,416.80
Accrued salaries	5,504.89	-	-	5,504.89
Due to other funds	-	-	63,142.00	63,142.00
Unearned revenue	13,567.01	-	-	13,567.01
Total liabilities	74,841.89	210,255.05	71,853.80	356,950.74
DEFERRED INFLOWS OF RESOURCES				
Deferred leases	28,139.80	-	-	28,139.80
Unavailable property taxes	195,570.93	349,118.94	114,494.45	659,184.32
Total deferred inflows of resources	223,710.73	349,118.94	114,494.45	687,324.12

CITY OF NEOGA, ILLINOIS
BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS
April 30, 2026

	General	Tax Increment Financing	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCE				
Nonspendable	35,895.32	-	14,345.00	50,240.32
Restricted for:				
Public safety	7,677.63	-	-	7,677.63
Unemployment insurance	-	-	31,832.20	31,832.20
IMRF	-	-	153,640.11	153,640.11
Social security and medicare tax	-	-	19,415.20	19,415.20
Economic development and assistance	-	215,709.68	64,488.36	280,198.04
Street maintenance	-	-	74,435.96	74,435.96
Workers compensation insurance	22,386.77	-	-	22,386.77
Sanitation	26,420.67	-	-	26,420.67
Veteran's memorial	12,224.65	-	-	12,224.65
Committed for:				
Public safety	7,449.99	-	-	7,449.99
Equipment	186,373.78	-	-	186,373.78
Assigned for:				
Employee benefits	-	-	3,517.45	3,517.45
Economic development and assistance	-	116,499.10	288.38	116,787.48
Unassigned (deficit)	1,042,060.28	-	(55,860.18)	986,200.10
Total fund balance (deficit)	1,340,489.09	332,208.78	306,102.48	1,978,800.35
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 1,639,041.71	$ 891,582.77	$ 492,450.73	$ 3,023,075.21

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
April 30, 2026

Total fund balance - total governmental funds		$ 1,978,800.35
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. This is the amount by which capital assets of $4,619,414.12 exceeds accumulated depreciation of $1,591,066.59.		3,028,347.53
Certain prepaid expenses do not require current financial resources. Therefore, these prepaid expenses are not reported as an asset in the governmental funds balance sheet.		35,959.01
Deferred inflows and outflows of resources related to certain changes in the net pension asset (liability) are not yet recognized in pension expense, are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		
Deferred outflows of resources	17,413.88	
Deferred inflows of resources	(186,146.00)	(168,732.12)
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.		
Accrued compensated absences, due within one year	29,285.64	
Accrued compensated absences, due in more than one year	13,881.75	
Net pension liability	7,881.00	
Net OPEB liability	40,924.00	
Other long-term liabilities, due within one year	54,530.11	
Other long-term liabilities, due in more than one year	34,166.23	(180,668.73)
Net Position of Governmental Activities		$ 4,693,706.04

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended April 30, 2026

	General	Tax Increment Financing	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 190,253.43	$ 307,848.68	$ 107,416.07	$ 605,518.18
Personal property replacement tax	14,435.84	-	-	14,435.84
Municipal retailers' occupation tax	242,248.00	-	14,110.65	256,358.65
Local use tax	13,127.27	-	-	13,127.27
Illinois motor fuel tax	-	-	64,125.36	64,125.36
Illinois income tax	255,836.39	-	-	255,836.39
Cannabis tax	2,154.25	-	-	2,154.25
Utility tax	79,965.36	-	-	79,965.36
Telecommunications tax	15,183.86	-	-	15,183.86
Video gaming tax	30,986.78	-	-	30,986.78
Franchise tax	20,055.43	-	-	20,055.43
Other governmental agencies	9,407.83	-	-	9,407.83
Grant income	66,150.00	-	-	66,150.00
Licenses, permits and fees	14,574.68	-	-	14,574.68
Fines	7,969.48	-	-	7,969.48
Rental income	87,638.00	-	-	87,638.00
Interest income	42,601.79	18,904.55	1,655.41	63,161.75
Donations	20,300.00	-	-	20,300.00
Other income	18,441.61	-	-	18,441.61
Total revenues	1,131,330.00	326,753.23	187,307.49	1,645,390.72
Expenditures:				
General government	300,437.14	-	101,362.84	401,799.98
Cemetery	16,482.00	-	-	16,482.00
Public safety	340,863.95	-	-	340,863.95
Highways and streets	158,938.61	-	152,164.79	311,103.40
Sanitation	9,706.57	-	-	9,706.57
Health and welfare	5,373.96	-	-	5,373.96
Economic development and assistance	80,409.67	463,892.82	295.00	544,597.49
Capital outlay	61,749.66	256,507.68	-	318,257.34
Total expenditures	973,961.56	720,400.50	253,822.63	2,049,547.53
Excess (deficiency) of revenues over expenditures	157,368.44	(393,647.27)	(66,515.14)	(404,156.81)

CITY OF NEOGA, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (Continued)
GOVERNMENTAL FUNDS
For the Year Ended April 30, 2026

	General	Tax Increment Financing	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):				
Sale of capital assets	2,718.00	-	-	2,718.00
Transfers in	499.38	-	-	499.38
Transfers out	-	-	(499.38)	(499.38)
Total other financing sources (uses)	3,217.38	-	(499.38)	2,718.00
Net change in fund balance	160,585.82	(393,647.27)	(67,014.52)	(300,075.97)
Fund balance, beginning of year	1,179,903.27	725,856.05	373,117.00	2,278,876.32
Fund Balance, End of Year	$ 1,340,489.09	$ 332,208.78	$ 306,102.48	$ 1,978,800.35

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2026

Net change in fund balance - total governmental funds	$	(300,075.97)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		318,257.34
Depreciation expense on capital assets is reported in the government-wide statement of activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.		(173,041.38)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, and disposals) is to increase/decrease net position. This is the book value of disposals in the current period.		(35,064.23)
Certain prepaid expenses reported in the statement of activities do not require the use of current financial resources and are, therefore, not reported as expenditures in the governmental funds.		(690.31)
Certain revenues recognized in governmental funds in the current year were reported as unavailable revenues in the prior year.		(65,730.96)
Deferred outflows of resources related to certain changes in the net pension asset (liability) are not yet recognized in pension expense, are not current financial resources and, therefore, are not reported in the governmental funds.		(73,702.32)
Deferred inflows of resources related to certain changes in the net pension asset (liability) are not yet recognized in pension expense, are not current financial resources and, therefore, are not reported in the governmental funds.		(166,294.00)
Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures in the governmental funds.		
Change in accrued compensated absences		29,463.52
Change in net pension liability		278,924.00
Change in OPEB liability		(40,924.00)
Change in Net Position of Governmental Activities	$	(228,878.31)

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
April 30, 2026 and 2025

	Water	Sewer	2026 Total	2025 Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,113,447.67	$ 1,092,271.50	$ 2,205,719.17	$ 2,598,496.55
Receivables:				
Accounts receivable - users	47,145.34	58,257.37	105,402.71	106,025.42
Due from other governmental agencies	8,065.00	195,520.00	203,585.00	-
Prepaid expenses	3,949.88	5,323.48	9,273.36	8,253.71
Inventory	38,007.46	10,675.20	48,682.66	202,655.17
Total current assets	1,210,615.35	1,362,047.55	2,572,662.90	2,915,430.85
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	14,000.00	86,746.25	100,746.25	84,041.50
Capital assets, net of accumulated depreciation	3,087,652.19	3,386,036.09	6,473,688.28	5,019,926.23
Total noncurrent assets	3,101,652.19	3,472,782.34	6,574,434.53	5,103,967.73
Total assets	4,312,267.54	4,834,829.89	9,147,097.43	8,019,398.58
LIABILITIES				
Current liabilities:				
Accounts payable	222,132.96	306,094.72	528,227.68	179,195.63
Accrued interest	-	5,781.25	5,781.25	5,937.30
Accrued salaries	1,563.54	1,650.06	3,213.60	2,525.94
Accrued compensated absences - due within one year	16,254.00	17,800.52	34,054.52	33,887.19
Subscription liability - due within one year	2,193.03	2,193.03	4,386.06	-
Note payable - due within one year	2,033.73	-	2,033.73	-
Bonds payable - due within one year	-	25,000.00	25,000.00	24,969.20
Total current liabilities	244,177.26	358,519.58	602,696.84	246,515.26
Noncurrent liabilities:				
Payable from restricted assets:				
Meter deposits	14,000.00	-	14,000.00	13,550.00
Net OPEB liability	9,393.00	1,014.00	10,407.00	-
Accrued compensated absences - due in more than one year	3,250.17	3,250.17	6,500.34	6,855.67
Subscription liability - due in more than one year	25,890.43	25,890.43	51,780.86	-
Note payable - due in more than one year	91,510.02	-	91,510.02	-
Bonds payable - due in more than one year	-	900,000.00	900,000.00	925,000.00
Total noncurrent liabilities	144,043.62	930,154.60	1,074,198.22	945,405.67
Total liabilities	388,220.88	1,288,674.18	1,676,895.06	1,191,920.93

CITY OF NEOGA, ILLINOIS
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
April 30, 2026 and 2025

	Water	Sewer	2026 Total	2025 Total
NET POSITION				
Net investment in capital assets	2,758,517.74	2,132,952.64	4,891,470.38	4,069,957.03
Restricted for:				
Debt service	-	80,965.00	80,965.00	64,554.20
Capital improvements	-	-	-	28,485.77
Unrestricted	1,165,528.92	1,332,238.07	2,497,766.99	2,664,480.65
Total Net Position	$ 3,924,046.66	$ 3,546,155.71	$ 7,470,202.37	$ 6,827,477.65

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Years Ended April 30, 2026 and 2025

	Water	Sewer	2026 Total	2025 Total
Operating Revenues:				
Charges for services	$ 408,425.77	$ 438,265.03	$ 846,690.80	$ 874,528.14
Fees	1,450.00	-	1,450.00	2,580.00
Miscellaneous	13,654.91	-	13,654.91	22,126.43
Total operating revenues	423,530.68	438,265.03	861,795.71	899,234.57
Operating Expenses:				
Salaries and benefits	137,242.64	131,322.61	268,565.25	250,031.09
Contractual services	37,667.20	15,729.28	53,396.48	44,152.70
Utilities	16,547.22	41,711.98	58,259.20	41,776.87
Repairs and maintenance	165,978.64	131,421.00	297,399.64	52,924.01
Other supplies and expenses	136,089.01	9,446.54	145,535.55	140,963.83
Depreciation	97,192.17	178,396.99	275,589.16	264,465.33
Amortization	1,613.90	1,613.89	3,227.79	-
Total operating expenses	592,330.78	509,642.29	1,101,973.07	794,313.83
Operating income (loss)	(168,800.10)	(71,377.26)	(240,177.36)	104,920.74
Noncapital Subsidies:				
Noncapital grant income	27,844.38	-	27,844.38	-
Operating income (loss) and noncapital subsidies	(140,955.72)	(71,377.26)	(212,332.98)	104,920.74
Other Non-Operating Revenues (Expenses):				
Capital grant income	584,405.63	195,520.00	779,925.63	67,880.00
Interest income	50,468.02	36,226.55	86,694.57	84,768.24
Interest expense	-	(11,562.50)	(11,562.50)	(11,874.62)
Total other non-operating revenues (expenses)	634,873.65	220,184.05	855,057.70	140,773.62
Change in net position	493,917.93	148,806.79	642,724.72	245,694.36
Net position, beginning of year	3,430,128.73	3,397,348.92	6,827,477.65	6,581,783.29
Net Position, End of Year	$ 3,924,046.66	$ 3,546,155.71	$ 7,470,202.37	$ 6,827,477.65

The accompanying notes are an integral part of these financial statements.

