This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

New Issue
Date of Sale: Wednesday, April 23, 2025
Between 10:00 and 10:15 A.M., C.D.T.
(Open Speer Auction)

Investment Rating:
S&P Global Ratings ...AA+ (Stable Outlook)

Official Statement

*Subject to compliance by the City with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "**TAX EXEMPTION**" herein for a more complete discussion.*

ELGIN
THE CITY IN THE SUBURBS

$15,220,000*
CITY OF ELGIN
Kane and Cook Counties, Illinois
General Obligation Corporate Purpose Bonds, Series 2025

Dated Date of Delivery **Book-Entry** **Due Serially December 15, 2026-2039**

The $15,220,000* General Obligation Corporate Purpose Bonds, Series 2025 (the "Bonds"), are being issued by the City of Elgin, Kane and Cook Counties, Illinois (the "City"). Interest is payable semiannually on June 15 and December 15 of each year, commencing December 15, 2025. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers.

AMOUNTS*, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS

Principal Amount*	Due Dec. 15	Interest Rate	Yield	CUSIP Number(1)	Principal Amount*	Due Dec. 15	Interest Rate	Yield	CUSIP Number(1)
$ 780,000	2026	%	%		$1,090,000	2033	%	%	
815,000	2027	%	%		1,145,000	2034	%	%	
855,000	2028	%	%		1,205,000	2035	%	%	
900,000	2029	%	%		1,265,000	2036	%	%	
945,000	2030	%	%		1,330,000	2037	%	%	
990,000	2031	%	%		1,395,000	2038	%	%	
1,040,000	2032	%	%		1,465,000	2039	%	%	

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

The Bonds due December 15, 2026-2034, inclusive, are not subject to optional redemption. The Bonds due December 15, 2035-2039, inclusive, are callable in whole or in part on any date on or after December 15, 2034, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See **"OPTIONAL REDEMPTION"** herein.

PURPOSE, LEGALITY AND SECURITY

The Bond proceeds will be used to (i) finance water and sewer utility projects, and (ii) pay the costs of issuing the Bonds. See **"THE PROJECT"** herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

This Official Statement is dated April 15, 2025, and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Official Statement Sales Calendar". Additional copies may be obtained from Ms. Debra Nawrocki, Chief Financial Officer/Budget Director, City of Elgin, 150 Dexter Court, Elgin, Illinois 60120, or from the Municipal Advisor to the City:

Speer Financial, Inc.
INDEPENDENT MUNICIPAL ADVISORS • ESTABLISHED 1954

**Subject to change.*

(1) CUSIP numbers appearing in this Official Statement have been provided by CUSIP Global Services ("CGS"). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement. The CUSIP numbers are subject to change after issuance of the Bonds.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the City, except for the omission of certain information permitted to be omitted pursuant to such Rule.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the City's beliefs as well as assumptions made by and information currently available to the City. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notice of Sale and the Official Bid Form, which is provided for the convenience of potential investors, and which should be reviewed in its entirety by potential investors.

Issuer:	City of Elgin, Kane and Cook Counties, Illinois.
Issue:	$15,220,000* General Obligation Corporate Purpose Bonds, Series 2025.
Dated Date:	Date of delivery, expected to be on or about May 7, 2025.
Interest Due:	Each June 15 and December 15, commencing December 15, 2025.
Principal Due:	Serially each December 15, commencing December 15, 2026 through 2039, as detailed on the cover page of this Official Statement.
Optional Redemption:	The Bonds maturing on or after December 15, 2035, are callable at the option of the City on any date on or after December 15, 2034, at a price of par plus accrued interest. See **"OPTIONAL REDEMPTION"** herein.
Purpose:	The Bond proceeds will be used to (i) finance water and sewer utility projects, and (ii) pay the costs of issuing the Bonds. See **"THE PROJECT"** herein.
Authorization:	The Bonds are being issued pursuant to the home rule powers of the City under Section 6 of Article VII of the Illinois Constitution of 1970 and a bond ordinance adopted by the City Council of the City on the 23rd day of April, 2025.
Security:	The Bonds will constitute valid and legally binding obligations of the City payable as to principal and interest from any funds of the City lawfully available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount.
Investment Rating:	The Bonds have been rated "AA+" (Stable Outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, New York, New York. See **"INVESTMENT RATING"** herein.
Tax Exemption:	Chapman and Cutler LLP, Chicago, Illinois, will provide an opinion as to the federal tax exemption of the interest on the Bonds as discussed under **"TAX EXEMPTION"** in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
Registrar/Paying Agent:	U.S. Bank Trust Company, National Association, Chicago, Illinois.
Delivery:	The Bonds are expected to be delivered on or about May 7, 2025.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. See **APPENDIX B** herein.
Denomination:	$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Chicago, Illinois.
Bond Counsel and Disclosure Counsel:	Chapman and Cutler LLP, Chicago, Illinois.