CITY OF NEOGA, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Years Ended April 30, 2026 and 2025

	Water	Sewer	2026 Total	2025 Total
Cash Flows from Operating Activities:				
Cash received from customers	$ 410,874.11	$ 438,339.40	$ 849,213.51	$ 860,795.39
Cash payments to suppliers for goods and services	(395,323.32)	(224,070.44)	(619,393.76)	(329,506.91)
Cash payments to employees for services	(95,437.01)	(102,941.02)	(198,378.03)	(194,628.18)
Other receipts (payments)	13,654.91	-	13,654.91	22,126.43
Net cash provided (used) by operating activities	(66,231.31)	111,327.94	45,096.63	358,786.73
Cash Flows from Noncapital Financing Activities:				
Noncapital grant proceeds	27,844.38	-	27,844.38	-
Loan repayment from other fund	-	-	-	4,391.79
Net cash provided by noncapital financing activities	27,844.38	-	27,844.38	4,391.79
Cash Flows from Capital and Related Financing Activities:				
Capital grant proceeds	576,340.63	-	576,340.63	67,880.00
Purchase of capital assets	(1,064,493.63)	(83,111.21)	(1,147,604.84)	(53,859.16)
Proceeds from capital debt	93,543.75	-	93,543.75	-
Principal paid on subscription liability	(10,650.00)	(10,650.00)	(21,300.00)	-
Principal paid on capital debt	-	(24,969.20)	(24,969.20)	(25,030.80)
Interest and fees paid on capital debt	-	(11,718.55)	(11,718.55)	(12,625.25)
Net cash used by capital and related financing activities	(405,259.25)	(130,448.96)	(535,708.21)	(23,635.21)
Cash Flows from Investing Activities:				
Interest income	50,468.02	36,226.55	86,694.57	84,768.24
Net increase (decrease) in cash and cash equivalents	(393,178.16)	17,105.53	(376,072.63)	424,311.55
Cash and cash equivalents, beginning of year	1,520,625.83	1,161,912.22	2,682,538.05	2,258,226.50
Cash and Cash Equivalents, End of Year	$ 1,127,447.67	$ 1,179,017.75	$ 2,306,465.42	$ 2,682,538.05

CITY OF NEOGA, ILLINOIS
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
For the Years Ended April 30, 2026 and 2025

	Water	Sewer	2026 Total	2025 Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	$ (168,800.10)	$ (71,377.26)	$ (240,177.36)	$ 104,920.74
Noncash items included in operating income (loss):				
Depreciation	97,192.17	178,396.99	275,589.16	264,465.33
Amortization	1,613.90	1,613.89	3,227.79	-
Net (increase) decrease in:				
Accounts receivable	548.34	74.37	622.71	(16,462.75)
Prepaid expenses	(787.78)	(231.87)	(1,019.65)	(2,349.54)
Inventory	75,861.82	78,110.69	153,972.51	(159,113.96)
Net increase (decrease) in:				
Accounts payable	(81,803.24)	(76,671.95)	(158,475.19)	153,370.09
Meter deposits	450.00	-	450.00	150.00
Accrued salaries	291.21	396.45	687.66	953.54
Accrued compensated absences	(190.63)	2.63	(188.00)	12,853.28
Net OPEB liability	9,393.00	1,014.00	10,407.00	-
Net Cash Provided (Used) by Operating Activities	$ (66,231.31)	$ 111,327.94	$ 45,096.63	$ 358,786.73

The accompanying notes are an integral part of these financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Neoga, Illinois, conform to accounting principles generally accepted in the United States of America as applicable to governments.

The following is a summary of the City's more significant accounting policies:

a) Reporting Entity – The City is governed by an elected Mayor and Commissioners. The City of Neoga, Illinois is considered to be a primary government and has no component units over which it exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City.

b) Basis of Presentation – 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, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City's basic financial statements include both government-wide and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general, special revenue, and permanent funds are classified as governmental activities, while the City's proprietary funds are classified as business-type activities.

Government-Wide Financial Statements:

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Fund Financial Statements:

Separate statements are presented for governmental funds and proprietary funds. These statements present each major fund as a separate column on the fund financial statements. All non-major funds are aggregated and presented in a single column. The following fund types are used by the City:

Governmental Funds:

Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of "financial flow" (sources, use and balances of financial resources).

The City presented the following major governmental funds:

General Fund – is the main operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund. The Cemetery Maintenance Fund is combined with the General Fund for financial statement purposes because this fund no longer has substantial restricted or committed inflows.

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Tax Increment Financing Fund – is a special revenue fund used to account for revenues and expenditures related to redevelopment projects within the Neoga tax increment financing area.

The other governmental funds of the City are considered non-major and are as follows:

Business District Fund – is a special revenue fund used to account for revenues and expenditures related to redevelopment projects within the Neoga business district area.

Tax Increment Financing East – is a special revenue fund used to account for revenues and expenditures related to redevelopment projects within the Neoga East tax increment financing area.

Tax Increment Financing West – is a special revenue fund used to account for revenues and expenditures related to redevelopment projects within the Neoga West tax increment financing area.

Employee Benefits Fund – is a special revenue fund used to account for employee payroll withholdings and expenditures related to payroll taxes and retirement contributions. The major source of revenue includes the City's dedicated property tax levy.

Motor Fuel Tax Fund – is a special revenue fund used to account for revenues and expenditures related to projects financed by the state gasoline tax collected and distributed by the State of Illinois.

Permanent Funds – are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used to support programs of the City.

Cemetery Perpetual Fund – is a permanent fund used to account for interest earned on principal, which is restricted for use on expenditures for the maintenance of City cemeteries.

Proprietary Funds

Proprietary funds are those funds through which the accounting objectives are determinations of operating income, changes in net position, financial position, and changes in cash flows. These funds are accounted for using the economic resources measurement focus which is similar to businesses in the private sector. The City presented the following major proprietary funds:

Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Water Fund – is an enterprise fund used to account for the operations of providing a safe and adequate water supply for fire protection, domestic and industrial use.

Sewer Fund – is an enterprise fund used to account for the operations of providing an adequate sewerage system for the City.

c) Measurement Focus and Basis of Accounting – Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Measurement focus is used to describe which transactions are recorded within the various financial statements.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. All assets and liabilities, including capital assets and long-term liabilities, are included. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position and cash flows.

The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Under 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 within sixty days after year-end. Also, income taxes have a 120-day availability period in the current year due to delays in distributions from the State of Illinois. Expenditures generally are recorded when a liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due and payable.

The proprietary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. This is the same measurement focus and basis of accounting used on the government-wide financial statements.

d) Cash and Cash Equivalents – For purposes of the statement of cash flows, all demand and savings accounts and certificates of deposit or short-term investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

e) Inventory – Inventory held by the City is priced at cost (first-in, first-out) which approximates market.

f) Interfund Activity – Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Transfers during the year ended April 30, 2026 were as follows:

	Transfers In	Transfers Out
Governmental Funds:		
General	$ 499.38	$ -
Cemetery Perpetual	-	499.38
Total Governmental Funds	$ 499.38	$ 499.38

A transfer of $499.38 was made from the Cemetery Perpetual Fund to the General Fund for interest received on certificate of deposit being spendable.

Loans between funds at April 30, 2026 were as follows:

	Due From	Due To
Governmental Funds:		
Tax Increment Financing	$ 63,142.00	$ -
Tax Increment Financing West	-	63,142.00
Total Governmental Funds	$ 63,142.00	$ 63,142.00

The Tax Increment Financing West Fund borrowed $63,142.00 from the Tax Increment Financing Fund for expenses related to Walk Subdivision. The loan is not expected to be repaid within one year.

g) Property Taxes – Property taxes are deferred in the fiscal year for which they are levied and are recorded as revenue when measurable and available, generally limited to collections within sixty days after year end. Taxes levied and uncollected are carried as an asset of the appropriate fund. The City's property tax calendar is as follows:

1. Property is assessed on January 1 each year.

2. The tax levy ordinance was adopted and filed with the County Clerk on December 9, 2025.

3. Property taxes are due to be collected by the County from July through September in two installments in the year following the levy year.

h) Capital Assets and Depreciation – Capital assets, which includes property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the fund financial statements for proprietary funds. Land, buildings, storm sewers, sidewalks, traffic signals, water system and improvements, sewer system and improvements, vehicles, and all other infrastructure and improvements other than buildings with an original cost of $10,000 or more are capitalized. Streets, curbs, bridges and fire apparatus with an original cost of $50,000 or more are capitalized. Machinery, equipment and computer software with an original cost of $2,500 or more and office equipment with an original cost of $1,000 or more are capitalized. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are stated at their fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The City reports all major general infrastructure assets constructed or acquired in fiscal years ending after April 30, 2004, or that received major renovations, restorations, or improvements during that period. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Depreciation has been calculated on each class of depreciable property using the straight-line method basis over the following estimated useful lives:

Buildings	50
Bridges	50
Storm sewers	50
Water/sewer system and improvements	30
Sidewalks/bike paths	20
Traffic signals	20
All other infrastructure and improvements other than buildings	20
Streets/curbs/gutters	20
Vehicles	7
Machinery and equipment	5
Computer software	5
Office equipment	3

i) Prepaid Expenses – Certain payments reflect costs applicable to future accounting periods. For the government-wide and proprietary fund financial statements, the City uses the interperiod allocation method to allocate the expenditure among appropriate periods. For the governmental fund financial statements, the City uses the nonallocation method which permits expenditure recognition in the period of payment and is more consistent with expendable financial resources.

j) Operating Revenues and Expenses – The City's proprietary funds distinguish operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The operating revenues of the City's water and sewer funds consist primarily of charges for services, including tap fees. Operating expenses consist of the costs of providing those services, including depreciation. Nonoperating revenues and expenses include subsidies, financing-related revenues and expenses, investment income and expenses, resources from the disposal of capital assets, and other items not related to the funds' principal ongoing activities.

k) Deferred Outflows and Inflows of Resources – The City reports a decrease in net position/fund balance that applies to a future period as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position and the governmental funds balance sheet. The City reported deferred outflows of resources on the government-wide financial statements for unrecognized items not yet charged to pension expense and pension contributions from the City after the measurement date but before the end of the City's reporting period. The City had no deferred outflows of resources that affect the proprietary fund financial statements in the current year.

The City reports an increase in net position/fund balance that applies to a future period as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position and the governmental funds balance sheet. The City will not recognize the related revenues until a future event occurs. Under the modified accrual basis of accounting, governmental fund revenues are not recognized until available. Deferred leases and unavailable property taxes are reported in the governmental funds balance sheet. Deferred property taxes, deferred leases, and unrecognized items not yet charged to pension expense are reported in the government-wide statement of net position. The City had no deferred inflows of resources that affect the proprietary fund financial statements in the current year.

l) Net Position – Government-wide and proprietary fund net position is divided into three components:

1. Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

2. Restricted – consists of net position that is restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by both federal and state grantors and by other contributors.

3. Unrestricted – all other net position is reported in this category.

m) Fund Balance – The following classifications describe the constraints placed on the purposes for which resources can be used:

1. Nonspendable fund balance – consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

2. Restricted fund balance – consists of amounts that are subject to outside restrictions, such as those imposed by creditors, grantors, contributors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation.

3. Committed fund balance – consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the City Council Members). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

4. Assigned fund balance – consists of amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. The intent can be expressed by the City Council Members or by an official or body which the Council delegates authority.

5. Unassigned fund balance – consists of amounts available for any purpose and positive amounts are reported only in the General Fund.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

n) Comparative Financial Statements – Comparative financial statements are presented for the enterprise funds only to comply with United States Department of Agriculture Rural Development bond requirements. Comparative financial statements are not presented for any other fund types or statements since their inclusion would make the statements unduly complex.

o) Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

p) New Accounting Pronouncement – During the year ended April 30, 2026, the City early adopted the applicable provisions of Governmental Accounting Standards Board Statement No. 103, *Financial Reporting Model Improvements*. The Statement establishes new or modified financial reporting requirements related to management's discussion and analysis; unusual or infrequent items; proprietary fund statement of revenues, expenses, and changes in net position; major component unit information, and budgetary comparison information.

The implementation of GASB Statement No. 103 affected the presentation of certain financial statement and supplementary information line items. The adoption did not result in a cumulative effect on beginning net position or fund balance as of April 30, 2026. Accordingly, beginning balances were not restated.

NOTE B - RESTRICTED ASSETS

The amounts reported as restricted assets are cash deposits for amounts held for customer utility meter deposits and required bond payable accounts. The restricted assets as of April 30, 2026 are as follows:

Type of Restricted Assets	Cash Deposits
Meter deposits	$ 14,000.00
Sewer – Bond and interest reserve account	30,781.25
Sewer – Reserve account	14,268.00
Sewer – Depreciation account	41,697.00
Total	$ 100,746.25

NOTE C - CASH DEPOSITS AND INVESTMENTS

The City is allowed to invest in securities as authorized by 30 ILCS 235/2 and 235/6. At April 30, 2026, the City had the following cash and cash deposits:

Governmental Activities:	
Cash on hand	$ 250.00
Cash deposits	2,083,527.17
Certificates of deposit	13,550.00
	$2,097,327.17
Business-Type Activities:	
Cash Deposits	$2,306,465.42

Disclosures Relating to Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City minimizes its exposure to interest rate risk by limiting its purchases of long-term investments and by structuring investments to mature to meet cash requirements. At April 30, 2026, the City had no investments but cash deposits consisted of a certificate of deposit with a local financial institution having a maturity of 6 months.

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City has no investments which are subject to credit risk rating.

Concentration of Credit Risk:

The City's investment policy does not place limitations on the amount that can be invested in any one issuer. Cash deposits held with local financial institutions are exempt from the 5% investment in any one issuer disclosure.

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits in federally insured banks and savings and loans are insured up to $250,000.00 for demand deposits and $250,000.00 for time deposits per custodian. The City's investment policy requires that all amounts deposited or invested with financial institutions in excess of any insurance limit be collateralized by securities held by the City in the City's name. As of April 30, 2026, of the City's total bank balances, $1,034,658.29 was secured by federal depository insurance, $1,055,820.72 was collateralized with securities held by the pledging financial institution's trust department in the City's name, and $2,424,762.75 was secured by a Federal Home Loan Bank of Chicago irrevocable letter of credit.

Foreign Currency Risk:

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair values of deposits or investments. None of the City's deposits are directly subject to foreign currency risk.

NOTE D - CAPITAL ASSETS

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

	Balance May 1, 2025	Additions/ Completions	Retirements/ Adjustments	Balance April 30, 2026
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 625,432.95	$ -	$ -	$ 625,432.95
Construction in progress	-	274,242.68	-	274,242.68
Capital assets being depreciated:				
Building and improvements	452,693.34	-	-	452,693.34
Accumulated depreciation	(237,636.02)	(9,053.87)	-	(246,689.89)
Building and improvements, net	215,057.32	(9,053.87)	-	206,003.45
Infrastructure	2,782,228.40	-	(35,508.08)	2,746,720.32
Accumulated depreciation	(812,949.67)	(136,443.50)	443.85	(948,949.32)
Infrastructure, net	1,969,278.73	(136,443.50)	(35,064.23)	1,797,771.00
Equipment	506,603.17	44,014.66	(30,293.00)	520,324.83
Accumulated depreciation	(398,176.37)	(27,544.01)	30,293.00	(395,427.38)
Equipment, net	108,426.80	16,470.65	-	124,897.45
Total Governmental Activities Net Capital Assets	$ 2,918,195.80	$ 145,215.96	$ (35,064.23)	$ 3,028,347.53
Business-Type Activities:				
Capital assets not being depreciated:				
Land	$ 31,757.73	$ -	$ -	$ 31,757.73
Construction in progress	45,878.75	1,204,936.20	(1,019,354.58)	231,460.37

	Balance May 1, 2025	Additions/ Completions	Retirements/ Adjustments	Balance April 30, 2026
Capital assets being depreciated:				
Infrastructure	8,366,168.62	1,319,354.58	-	9,685,523.20
Accumulated depreciation	(3,494,133.13)	(244,893.71)	-	(3,739,026.84)
Infrastructure, net	4,872,035.49	1,074,460.87	-	5,946,496.36
Equipment	254,951.15	150,175.88	-	405,127.03
Accumulated depreciation	(184,696.89)	(30,695.45)	-	(215,392.34)
Equipment, net	70,254.26	119,480.43	-	189,734.69
Total capital assets being depreciated	5,019,926.23	2,398,877.50	(1,019,354.58)	6,399,449.15
Intangible Right-to-Use Assets:				
Subscription assets	-	77,466.92	-	77,466.92
Accumulated amortization	-	(3,227.79)	-	(3,227.79)
Subscription assets, net	-	74,239.13	-	74,239.13
Total Business-Type Activities Net Capital Assets	$ 5,019,926.23	$ 2,473,116.63	$ (1,019,354.58)	$ 6,473,688.28

Depreciation and amortization expense was charged to functions/programs as follows:

Governmental Activities:	
General government	$ 8,516.72
Cemetery	775.00
Public safety	11,769.82
Economic development and assistance	24,070.06
Highways and streets	127,909.78
Total Governmental Activities Depreciation Expense	$ 173,041.38
Business-Type Activities:	
Water	$ 98,806.07
Sewer	180,010.88
Total Business-Type Activities Depreciation Expense	$ 278,816.95

The City has the following active construction in progress projects:

Governmental Activities:

The City is paving Walnut Avenue and the connecting alley behind City Hall. The estimated total cost of the project is $266,642.00 and has an estimated completion date of May 2026. On October 14, 2025 the construction bid was awarded to F&C Concrete in the amount of $245,234.00. As of April 30, 2026, $270,246.43 had been expended on construction and engineering.

A parking lot is being constructed behind City Hall. The estimated total cost of the project is $75,840.00 and has an estimated completion date of August 2026. On October 14, 2025, the construction bid was awarded to Esker & Walker Construction in the amount of $65,488.64. As of April 30, 2026, $3,996.25 had been expended on engineering.

Business-Type Activities:

The City has undertaken a watermain relocation project to reroute the water infrastructure around the interstate exits. The estimated total cost of the project is $432,310.00 and the estimated completion date is June 2026. The construction bid was awarded to Kieffer Bros. Construction on December 22, 2025 in the amount of $192,848.04. As of April 30, 2026, $231,460.37 had been expended on construction and engineering.

NOTE E - ACCRUED COMPENSATED ABSENCES

Accumulated unpaid vacation and sick pay amounts and associated employee-related costs for governmental fund types are not accrued in the fund financial statements because they would not normally be liquidated with expendable available financial resources. The accumulated amount is recorded on the accrual basis in those funds on the government-wide financial statements.

Accumulated unpaid vacation and sick pay amounts and associated employee-related costs for proprietary funds are recorded on the accrual basis in those funds on both the fund financial statements and government-wide financial statements.

Unpaid vacation and sick pay and associated employee-related costs are accrued when earned (or estimated to be earned) by the employee. The amount estimated to be used in subsequent fiscal years for governmental funds is reported as a general long-term obligation in the government-wide statement of net position.

Accrued compensated absences at April 30, 2026 is as follows:

	Balance May 1, 2025	Net Change	Balance April 30, 2026	Amount Due Within One Year
Governmental Activities:				
General Fund	$ 72,630.91	$ (29,463.52)	$ 43,167.39	$ 29,285.64
Business-Type Activities:				
Water Fund	19,694.80	(190.63)	19,504.17	16,254.00
Sewer Fund	21,048.06	2.63	21,050.69	17,800.52
	40,742.86	(188.00)	40,554.86	34,054.52
Total	$ 113,373.77	$ (29,651.52)	$ 83,722.25	$ 63,340.16

NOTE F - DEFINED BENEFIT PENSION PLAN

Plan Description – The City's defined benefit pension plan provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General

Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at www.imrf.org.