**Subject to change.*

CITY OF ELGIN
Kane and Cook Counties, Illinois

David J. Kaptain
Mayor

City Council Members*(1)*

Corey D. Dixon	Anthony Ortiz	Carol J. Rauschenberger
Dustin R. Good	Tish S. Powell	F. John Steffen
Rosamaria Martinez		Steven F. Thoren

Richard G. Kozal	Debra Nawrocki	Kimberly A. Dewis
City Manager	*Chief Financial Officer/ Budget Director*	*City Clerk*

Christopher Beck, Esq.
Corporation Counsel

Note: (1) Following the April 1st consolidated election, Elgin voters re-elected incumbents Corey Dixon, Dustin Good and Steve Thoren to the City Council. Also elected was Diana Alfaro, who will succeed Councilwoman Carol Rauschenberger, who did not seek re-election. Vote totals are expected to be certified on April 22nd. The newly elected and re-elected council members will be sworn in for their four-year terms during the City Council meeting on May 14th.

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning the City of Elgin, Kane and Cook Counties, Illinois (the "City"), in connection with the offering and sale of its $15,220,000* General Obligation Corporate Purpose Bonds, Series 2025 (the "Bonds").

This Official Statement contains "forward-looking statements" that are based upon the City's current expectations and its projections about future events. When used in this Official Statement, the words "project," "estimate," "intend," "expect," "scheduled," "pro-forma" and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the City. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the City nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

**Subject to change.*

AUTHORITY, PURPOSE AND GENERAL DESCRIPTION

The Bonds are being issued pursuant to the home rule powers of the City under Section 6, Article VII of the 1970 Constitution of the State of Illinois (the "Illinois Constitution") and a bond ordinance (the "Bond Ordinance") to be adopted by the City Council of the City (the "City Council") on the 23rd day of April, 2025.

The Bond proceeds will be used to (i) finance water and sewer utility projects (the "Utility Project"), and (ii) pay the costs of issuing the Bonds. See **"THE PROJECT"** herein.

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of $5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York ("DTC"). Principal of and interest on the Bonds will be payable by U.S. Bank Trust Company, National Association, Chicago, Illinois (the "Registrar").

The Bonds will mature as detailed on the cover page hereof. Interest on the Bonds will be payable each June 15 and December 15, beginning December 15, 2025. The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the 1st day of the month of the interest payment date.

SECURITY

The Bonds constitute valid and legally binding full faith and credit general obligations of the City, payable from ad valorem taxes levied on all taxable property in the City, without limitation as to rate or amount. The Bond Ordinance provides for the levy of ad valorem taxes, unlimited as to rate or amount (the "Pledged Taxes"), upon all taxable property within the City in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Pledged Taxes will not be levied to make the payment of the principal and interest due on the Bonds on December 15, 2025, which payment will be made from funds of the City on hand and lawfully available for such purpose. The Bond Ordinance will be filed with the County Clerks of the counties of Kane and Cook, Illinois (the "County Clerks"), and will serve as authorization to the County Clerks to extend and collect the Pledged Taxes as set forth in the Bond Ordinance. While the Bonds are a general obligation of the City and secured by the Pledged Taxes, the City expects to pay debt service on the Bonds utility user fees. See **"THE PROJECT"** herein for more information.

Any Bond or Bonds which (a) are paid and cancelled, (b) which have matured and for which sufficient sums been deposited with the Bond Registrar to pay all principal and interest due thereon, or (c) for which sufficient Defeasance Obligations have been deposited with the Bond Registrar or similar institution having trust powers to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the Pledged Taxes hereunder and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to the federal tax-exempt status of the interest on Bonds; and payment, registration, transfer, and exchange; set forth in the Bond Ordinance will be continued for all Bonds whether outstanding Bonds or not. "Defeasance Obligations" means (a) direct and general full faith and credit obligations of the United States Treasury ("Directs"), (ii) certificates of participation or trust receipts comprised wholly of Directs or (c) other obligations unconditionally guaranteed as to timely payment by the United States Treasury.

SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

SOURCES:	
Principal Amount	$________
Reoffering Premium	________
Total Sources	$________
USES:	
Costs of the Project	$________
Costs of Issuance(1)	________
Total Uses	$________

Note: (1) Includes underwriter's discount and other issuance costs.

OPTIONAL REDEMPTION

The Bonds due December 15, 2026-2034, inclusive, are not subject to optional redemption. The Bonds due December 15, 2035-2039, inclusive, are callable in whole or in part on any date on or after December 15, 2034, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot.

The Registrar will give notice of redemption, identifying the Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Registrar. Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the City will not redeem such Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the City will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on the date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Ordinance, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Registrar at the redemption price.

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Construction Risks

There are potential risks that could affect the ability of the City to timely complete the Project. While preliminary costs have been projected by the City's consulting architects, not all of the construction contracts have been let by the City. No assurance can be given that the cost of completing the Project will not exceed available funds. Completion of the Project involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.

Finances of the State of Illinois

While the finances of the State of Illinois (the "State") have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately $140 billion and a combined funded ratio of approximately 45%. Also, despite nine credit rating upgrades since June 2021, the State's long term general obligation bonds carry the lowest ratings of all states.

Under current law, the State shares a portion of sales tax, income tax and motor fuel tax revenue with municipalities, including the City. The State's general fiscal condition and the underfunding of the State's pension systems have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the City in future years. Over time, the State has reduced the share of certain of these revenue sources, particularly income tax revenues, that are distributed to local governments, such as the City, through the Local Government Distributive Fund. With respect to income tax revenues, prior to State fiscal year 2011, 10% of income tax revenues were divided among municipalities in the State. That amount was reduced to 5.45% by State fiscal year 2015. In the State's budget for the fiscal year ending June 30, 2023, the portions distributed to local governments were 6.16% and 6.845% of individual and corporate income taxes, respectively. In the State's budget for the fiscal year ending June 30, 2024, the State distributed 6.47% of individual income tax revenues and 6.845% of corporate income tax revenues to local governments. In the State's budget for the fiscal year ending June 30, 2025, the portions distributed to local governments are 6.47% and 6.845% of individual and corporate income taxes, respectively.

In addition, the State's recent budgets have contained provisions reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the City, by 10% for State fiscal year 2018 and by 5% for State fiscal year 2019 and State fiscal year 2020. All State budgets since the State fiscal year 2020 budget have not included such a reduction. Each State budget since the budget for State fiscal year 2018 has also included a service fee for collection and processing of local imposed sales taxes. Such fee was 2% of such sales taxes for State fiscal year 2018 and was reduced to 1.5% of such sales taxes beginning in State fiscal year 2019.

Pursuant to recent legislation passed by the Illinois General Assembly (House Bill 3144) and signed by the Governor, food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, and food that has been prepared for immediate consumption) will be exempt from sales tax beginning January 1, 2026. Under House Bill 3144, the corporate authorities of any municipality may, by ordinance or resolution that takes effect on or after January 1, 2026, impose a tax upon all persons engaged in the business of selling groceries at retail in the municipality on the gross receipts from those sales made in the course of that business. If imposed, the tax shall be at the rate of 1% of the gross receipts from these sales.

The City can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State, nor can the City predict the effect the State's financial problems may have on the City's future finances.

Future Pension Plan Funding Requirements

The City participates in the Police Pension Plan and the Fire Pension Plan, both as hereinafter defined. Under the Illinois Pension Code, as amended (the "Pension Code"), the City is required to contribute to each plan in order to achieve a Funded Ratio of 90% by 2040. In order to achieve the 90% Funded Ratio for both plans by 2040, it is expected that the annual employer contributions required by the City will increase over time. The City also participates in the Illinois Municipal Retirement Plan (the "IMRF Plan"), which is a defined benefit pension plan administered by the Illinois Municipal Retirement Fund ("IMRF"); employer contributions are projected by IMRF to increase over time. Increasing annual required employer contributions for the City could have a material adverse effect on the finances of the City.