Benefits Provided – IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).
All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

Employees Covered by Benefit Terms – As of December 31, 2025, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	13
Inactive plan members entitled to but not yet receiving benefits	12
Active plan members	9
Total	34

Contributions – As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2025 and 2026 was 9.07% and 9.78%, respectively. For the fiscal year ended April 30, 2026, the City contributed $51,881.88 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability – The City's net pension liability was measured as of December 31, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The following are the methods and assumptions used to determine total pension liability at December 31, 2025:

Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Market Value of Assets
Price Inflation:	2.25%
Salary Increases:	2.85% to 13.75%
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
Mortality:	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	32.5%	7.35%
International Equities	18.0%	7.45%
Fixed Income	24.0%	4.75%
Real Estate	10.5%	6.25%
Alternative Investments	14.0%	3.9-8.5%
Cash Equivalents	1.0%	3.00%
Total	100.0%	

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

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.83%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability (Asset):	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (Asset) (A) – (B)
Balances at December 31, 2024	$ 3,599,577.00	$ 3,312,772.00	$ 286,805.00
Changes for the year:			
Service cost	51,532.00	-	51,532.00
Interest on the total pension liability	258,332.00	-	258,332.00
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	(13,997.00)	-	(13,997.00)
Changes of assumptions	-	-	-
Contributions – employer	-	51,671.00	(51,671.00)
Contributions – employees	-	25,636.00	(25,636.00)
Net investment income	-	497,190.00	(497,190.00)
Benefit payments, including refunds of employee contributions	(124,290.00)	(124,290.00)	-
Other (net transfer)	-	294.00	(294.00)
Net changes	171,577.00	450,501.00	(278,924.00)
Balances at December 31, 2025	$ 3,771,154.00	$ 3,763,273.00	$ 7,881.00

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the plan's net pension liability, calculated using a single discount rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Lower 6.25%	Current 7.25%	1% Higher 8.25%
Net Pension Liability/(Asset)	$ 457,899.00	$ 7,881.00	$ (358,944.00)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – For the year ended April 30, 2026, the City recognized pension expense of $12,955.00. At April 30, 2026, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions:	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences between expected and actual experience	$ -	$ 13,610.00
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	172,536.00
Total deferred amounts to be recognized in pension expense in future periods	-	186,146.00
Pension contributions made subsequent to the measurement date	17,413.88	-
Total Deferred Amounts Related to Pensions	$ 17,413.88	$ 186,146.00

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

Year Ending April 30	Net Deferred Outflows (Inflows) of Resources
2026	$ 30,059.00
2027	(94,718.00)
2028	(69,744.00)
2029	(51,743.00)
Total	$ (186,146.00)

NOTE G - LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended April 30, 2026:

	Balance May 1, 2025	Additions	Retired	Balance April 30, 2026	Amount Due Within One Year
Business-Type Activities:					
Note payable	$ -	$ 93,543.75	$ -	$ 93,543.75	$ 2,033.73
Bonds payable	949,969.20	-	24,969.20	925,000.00	25,000.00
Total	$ 949,969.20	$ 93,543.75	$ 24,969.20	$1,018,543.75	$ 27,033.73

In November 2024, the City accepted a loan offer from the Illinois Environmental Protection Agency for a drinking water project to replace water mains, hydrants and meters. The approved loan amount is $117,500. The loan term is 20 years. Interest is charged at a rate of 1.4%. The loan will be repaid in semi-annual installments with an expected start date of January 2027. At April 30, 2026, $93,543.75 had been drawn down. The outstanding balance at April 30, 2026 was $93,543.75.

The City approved an ordinance authorizing the issuance up to $1,100,000.00 of waterworks and sewerage system revenue bonds for the purpose of sewer treatment facility improvements. Bonds are dated March 8, 2021, with final payment due May 1, 2060. Principal payments are due annually on May 1 and interest payments of 1.25% are due semi-annually on May 1 and November 1. At April 30, 2026, the outstanding liability was $925,000.00.

The annual requirements to amortize all debt outstanding as of April 30, 2026 are as follows:

Year Ended April 30	Business-Type Activities		
	Principal	Interest	Total
2027	$ 27,033.73	$ 12,062.97	$ 39,096.70
2028	29,110.40	12,364.25	41,474.65
2029	29,168.32	11,993.83	41,162.15
2030	29,227.04	11,622.61	40,849.65
2031	29,286.60	11,250.55	40,537.15
2032-2036	147,356.21	50,642.04	197,998.25
2037-2041	158,976.25	41,084.50	200,060.75
2042-2046	175,713.66	30,253.34	205,967.00
2047-2051	152,671.54	19,706.41	172,377.95
2052-2056	165,000.00	10,031.25	175,031.25
2057-2059	75,000.00	1,687.50	76,687.50
Total	$1,018,543.75	$ 212,699.25	$ 1,231,243.00

NOTE H - OTHER LONG-TERM LIABILITIES

The following is a summary of other long-term liability transactions for the year ended April 30, 2026:

	Balance May 1, 2025	Additions	Payments	Balance April 30, 2026	Amount Due Within One Year
Governmental Activities:					
TIF District redevelopment project	$ 54,617.09	$ -	$ -	$ 54,617.09	$ 27,187.30
Business District redevelopment project	34,079.25	-	-	34,079.25	27,342.81
Total Governmental Activities	$ 88,696.34	$ -	$ -	$ 88,696.34	$ 54,530.11

The City signed a redevelopment agreement with Westmore Equities, LLC in January 2011 to reimburse costs for the construction of a new building for a retail business in the City's TIF District. The City is to reimburse Westmore Equities, LLC 75% of TIF property tax revenues on the property annually until the Neoga Tax Increment Financing District #1 expires in 21 years. The maximum amount to be paid over that period is $250,000.00. It can be reasonably estimated that the City will pay the maximum amount in the agreement.

The City signed a redevelopment agreement with Westmore Equities, LLC in September 2010 to reimburse costs for the construction of a new building for a retail business in the City's Business District. The City is to reimburse Westmore Equities, LLC 100% of the Business District sales tax revenues collected on the property annually until the Neoga Business District expires in 21 years. The maximum amount to be paid over that period is $158,000.00. It can be reasonably estimated that the City will pay the maximum amount in the agreement.

NOTE I - SUBSCRIPTION LIABILITIES

A summary of the City's subscription liability activity as of April 30, 2026 is reported below. The related assets and accumulated amortization of the intangible right-to-use assets are outlined in Note D.

Business-Type Activities:

At December 1, 2025, the City entered into an agreement with Sensus USA, Inc. for meter reading software and billing integration services for a term of 5 years, which will automatically renew for an additional 5 year term, which is reasonably certain to be exercised, making an ending date of December 1, 2035. The agreement requires annual payments starting at $6,700.00 and increasing each year by 3%. The City used the incremental borrowing rate of 4.48% for discounting future payments.

The minimum subscription liability payments are as follows:

Year Ending April 30	Principal	Interest	Total
2027	$ 4,386.06	$ 2,516.28	$ 6,902.34
2028	4,783.60	2,319.78	7,103.38
2029	5,209.93	2,111.25	7,321.18
2030	5,666.91	1,872.07	7,538.98
2031	6,146.96	1,618.19	7,765.15
2032-2036	29,973.46	3,487.60	33,461.06
Total	$ 56,166.92	$ 13,925.17	$ 70,092.09

NOTE J - OTHER POST-EMPLOYMENT BENEFITS

Plan Description – In addition to providing the pension benefits described, the City provides post-employment health care insurance 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 policy. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

Benefits Provided – The City provides post-employment health care insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. All health care benefits are provided through the City's insured health plan. The benefit levels are the same as those afforded to active employees. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

Change in Benefit Terms – During the measurement period ended April 30, 2026, the City changed the benefit terms of the Plan by modifying the retiree health premium structure from an age-based premium structure to a non-age-based premium structure. The change affected the measurement of the total OPEB liability because the revised premium structure resulted in an implicit rate subsidy for retiree health coverage. The actuarial valuation measured the effect of the change in benefit terms as an increase in the total OPEB liability of $46,424.00. This amount is reported as a change in benefit terms in the schedule of changes in the net OPEB liability for the year ended April 30, 2026.

Membership – At April 30, 2026, membership consisted of:

Total active employees	8
Inactive employees currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	0
Total	8

Contributions – The City negotiates the contribution percentages between the City and employees through the personnel policy. All retired employees are responsible for the full cost of coverage and the City contributes none. For the fiscal year ended April 30, 2026, there were no benefit payments for retiree medical coverage. There were no contributions to an OPEB Trust. Active employees do not contribute to the plan until retirement.

Actuarial Assumptions – The following are the methods and assumptions used to determine total OPEB liability at April 30, 2026 using the Alternative Measurement Method:

Actuarial Cost Method:	Entry Age Normal
Inflation	2.50%
Salary Increases:	2.50%
Municipal Bond Rate:	4.42%
Healthcare Cost Trend Rates:	2026: 8.75%, 2027: 7.75%, 2028-2034: 5.75% 2035-2074: 4.50%, 2075+: 4.00%
Termination Rates:	Percentage remaining employed until assumed retirement age: Age 20: 29.6%, Age 30: 59.3%, Age 40: 84.1%, Age 50: 100%
Disability Rates:	None assumed
Mortality Rates:	PubG-2010 Employee mortality, Amount-Weighted, below-median income, with generational improvements with the most recent projection scale (currently Scale MP-2021).
Retirement Rates:	100% at age 50 with 20 years of service.

Discount Rate – The discount rate used in the determination of the total OPEB liability is based solely on the municipal bond rate since the City does not have a trust dedicated exclusively to the payment of OPEB benefits. The discount rate for the year ended April 30, 2026 was 4.42%.

Changes in OPEB Liability:	Total OPEB Liability (A)	OPEB Plan Net Position (B)	Net OPEB Liability (A) – (B)
Balances at April 30, 2025	$ -	$ -	$ -
Changes for the year:			
Service cost	6,187.00	-	6,187.00
Interest	2,332.00	-	2,332.00
Changes of benefit terms	46,424.00	-	46,424.00
Assumptions change	1,153.00	-	1,153.00
Contributions – employer	-	4,765.00	(4,765.00)
Benefit payments	(4,765.00)	(4,765.00)	-
Net changes	51,331.00	-	51,331.00
Balances at April 30, 2026	$ 51,331.00	$ -	$ 51,331.00

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the plan's net OPEB liability, calculated using a single discount rate of 4.42%, as well as what the plan's net OPEB liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Lower 3.42%	Current 4.42%	1% Higher 5.42%
Net OPEB Liability (Asset)	$ 57,019.00	$ 51,331.00	$ 46,350.00

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the plan's net OPEB liability, calculated using the current healthcare cost trend rate according to the actuarial assumptions above as well as what the plan's net OPEB liability would be if it were calculated using a rate that is 1% lower or 1% higher:

	1% Lower Varies	Current Varies	1% Higher Varies
Net OPEB Liability (Asset)	$ 45,358.00	$ 51,331.00	$ 58,363.00

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended April 30, 2026, the City recognized OPEB expense of $59,346.00. At April 30, 2026, the City reported no deferred outflows of resources or deferred inflows of resources.

NOTE K - MAJOR CUSTOMER

On August 10, 2020, the City signed an agreement with Shelby County Energy Center, LLC to accept its wastewater up to a daily maximum of 192,000 gallons per day and an annual maximum of 15,000,000 gallons. As consideration of discharge, the user fee will equal $0.85 per 100 gallons of water discharged by Shelby County Energy Center, LLC to the Neoga Wastewater Treatment System. The fee will be adjusted to keep the fee equal to the wastewater fee charged to residential wastewater customers at the time of the billing. In the event the fee is less than $70,000.00, a true up payment will be made at the end of the calendar year to adjust the billing to $70,000.00. The agreement is for 10 years. On a monthly basis, the Center shall reimburse the City for the cost of electricity associated with operating the Lake Facilities.

Shelby County Energy Center, LLC paid $110,998.01 or 13.16% of water and sewer revenue to the City during the fiscal year ended April 30, 2026.

NOTE L - OTHER LEASE

At March 1, 2026, the City entered into a cash rent farm lease with Damon Potter for a term of 3 years with an ending date of February 28, 2029. The lease requires the tenant to pay the City $255.00 per acre for the 40.93 tillable acres for a total of $10,437.15 annually by April 30th of each year. The City used the incremental borrowing rate of 4.32% for discounting future payments.

For the year ending April 30, 2026, the City recognized lease revenue of $1,655.28 and interest revenue of $0.00 on the lease above.

NOTE M - RISK MANAGEMENT

The City is exposed to various risks of loss including, but not limited to, workers compensation, general, automobile, and public officials' liability, property, flood and earthquake, cyber liability, crime and bonds, liquor liability, and equipment breakdown coverage. To limit exposure to these risks, the City is a member of the Illinois Municipal League Risk Management Association, a self-insured municipal pool of over 600 municipalities.

NOTE N - MAJOR SUPPLIER

On November 27, 2017, the City approved a water supply agreement with EJ Water Cooperative, Inc. The City will pay an initial rate of $2.90 per 1,000 gallons to purchase water. An annual adjustment will be made to the rate beginning January 1, 2021 in accordance with the consumer price index. The term of the agreement is 40 years beginning on the first day of delivery of water. For the year ended April 30, 2026, the City of Neoga purchased $126,498.43 in treated water from EJ Water Cooperative, Inc.

NOTE O - COMMITMENTS

On October 15, 2024, the City Council approved a TIF grant to Lauren's Paws n Claws to redevelop, rehabilitate, and repair the existing commercial building located in the redevelopment project area. The City will reimburse an amount equal to the actual costs of the redevelopment not to exceed $12,000.00 for costs incurred on or before August 1, 2026. As of April 30, 2026, $7,500.00 had been expended for the project from the Tax Increment Financing Fund and $4,500.00 remains on the commitment.

On April 14, 2025, the City Council approved a TIF grant to The Kelly Bar and Grille to redevelop, rehabilitate, and repair the existing commercial building located in the redevelopment project area. The City will reimburse an amount equal to the actual costs of the redevelopment not to exceed $215,772.50 for costs incurred on or before December 31, 2026. As of April 30, 2026, $212,428.28 had been expended for the project from the Tax Increment Financing Fund and $3,344.22 remains on the commitment.

On February 9, 2026, the City Council approved a TIF grant to SAAAM Properties, LLC to redevelop, rehabilitate, and repair the existing commercial building located in the redevelopment project area. The City will reimburse 50% of the actual costs of the redevelopment not to exceed $14,602.40 for costs incurred on or before August 1, 2026. As of April 30, 2026, $0 had been expended for the project from the Tax Increment Financing Fund and $14,602.40 remains on the commitment.

Other redevelopment project commitments for Tax Increment Financing and Business District Funds are described in Note H and recorded as long-term liabilities.

NOTE P - DEFICIT FUND BALANCE

At April 30, 2026, the Tax Increment Financing West Fund had a deficit balance of $22,692.88.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEOGA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - CASH BASIS
(Includes General and Cemetery Maintenance Funds)
For the Year Ended April 30, 2026

	Original Budget	Final Budget	Variance With Original Budget - Over (Under) Final Budget	Actual	Variance With Final Budget - Over (Under) Actual
General Fund:					
RECEIPTS					
Revenue:					
Property taxes	$ 195,000.00	$ 195,000.00	$ -	$ 190,253.43	$ (4,746.57)
Personal property replacement income tax	30,000.00	30,000.00	-	14,701.08	(15,298.92)
Municipal retailers' occupation tax	260,000.00	252,800.00	(7,200.00)	211,371.90	(41,428.10)
Local use tax	58,000.00	58,000.00	-	12,838.84	(45,161.16)
Illinois income tax	280,000.00	280,000.00	-	256,333.95	(23,666.05)
Cannabis tax	3,000.00	3,000.00	-	2,101.36	(898.64)
Utility tax	90,000.00	90,000.00	-	78,722.22	(11,277.78)
Telecommunications tax	17,000.00	17,000.00	-	15,377.96	(1,622.04)
Video gaming tax	45,000.00	45,000.00	-	31,375.11	(13,624.89)
Franchise tax	24,000.00	24,000.00	-	20,176.97	(3,823.03)
Miscellaneous licenses, permits and fees	30,275.00	32,375.00	2,100.00	10,937.18	(21,437.82)
Fines and violations	50,000.00	50,000.00	-	7,632.85	(42,367.15)
Rent income	115,000.00	120,000.00	5,000.00	80,865.03	(39,134.97)
Grant income	220,000.00	220,000.00	-	66,150.00	(153,850.00)
Interest received	400.00	500.00	100.00	42,549.75	42,049.75
Donations	-	-	-	20,300.00	20,300.00
Miscellaneous revenue	52,600.00	52,600.00	-	15,404.58	(37,195.42)
Streets and alleys	20,000.00	20,000.00	-	2,287.03	(17,712.97)
Other governmental agencies	-	-	-	11,620.33	11,620.33
Total revenue receipts	1,490,275.00	1,490,275.00	-	1,090,999.57	(399,275.43)
Non-Revenue Receipts:					
Sale of assets	-	-	-	2,718.00	2,718.00
Total receipts	1,490,275.00	1,490,275.00	-	1,093,717.57	(396,557.43)
DISBURSEMENTS					
General government	421,000.00	421,000.00	-	304,816.75	116,183.25
Public safety	422,700.00	401,700.00	21,000.00	335,876.98	65,823.02
Highways and streets	479,000.00	480,000.00	(1,000.00)	170,100.47	309,899.53
Sanitation	12,000.00	12,000.00	-	4,923.67	7,076.33
Health and welfare	24,000.00	24,000.00	-	5,480.44	18,519.56

CITY OF NEOGA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (Continued)
GENERAL FUND - CASH BASIS
(Includes General and Cemetery Maintenance Funds)
For the Year Ended April 30, 2026

	Original Budget	Final Budget	Variance With Original Budget - Over (Under) Final Budget	Actual	Variance With Final Budget - Over (Under) Actual
Economic development and assistance	155,000.00	155,000.00	-	84,120.38	70,879.62
Capital outlay	247,000.00	247,000.00	-	55,537.16	191,462.84
Total expense disbursements	1,760,700.00	1,740,700.00	20,000.00	960,855.85	779,844.15
Total disbursements	1,760,700.00	1,740,700.00	20,000.00	960,855.85	779,844.15
Excess of receipts (disbursements)	(270,425.00)	(250,425.00)	(20,000.00)	132,861.72	383,286.72
Cemetery Maintenance Fund:					
RECEIPTS					
Revenue:					
Sale of lots	5,900.00	5,850.00	(50.00)	700.00	(5,150.00)
Interest received	50.00	100.00	50.00	52.04	(47.96)
Miscellaneous	10,000.00	10,000.00	-	-	(10,000.00)
Total revenue receipts	15,950.00	15,950.00	-	752.04	(15,197.96)
Non-Revenue Receipts:					
Transfers from other funds	600.00	600.00	-	499.38	(100.62)
Total receipts	16,550.00	16,550.00	-	1,251.42	(15,298.58)
DISBURSEMENTS					
Cemetery	100,000.00	100,000.00	-	15,324.00	84,676.00
Excess of receipts (disbursements)	(83,450.00)	(83,450.00)	-	(14,072.58)	69,377.42
Total excess of receipts (disbursements)	$ (353,875.00)	$ (333,875.00)	$ (20,000.00)	118,789.14	$ 452,664.14
Cash deposits, beginning of year				1,129,656.45	
Cash Deposits, End of Year				$ 1,248,445.59	

CITY OF NEOGA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
TAX INCREMENT FINANCING FUND - CASH BASIS
For the Year Ended April 30, 2026

	Original Budget	Final Budget	Variance With Original Budget - Over (Under) Final Budget	Actual	Variance With Final Budget - Over (Under) Actual
RECEIPTS					
Revenue:					
Property taxes	$ 400,000.00	$ 400,000.00	$ -	$ 307,848.68	$ (92,151.32)
Interest received	1,000.00	1,000.00	-	18,904.55	17,904.55
Total receipts	401,000.00	401,000.00	-	326,753.23	(74,246.77)
DISBURSEMENTS					
Economic development and assistance	850,000.00	850,000.00	-	465,152.57	384,847.43
Capital outlay	-	-	-	46,532.63	(46,532.63)
Total expense disbursements	850,000.00	850,000.00	-	511,685.20	338,314.80
Non-expense disbursements:					
Transfers to other funds	100,000.00	100,000.00	-	-	100,000.00
Total disbursements	950,000.00	950,000.00	-	511,685.20	438,314.80
Excess of receipts (disbursements)	$ (549,000.00)	$ (549,000.00)	$ -	(184,931.97)	$ 364,068.03
Cash deposits, beginning of year				664,253.80	
Cash Deposits, End of Year				$ 479,321.83	

NOTE A – BUDGETS AND BUDGETARY ACCOUNTING

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

1. A proposed operating budget is submitted to the City council for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to August 1, the appropriations are legally enacted through passage of an appropriation ordinance.