The Pension Code allows the State Comptroller, after proper procedures have taken place, to divert State payments intended for the City to the Police Pension Plan and the Fire Pension Plan to satisfy contribution shortfalls by the City. If the City does not make 100% of its annual required contributions to the Police Pension Plan and Fire Pension Plan, the City may have revenues withheld by the State Comptroller. Such withholdings by the State Comptroller could adversely affect the City's financial health and operations. See **"EMPLOYEE RETIREMENT PLANS"** herein for a more complete discussion.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the City. Despite the implementation of network security measures by the City, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the City does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the City's operations and financial health. Further, as cybersecurity threats continue to evolve, the City may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

Local Economy

The financial health of the City is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the City.

Investment Rating

The Bonds have received a credit rating from S&P Global Ratings, New York, New York ("S&P"). The rating can be changed or withdrawn at any time for reasons both under and outside the City's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the City to comply with the Continuing Disclosure Undertaking (the "Undertaking") for continuing disclosure (see **"CONTINUING DISCLOSURE"** and **APPENDIX D** herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City, or the taxing authority of the City. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the City, the taxable value of property within the City, and the ability of the City to levy property taxes or collect revenues for its ongoing operations.

Factors Relating to Tax Exemption

As discussed under **"TAX EXEMPTION"** herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Bond Ordinance. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States ("Congress") legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the City's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the City.

The tax-exempt bond office of the Internal Revenue Service (the "Service") is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the City could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Climate Change Risk

There are potential risks to the State, the City and their respective financial condition that are associated with changes to the climate over time and with increases in the frequency, timing and severity of extreme weather events, causing or increasing the severity of flooding and other natural disasters. The City cannot predict how or when various climate change risks may occur, nor can it quantify the impact on the State or the City, its population or its financial condition. Over time, the costs could be significant and could have a material adverse effect on the City's finances.

THE CITY

Located along the Fox River, the City lies approximately 38 miles northwest of downtown Chicago and covers an area of approximately 38.29 square miles. Neighboring communities include Sleepy Hollow, West Dundee and East Dundee to the north, Hoffman Estates and Streamwood to the east, Bartlett to the southeast, Pingree Grove and Gilberts to the northwest, Campton Hills to the southwest, and South Elgin to the south. Immediately west of the City is unincorporated Kane County. Approximately one-fifth of the current equalized assessed valuation (the "EAV") lies in Cook County and four-fifths lies in Kane County. The 2010 Census population is reported at 108,188, and the 2020 Census population is reported at 114,797. The Chicago Metropolitan Agency for Planning ("CMAP") estimates the City's population could be 139,517 by 2040. The City's location at the north end of the growing "Fox Valley" region and along the Interstate 90 Northwest Tollway's "Golden Corridor" has contributed to substantial residential, commercial and industrial growth in the City in recent years.

Annexation activity over the past two decades has been substantial. The City has annexed over 8,200 acres of land from 2000-2019 for constructing a combination of business parks and residential subdivisions. In 2021, the City annexed 8.49 acres which is the property located at 2100 N. Randall Road, Biggers Chevrolet. In 2022, the City annexed 71.02 acres. Annexations included the SWC of Route 72 and Randall Road (37.04 acres), 1100-1120 Tollgate Road (31.8 acres), and Capital Corporate Center-2530 Mason Road (2.18 acres). In 2023, 8.32 acres were annexed at 1630 Villa Street. In 2024, the City annexed 8.62 acres which is the property located at 2100 Big Timber Road (Gifford's Crossing). Also in 2024, 25.296 acres were annexed at the corner of South Randall Road and Hopps Road and 117.7 acres were annexed at 2580 Mason Road, for a total of 143 acres.

City Organization and Services

The City was incorporated under a special charter from the State in 1854 and is a home rule unit under the Illinois Constitution. The City operates under the Council-Manager form of government with a Mayor and eight City Council members elected at large for four-year staggered terms. The City Council appoints a City Manager and Treasurer, and the Mayor appoints a Clerk who is confirmed by the City Council. All City employees, approximately 721 full-time employees, report to the City Manager, who is responsible for the daily operations of the City. The Fiscal Services Department is responsible for preparing an operating budget subject to approval by the City Council. The City provides a Police Department of 195 full-time officers, and a Fire Department which operates 7 fire stations and has 141 full-time employees of which 99 are certified paramedics.