4. The tax levy ordinance is adopted and filed with the county clerk on or before the last Tuesday in December.

5. All annual appropriations lapse at fiscal year-end.

6. All budgets are adopted on a cash basis which is inconsistent with U.S. generally accepted accounting principles (GAAP) which require accrual basis reporting. The budget was amended on April 27, 2026. All budget comparisons presented in this report are on a non-GAAP budgetary basis and are compared with actual cash receipts and disbursements. A reconciliation of the timing differences in excess of revenues over (under) expenditures for the year ended April 30, 2026, is presented below:

	General	Tax Increment Financing
Excess of receipts, (disbursements) (budgetary basis)	$ 118,789.14	$ (184,931.97)
Increase (decrease) in receivables, prepaid expenditures, and inventory	16,233.47	42,491.26
(Increase) decrease in payables, other liabilities, and deferred inflows of resources	25,563.21	(251,206.56)
Net Change in Fund Balance	$ 160,585.82	$ (393,647.27)

NOTE B – ACTUAL BUDGET RESULTS

Significant variances between the original budget and final budget are noted below:

	General Over (Under)
Budgetary Disbursements:	
Differences – original budget to final budget:	
Public safety disbursements in the original budget were decreased due to public safety salaries being less than expected.	$ 21,000.00

Significant variances between the final budget and actual results are noted below:

Budgetary Receipts:
Differences – final budget to actual:

Actual receipts were less than final budgeted receipts in total, primarily because sixteen of the City's twenty receipt categories were below budgeted amounts. The City's budgetary process historically estimates receipts at levels above actual results. The City budgets receipts based on anticipated maximum activity levels and does not amend the budget solely to conform budgeted amounts to actual collection.

Significant variances occurred in the following receipt categories because actual collections were lower than the amount included in the final budget:

	General Over (Under)
Municipal retailers' occupation tax	$ (41,428.10)
Local use tax	(45,161.16)
Illinois income tax	(23,666.05)
Miscellaneous licenses, permits and fees	(21,437.82)
Fines and violations	(42,367.15)
Rent income	(39,134.97)
Grant income	(153,850.00)
Miscellaneous revenue	(37,195.42)

Interest received exceeded budget because actual cash balances were higher than anticipated and yields were higher than the rates assumed when the budget was prepared. 42,049.75

Donations exceeded budget due to an unplanned contribution that was not included in the final budget. 20,300.00

Budgetary Disbursements:
Differences – final budget to actual:

General government disbursements were less than budgeted due to grant administration service ($19,500.00) and legal service ($28,184.13) being less than expected. 116,183.25

Public safety disbursements were less than budgeted due to salaries ($41,935.37) being less than expected. 65,823.02

Highways and streets disbursements were less than budgeted due to sidewalk maintenance ($185,608.29), engineering service ($49,546.40), and miscellaneous expense ($16,294.93) being less than expected. 309,899.53

Health and welfare disbursements were less than budgeted due to demolition expenses ($10,000.00) being less than expected. 18,519.56

Economic development and assistance disbursements were less than budgeted due to building maintenance ($31,159.95) being less than expected. 70,879.62

	General Over (Under)
Capital outlay disbursements were less than budgeted due to delays in timing of capital purchases.	$ 191,462.84
Cemetery disbursements were less than budgeted due to contract mowing ($57,250.00) and miscellaneous expense ($20,426.00) being less than expected.	84,676.00

	Tax Increment Financing Over (Under)
Budgetary Receipts:	
Differences – final budget to actual:	
Property tax receipts were under budget because actual collections were lower than amounts estimated in the final budget.	$ (92,151.32)
Interest received exceeded budget because actual cash balances were higher than anticipated and yields were higher than the rates assumed when the budget was prepared.	17,904.55
Budgetary Disbursements:	
Differences – final budget to actual:	
Economic development and assistance disbursements were less than budgeted due to TIF loans ($344,453.12) and legal service ($25,467.25) being less than expected.	384,847.43
Capital outlay disbursements for public improvements were not separately stated in the final budget.	(46,532.63)
Transfer to other funds were budgeted at $100,000.00; however, transfers to other funds were not necessary resulting in actual being less than budget.	100,000.00

CITY OF NEOGA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
REGULAR PLAN
December 31, 2025

Total Pension Liability:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Service cost	$ 51,532	$ 48,299	$ 43,337	$ 40,617	$ 38,514	$ 40,281	$ 35,471	$ 37,523	$ 39,182	$ 38,928
Interest	258,332	248,645	232,504	210,831	201,573	195,614	189,650	183,664	180,683	173,267
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(13,997)	(34,526)	90,828	203,900	41,904	27,247	7,751	24,207	36,622	3,410
Changes of assumptions	-	-	906	-	-	(28,289)	-	75,256	(83,024)	(6,352)
Benefit payments, including refunds of employee contributions	(124,290)	(136,557)	(158,286)	(157,251)	(153,438)	(150,115)	(155,916)	(149,305)	(116,480)	(116,877)
Net change in total pension liability	171,577	125,861	209,289	298,097	128,553	84,738	76,956	171,345	56,983	92,376
Total pension liability, beginning of year	3,599,577	3,473,716	3,264,427	2,966,330	2,837,777	2,753,039	2,676,083	2,504,738	2,447,755	2,355,379
Total Pension Liability, End of Year	$ 3,771,154	$ 3,599,577	$ 3,473,716	$ 3,264,427	$ 2,966,330	$ 2,837,777	$ 2,753,039	$ 2,676,083	$ 2,504,738	$ 2,447,755
Plan Fiduciary Net Position:										
Contributions - employer	$ 51,671	$ 44,652	$ 26,923	$ 38,459	$ 43,361	$ 44,393	$ 32,210	$ 38,046	$ 38,894	$ 40,172
Contributions - employees	25,636	24,504	22,604	21,715	18,655	17,805	17,174	16,060	16,131	15,516
Net investment income	497,190	314,731	320,235	(419,268)	503,451	384,119	443,398	(140,986)	385,842	145,967
Benefit payments, including refunds of employee contributions	(124,290)	(136,557)	(158,286)	(157,251)	(153,438)	(150,115)	(155,916)	(149,305)	(116,480)	(116,877)
Other (net transfer)	294	(135,371)	84,699	14,296	30,529	19,163	(19,646)	51,689	(14,427)	28,610
Net change in fiduciary net position	450,501	111,959	296,175	(502,049)	442,558	315,365	317,220	(184,496)	309,960	113,388
Plan net position, beginning of year	3,312,772	3,200,813	2,904,638	3,406,687	2,964,129	2,648,764	2,331,544	2,516,040	2,206,080	2,092,692
Plan Net Position, End of Year	$ 3,763,273	$ 3,312,772	$ 3,200,813	$ 2,904,638	$ 3,406,687	$ 2,964,129	$ 2,648,764	$ 2,331,544	$ 2,516,040	$ 2,206,080
Employer's Net Pension Liability/(Asset)	$ 7,881	$ 286,805	$ 272,903	$ 359,789	$ (440,357)	$ (126,352)	$ 104,275	$ 344,539	$ (11,302)	$ 241,675
Plan fiduciary net position as a percentage of the total pension liability	99.79%	92.03%	92.14%	88.98%	114.85%	104.45%	96.21%	87.13%	100.45%	90.13%
Covered employee payroll	$ 569,683	$ 544,533	$ 502,310	$ 482,545	$ 414,542	$ 395,663	$ 381,645	$ 356,899	$ 358,475	$ 344,820
Employer's net pension liability as a percentage of covered employee payroll	1.38%	52.67%	54.33%	74.56%	-106.23%	-31.93%	27.32%	96.54%	-3.15%	70.09%

CITY OF NEOGA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
December 31, 2025

Calendar Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Employee Payroll
Illinois Municipal Retirement Fund - Regular Plan:					
2016	$ 40,172	$ 40,172	$ -	$ 344,820	11.65%
2017	38,895	38,894	1	358,475	10.85%
2018	38,045	38,046	(1)	356,899	10.66%
2019	32,211	32,210	1	381,645	8.44%
2020	44,393	44,393	-	395,663	11.22%
2021	43,361	43,361	-	414,542	10.46%
2022	38,459	38,459	-	482,545	7.97%
2023	26,924	26,923	1	502,310	5.36%
2024	44,652	44,652	-	544,533	8.20%
2025	51,670	51,671	(1)	569,683	9.07%

CITY OF NEOGA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS (Continued)
December 31, 2025

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2025 Contribution Rate *

Valuation Date:

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

Methods and Assumptions Used to Determine 2025 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	18-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	2.75%
Price Inflation:	2.25%
Salary Increases:	2.85% to 13.75%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
Mortality:	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
Other Information:	There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2023, actuarial valuation.

CITY OF NEOGA, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
April 30, 2026

Total OPEB Liability:	2026
Service cost	$ 6,187
Interest	2,332
Changes of benefit terms	46,424
Differences between expected and actual experience	-
Changes of assumptions	1,153
Benefit payments, including refunds of employee contributions	(4,765)
Net change in total OPEB liability	51,331
Total OPEB liability, beginning of year	-
Total OPEB Liability, End of Year	$ 51,331
Covered employee payroll	$ 484,131
Employer's net OPEB liability as a percentage of covered employee payroll	10.60%

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

Notes to Schedule:

Changes in benefit terms: Effective January 1, 2026, the City changed the retiree health premium structure from an age-based premium structure to a non-age-based premium structure. The revised premium structure resulted in an implicit rate subsidy and recognition of an OPEB liability. The effect of the change of benefit terms increased the total OPEB liability by $46,424.00 for the measurement period ended April 30, 2026.

Changes of assumptions: The discount rate changed from 4.64% for the reporting period ending April 30, 2025 to 4.42% for the reporting period ending April 30, 2026.

Benefit payments: Benefit payments include premiums paid by the employer.

SUPPLEMENTARY INFORMATION

CITY OF NEOGA, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2026

	Cemetery Perpetual	Business District	Tax Increment Financing East	Tax Increment Financing West	Employee Benefits	Motor Fuel Tax	Total Nonmajor Governmental Funds
ASSETS							
Cash deposits	$ 13,550.00	$ 18,019.60	$ 11,169.05	$ 40,724.12	$ 216,821.76	$ 69,275.22	$ 369,559.75
Receivables:							
Property taxes	-	-	8,337.14	27,569.00	78,588.31	-	114,494.45
Due from other governmental agencies	-	2,440.79	-	-	-	5,160.74	7,601.53
Inventory	-	-	-	-	-	795.00	795.00
Total Assets	$ 13,550.00	$ 20,460.39	$ 19,506.19	$ 68,293.12	$ 295,410.07	$ 75,230.96	$ 492,450.73
LIABILITIES							
Accounts payable	$ -	$ -	$ 20.00	$ 275.00	$ -	$ -	$ 295.00
Accrued payroll taxes and withholdings	-	-	-	-	8,416.80	-	8,416.80
Due to other funds	-	-	-	63,142.00	-	-	63,142.00
Total liabilities	-	-	20.00	63,417.00	8,416.80	-	71,853.80
DEFERRED INFLOWS OF RESOURCES							
Unavailable property taxes	-	-	8,337.14	27,569.00	78,588.31	-	114,494.45
FUND BALANCE							
Nonspendable	13,550.00	-	-	-	-	795.00	14,345.00
Restricted for:							
Unemployment insurance	-	-	-	-	31,832.20	-	31,832.20
IMRF	-	-	-	-	153,640.11	-	153,640.11
Social security and medicare tax	-	-	-	-	19,415.20	-	19,415.20
Economic development and assistance	-	20,354.19	11,109.23	33,024.94	-	-	64,488.36
Street maintenance	-	-	-	-	-	74,435.96	74,435.96
Assigned for:							
Employee benefits	-	-	-	-	3,517.45	-	3,517.45
Economic development and assistance	-	106.20	39.82	142.36	-	-	288.38
Unassigned (deficit)	-	-	-	(55,860.18)	-	-	(55,860.18)
Total fund balance (deficit)	13,550.00	20,460.39	11,149.05	(22,692.88)	208,404.96	75,230.96	306,102.48
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 13,550.00	$ 20,460.39	$ 19,506.19	$ 68,293.12	$ 295,410.07	$ 75,230.96	$ 492,450.73

CITY OF NEOGA, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended April 30, 2026

	Cemetery Perpetual	Business District	Tax Increment Financing East	Tax Increment Financing West	Employee Benefits	Motor Fuel Tax	Total Nonmajor Governmental Funds
Revenues:							
Property taxes	$ -	$ -	$ 6,799.11	$ 23,933.51	$ 76,683.45	$ -	$ 107,416.07
Municipal retailers' occupation tax	-	14,110.65	-	-	-	-	14,110.65
Illinois motor fuel tax	-	-	-	-	-	64,125.36	64,125.36
Interest income	499.38	42.50	34.27	118.93	621.63	338.70	1,655.41
Total revenues	499.38	14,153.15	6,833.38	24,052.44	77,305.08	64,464.06	187,307.49
Expenditures:							
General government	-	-	-	-	101,362.84	-	101,362.84
Highways and streets	-	-	-	-	-	152,164.79	152,164.79
Economic development and assistance	-	-	20.00	275.00	-	-	295.00
Total expenditures	-	-	20.00	275.00	101,362.84	152,164.79	253,822.63
Excess (deficiency) of revenues over expenditures	499.38	14,153.15	6,813.38	23,777.44	(24,057.76)	(87,700.73)	(66,515.14)
Other Financing Sources (Uses):							
Transfers out	(499.38)	-	-	-	-	-	(499.38)
Net change in fund balance	-	14,153.15	6,813.38	23,777.44	(24,057.76)	(87,700.73)	(67,014.52)
Fund balance (deficit), beginning of year	13,550.00	6,307.24	4,335.67	(46,470.32)	232,462.72	162,931.69	373,117.00
Fund Balance (Deficit), End of Year	$ 13,550.00	$ 20,460.39	$ 11,149.05	$ (22,692.88)	$ 208,404.96	$ 75,230.96	$ 306,102.48

CITY OF NEOGA, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
BUSINESS DISTRICT FUND - CASH BASIS
For the Year Ended April 30, 2026

	Original Budget	Final Budget	Variance With Original Budget - Over (Under) Final Budget	Actual	Variance With Final Budget - Over (Under) Actual
RECEIPTS					
Revenue:					
Municipal retailers' occupation tax	$ 14,800.00	$ 14,800.00	$ -	$ 13,875.83	$ (924.17)
Interest received	95.00	95.00	-	42.50	(52.50)
Total receipts	14,895.00	14,895.00	-	13,918.33	(976.67)
DISBURSEMENTS					
Economic Development and Assistance	19,000.00	19,000.00	-	-	19,000.00
Excess of receipts (disbursements)	$ (4,105.00)	$ (4,105.00)	$ -	13,918.33	$ 18,023.33
Cash deposits, beginning of year				4,101.27	
Cash Deposits, End of Year				$ 18,019.60	

CITY OF NEOGA, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
TAX INCREMENT FINANCING EAST FUND - CASH BASIS
For the Year Ended April 30, 2026

	Original Budget	Final Budget	Variance With Original Budget - Over (Under) Final Budget	Actual	Variance With Final Budget - Over (Under) Actual
RECEIPTS					
Revenue:					
Property taxes	$ 10,650.00	$ 10,600.00	$ (50.00)	$ 6,799.11	$ (3,800.89)
Interest received	10.00	60.00	50.00	34.27	(25.73)
Total revenue receipts	10,660.00	10,660.00	-	6,833.38	(3,826.62)
Non-Revenue Receipts:					
Transfers from other funds	20,000.00	20,000.00	-	-	(20,000.00)
Total receipts	30,660.00	30,660.00	-	6,833.38	(23,826.62)
DISBURSEMENTS					
Economic Development and Assistance	35,000.00	35,000.00	-	-	35,000.00
Excess of receipts (disbursements)	$ (4,340.00)	$ (4,340.00)	$ -	6,833.38	$ 11,173.38
Cash deposits, beginning of year				4,335.67	
Cash Deposits, End of Year				$ 11,169.05	

CITY OF NEOGA, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
TAX INCREMENT FINANCING WEST FUND - CASH BASIS
For the Year Ended April 30, 2026

	Original Budget	Final Budget	Variance With Original Budget - Over (Under) Final Budget	Actual	Variance With Final Budget - Over (Under) Actual
RECEIPTS					
Revenue:					
Property taxes	$ 13,225.00	$ 23,945.00	$ 10,720.00	$ 23,933.51	$ (11.49)
Interest received	100.00	150.00	50.00	118.93	(31.07)
Total revenue receipts	13,325.00	24,095.00	10,770.00	24,052.44	(42.56)
Non-Revenue receipts:					
Transfers from other funds	20,000.00	9,230.00	(10,770.00)	-	(9,230.00)
Total receipts	33,325.00	33,325.00	-	24,052.44	(9,272.56)
DISBURSEMENTS					
Economic Development and Assistance	50,000.00	50,000.00	-	-	50,000.00
Total disbursements	50,000.00	50,000.00	-	-	50,000.00
Excess of receipts (disbursements)	$ (16,675.00)	$ (16,675.00)	$ -	24,052.44	$ 40,727.44
Cash deposits, beginning of year				16,671.68	
Cash Deposits, End of Year				$ 40,724.12	

CITY OF NEOGA, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
EMPLOYEE BENEFITS FUND - CASH BASIS
For the Year Ended April 30, 2026

	Original Budget	Final Budget	Variance With Original Budget - Over (Under) Final Budget	Actual	Variance With Final Budget - Over (Under) Actual
RECEIPTS					
Revenue:					
Property taxes	$ 100,000.00	$ 99,000.00	$ (1,000.00)	$ 76,683.45	$ (22,316.55)
Miscellaneous	400.00	400.00	-	-	(400.00)
Interest received	100.00	1,100.00	1,000.00	621.63	(478.37)
Total revenue receipts	100,500.00	100,500.00	-	77,305.08	(23,194.92)
Non-Revenue Receipts:					
Transfer from other funds	639,000.00	639,000.00	-	-	(639,000.00)
Total receipts	739,500.00	739,500.00	-	77,305.08	(662,194.92)
DISBURSEMENTS					
General Government	1,252,000.00	1,252,000.00	-	101,384.64	1,150,615.36
Non-Expense Disbursements:					
Payroll withholding	-	-	-	2,469.19	(2,469.19)
Total disbursements	1,252,000.00	1,252,000.00	-	103,853.83	1,148,146.17
Excess of receipts (disbursements)	$ (512,500.00)	$ (512,500.00)	$ -	(26,548.75)	$ 485,951.25
Cash deposits, beginning of year				243,370.51	
Cash Deposits, End of Year				$ 216,821.76	

CITY OF NEOGA, ILLINOIS
BUDGETARY COMPARISON SCHEDULE
MOTOR FUEL TAX FUND - CASH BASIS
For the Year Ended April 30, 2026

	Original Budget	Final Budget	Variance With Original Budget - Over (Under) Final Budget	Actual	Variance With Final Budget - Over (Under) Actual
RECEIPTS					
Revenue:					
Illinois motor fuel tax	$ 78,400.00	$ 78,300.00	$ (100.00)	$ 64,017.46	$ (14,282.54)
Interest received	250.00	350.00	100.00	338.70	(11.30)
Total receipts	78,650.00	78,650.00	-	64,356.16	(14,293.84)
DISBURSEMENTS					
Highways and Streets	225,000.00	225,000.00	-	141,405.79	83,594.21
Excess of receipts (disbursements)	$ (146,350.00)	$ (146,350.00)	$ -	(77,049.63)	$ 69,300.37
Cash deposits, beginning of year				146,324.85	
Cash Deposits, End of Year				$ 69,275.22	

CITY OF NEOGA, ILLINOIS
ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR-END FINANCIAL REPORT
For the Year Ended April 30, 2026

CSFA Number	Program Name	State Amount	Federal Amount	Match	Total Amount
532-60-3017	Lead Service Line Inventory Grant Program	$ -	$ 27,844.38	$ -	$ 27,844.38
494-00-1000	Illinois Transportation Enhancement Program	-	419.04	-	419.04
420-75-1632	Community Block Grant Public Infrastructure Program	-	550,000.00	-	550,000.00
	Other federal programs	-	289,063.75	-	289,063.75
		$ -	$ 867,327.17	$ -	$ 867,327.17

OTHER INFORMATION

CITY OF NEOGA, ILLINOIS
SCHEDULE OF COMBINING BALANCE SHEET
GENERAL FUND
April 30, 2026

	General	Cemetery Maintenance	Total General Fund
ASSETS			
Cash deposits	$ 1,232,618.47	$ 15,827.12	$ 1,248,445.59
Receivables:			
Property taxes	195,570.93	-	195,570.93
Utility taxes	5,947.45	-	5,947.45
Due from other governmental agencies	116,759.31	-	116,759.31
Other receivables	6,628.03	-	6,628.03
Lease receivable	29,795.08	-	29,795.08
Prepaid expenditures	18,805.57	-	18,805.57
Inventory	17,089.75	-	17,089.75
Total Assets	$ 1,623,214.59	$ 15,827.12	$ 1,639,041.71
LIABILITIES			
Accounts payable	$ 53,669.99	$ 2,100.00	$ 55,769.99
Accrued salaries	5,504.89	-	5,504.89
Unearned revenue	13,567.01	-	13,567.01
Total liabilities	72,741.89	2,100.00	74,841.89
DEFERRED INFLOWS OF RESOURCES			
Deferred leases	28,139.80	-	28,139.80
Unavailable property taxes	195,570.93	-	195,570.93
Total deferred inflows of resources	223,710.73	-	223,710.73

CITY OF NEOGA, ILLINOIS
SCHEDULE OF COMBINING BALANCE SHEET (Continued)
GENERAL FUND
April 30, 2026

	General	Cemetery Maintenance	Total General Fund
FUND BALANCE			
Nonspendable	35,895.32	-	35,895.32
Restricted for:			
Public safety	7,677.63	-	7,677.63
Workers compensation insurance	22,386.77	-	22,386.77
Sanitation	26,420.67	-	26,420.67
Veteran's Memorial	12,224.65	-	12,224.65
Committed for:			
Public safety	7,449.99	-	7,449.99
Equipment	186,373.78	-	186,373.78
Unassigned	1,028,333.16	13,727.12	1,042,060.28
Total fund balance	1,326,761.97	13,727.12	1,340,489.09
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 1,623,214.59	$ 15,827.12	$ 1,639,041.71

CITY OF NEOGA, ILLINOIS
SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended April 30, 2026

	General	Cemetery Maintenance	Total General Fund
Revenues:			
Property taxes	$ 190,253.43	$ -	$ 190,253.43
Personal property replacement tax	14,435.84	-	14,435.84
Municipal retailers' occupation tax	242,248.00	-	242,248.00
Local use tax	13,127.27	-	13,127.27
Illinois income tax	255,836.39	-	255,836.39
Cannabis tax	2,154.25	-	2,154.25
Utility tax	79,965.36	-	79,965.36
Telecommunications tax	15,183.86	-	15,183.86
Video gaming tax	30,986.78	-	30,986.78
Franchise tax	20,055.43	-	20,055.43
Other governmental agencies	9,407.83	-	9,407.83
Grant income	66,150.00	-	66,150.00
Licenses, permits and fees	14,574.68	-	14,574.68
Fines	7,969.48	-	7,969.48
Rental income	87,638.00	-	87,638.00
Interest income	42,549.75	52.04	42,601.79
Donations	20,300.00	-	20,300.00
Other income	17,741.61	700.00	18,441.61
Total revenues	1,130,577.96	752.04	1,131,330.00
Expenditures:			
General government	300,437.14	-	300,437.14
Cemetery	-	16,482.00	16,482.00
Public safety	340,863.95	-	340,863.95
Highways and streets	158,938.61	-	158,938.61
Sanitation	9,706.57	-	9,706.57
Health and welfare	5,373.96	-	5,373.96
Economic development and assistance	80,409.67	-	80,409.67
Capital outlay	61,749.66	-	61,749.66
Total expenditures	957,479.56	16,482.00	973,961.56
Excess (deficiency) of revenues over expenditures	173,098.40	(15,729.96)	157,368.44

CITY OF NEOGA, ILLINOIS
SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Continued)
GENERAL FUND
For the Year Ended April 30, 2026

	General	Cemetery Maintenance	Total General Fund
Other Financing Sources (Uses):			
Sale of capital assets	2,718.00	-	2,718.00
Transfers in	-	499.38	499.38
Transfers in (out)	(20,000.00)	20,000.00	-
Total other financing sources (uses)	(17,282.00)	20,499.38	3,217.38
Net change in fund balance	155,816.40	4,769.42	160,585.82
Fund balance, beginning of year	1,170,945.57	8,957.70	1,179,903.27
Fund Balance, End of Year	$ 1,326,761.97	$ 13,727.12	$1,340,489.09

CITY OF NEOGA, ILLINOIS
ASSESSED VALUATION, TAX RATES, TAXES EXTENDED AND COLLECTED

	Tax Levy Year		
	2025	2024	2023
Assessed Valuation (Excludes TIF District)	$ 19,690,397	$ 19,220,262	$ 15,799,248
Tax Rates:			
General corporate	0.30409	0.30127	0.35270
Police protection	0.31439	0.31144	0.36464
Garbage	0.06406	0.06346	0.07430
Audit	0.06726	0.06663	0.07804
IMRF	0.09985	0.09892	0.11584
Liability insurance	0.09419	0.09331	0.10926
Social security	0.25221	0.24986	0.29253
Workers' compensation insurance	0.07402	0.07333	0.08582
ESDA	0.00149	0.00148	0.00174
Medicare	0.04706	0.04663	0.05461
Loss in collection	0.00513	-	0.00034
Total	1.32375	1.30633	1.52982
Taxes Extended:			
General corporate	$ 59,876.53	$ 57,904.88	$ 55,723.95
Police protection	61,904.64	59,859.58	57,610.38
Garbage	12,613.67	12,197.18	11,738.84
Audit	13,243.76	12,806.46	12,329.73
IMRF	19,660.86	19,012.68	18,301.85
Liability insurance	18,546.38	17,934.43	17,262.26
Social security	49,661.15	48,023.75	46,217.54
Workers' compensation insurance	14,574.83	14,094.22	13,558.91
ESDA	293.39	284.46	274.91
Medicare	9,266.30	8,962.41	8,627.97
Loss in collection	1,010.12	-	53.72
Total	$ 260,651.63	$ 251,080.05	$ 241,700.06
Taxes Collected		$ 252,282.91	$ 243,310.74
Percent Collected		100.48%	100.67%
City's Share of Township Road and Bridge:			
Taxes Extended	$ 13,507.61	$ 13,586.80	$ 13,293.49
Taxes Collected		$ 13,595.24	$ 13,302.33
Percent Collected		100.06%	100.07%

CITY OF NEOGA, ILLINOIS
LEGAL DEBT MARGIN

	April 30		
	2026	2025	2024
Assessed Valuation (Includes TIF District)	$ 25,728,891.00	$ 24,328,968.00	$ 20,309,452.00
Tax Levy Year 2025, 2024, and 2023			
Statutory debt limitation (8.625% of assessed value)	$ 2,219,116.85	$ 2,098,373.49	$ 1,751,690.24
Total Debt:			
IEPA note payable	93,543.75	-	-
Water and sewer general obligation bonds	925,000.00	949,969.20	975,000.00
	1,018,543.75	949,969.20	975,000.00
Less debt to be paid from water and sewer utility revenue, exempt from legal debt computation	925,000.00	949,969.20	975,000.00
Legal Debt Margin	$ 2,125,573.10	$ 2,098,373.49	$ 1,751,690.24

CITY OF NEOGA, ILLINOIS
OTHER ADDITIONAL INFORMATION
April 30, 2026

City Officials:		Term Expires
Mayor	Thomas Helm	4/30/2027
Commissioners	Ronald Edwards	4/30/2027
	Zachary Letizia	4/30/2027
	Dawn Schabbing	4/30/2027
	Delbert Williams	4/30/2027
Clerk	Brenda Evans	4/30/2027
Treasurer	Diana Foor	4/30/2027

Board Meetings - 2nd and 4th Monday of each month at 7:00 p.m.

Population - 1,398 (2020 Census)

Water and Sewer Rates:

	Water		
	Inside City Limits	Outside City Limits	Sewer
	Effective 5/1/2025		Effective 5/1/2025
First 2,000 gallons (minimum)	$ 27.35	$ 44.48	$ 28.88
Over 2,000 gallons - per thousand gallons	13.13	19.30	10.83
Per hundred gallons or any part thereof	1.31	1.93	1.08

WATER FUND

Number of customers	649
Water purchased during fiscal year	35,448,780
Water billed during fiscal year	29,279,400

SEWER FUND

Number of customers	641

SCHEDULE OF INSURANCE COVERAGE

Illinois Municipal League Risk Management Association
Coverage Period 1/1/2026 - 12/31/2026

General Liability	$	8,000,000	each occurrence
	$	16,000,000	annual aggregate
Premises Medical Payments	$	3,000	each person
	$	1,000,000	each occurrence
Fire Legal Liability	$	100,000	each occurrence
	$	100,000	annual aggregate
Equal Employment Opportunity	$	15,000	each occurrence
	$	15,000	annual aggregate
Auto Medical Payments	$	10,000	each person
	$	1,000,000	each occurrence
Uninsured/Underinsured Motorist	$	100,000	each person
	$	300,000	each accident
Auto Physical Damage	$	30,000,000	any location, each occurrence
Building/Personal Property	$	250,000,000	each occurrence
Inland Marine	$	50,000	extra expense
Valuable Papers/Records and Electronic Media/Records	$	50,000	each occurrence
Flood/Earthquake	$	76,500,000	annual aggregate all members
Crime	$	100,000	each occurrence
Worker's Comp/Occupational Disease			Statutory
Employer's Liability:			
Bodily Injury by Accident	$	3,000,000	each accident
Bodily Injury by Disease	$	3,000,000	policy limit
Bodily Injury by Disease	$	3,000,000	each employee
Public Official Position Bond:			
Mayor	$	50,000	
City Clerk	$	500,000	
City Finance Officer	$	500,000	
City Treasurer	$	500,000	
Third Party Liability Insuring Agreements	$	250,000	per "claim"/aggregate
First Party Insuring Agreements	$	250,000	per "claim"/aggregate
Cyber Extortion	$	150,000	per "claim"/aggregate
Cyber Crime	$	150,000	per "claim"/aggregate
Maximum Aggregate Limit of Liability	$	250,000	
	$	5,000,000	annual aggregate all members