Various non-supervisory City employees are members of collective bargaining units. These units have multi-year contracts of varying length. The Policeman's Benevolent Association Unit 54 contract was settled in 2023 and expires December 31, 2025. The negotiations resulted in a 3% increase for 2023, 2024, and 2025. The International Association of Firefighter's contract was settled in March 2022 and provides for 3% wage increases in 2022 through 2025. The Clerical Technical Employees and the Public Works Employees Group are both represented by the Services Employee International Union ("SEIU"). The Public Works Employees Group contract, which was finalized in 2022, expires on December 31, 2025. Negotiations resulted in a 3% increase for 2022, 2023, 2024, and 2025. The Clerical Technical Employees contract, finalized in 2022, expired on December 31, 2024. This group also received a 3% increase in 2022, 2023, and 2024. City officials consider their labor relations with employees to be excellent. Police and Fire agreements prohibit strikes. There has been no history of strikes for the Clerical Technical or Public Works employee groups.

The City provides water treatment and distribution services to residents and also currently sells water to the Village of Sleepy Hollow, a separate unit of local government. The rate for the adjoining jurisdictions is 125% of the City's rate. The City is responsible for the ownership and maintenance of the sewer interceptor system within its corporate limits. The Fox River Water Reclamation District continues to be responsible for sewage treatment.

The City has a rating of four for Building Code Effectiveness from the Insurance Service Office ("ISO"). The rating system assesses a community's standards and implementation of codes related to high quality, safe new construction. With a rating scale ranging from one to ten, with one being the best, the City received one of the highest ratings in the region. Additionally, the City has attained a rating of two for its Fire Service from the ISO.

Western Growth Area

The City adopted a new comprehensive plan in 2018, and that plan continues the commitment by the City to quality land resource management for tens of thousands of acres on the City's western edge. The plan puts forth growth management policies that direct a balance between the need to develop, the cost of development, and conservation of the natural environment. Development within the City's western growth area will continue to demonstrate the use of innovative architecture, site planning, and land design of such quality as to set a standard of excellence for subsequent development. Currently, the City includes more than 23,700 acres of land, but another 47,500 unincorporated acres are within the City planning area, mostly within the western growth area.

The vast majority of undeveloped land in the City's western growth area will develop residentially. The prices for new homes being built in the western growth area range from about $469,000 to the mid $700,000s. The vision of the western growth area is to develop healthy, vibrant neighborhoods which offer qualitatively better places for people to live, shop, work, and recreate; places where people can connect with nature and feel a sense of community; have the freedom to choose their means of transportation, choose from a variety of housing types and recreation amenities, and participate in civic activities.

Parks and Recreational Facilities

The Parks and Recreation Department of the City manages a vast expanse of 1,695 acres, distributed among 76 parks, six of which hold regional status. These regional parks include Wing Park, Lords Park, Trout Park, Festival Park, the Elgin Sports Complex, and with a completion date of 2025, Jack Cook Park. Wing Park, situated on the near west side, offers a plethora of amenities such as a family aquatic center, baseball fields, a band shell, shelters, a golf course, basketball, and tennis courts. Lords Park, located on the east side, boasts similar facilities including a family aquatic center, basketball courts, a zoo, baseball fields, picnic shelters, a natural history museum, pavilion, lagoons, and tennis courts. Trout Park, situated on the northeast side, features a nature preserve, a baseball field, and a picnic shelter. Festival Park, positioned downtown, provides a playground, splashpad, and spacious grounds for hosting community gatherings.

Jack Cook Park and Forest Preserve, jointly owned by the City and the Forest Preserve District of Kane County, spans 224 acres on the far west side. Amenities include soccer fields, tennis and basketball courts, a shelter, roadway, and parking lot. Development has been ongoing and the final phase, anticipated for completion by the end of 2025, will introduce an additional athletic field, picnic area with shelter, two creek-crossing bridges, a playground, a dog park, a passive trail system, and native plantings.

The Elgin Sports Complex comprises ten illuminated softball fields, eleven soccer fields, and two sand volleyball courts, along with one of only two BMX tracks in the State. On weekdays, residents engage in various sports leagues and events, while weekends, from early April to late October, witness approximately thirty tournaments, drawing around 1,600 teams and an estimated 300,000 visitors. The City plans to enhance the complex by adding 2-3 synthetic multi-purpose fields by fall 2025.

Furthermore, the Parks and Recreation Department manages three municipal golf courses, a recreation center, and a nature center. Notable among these are Wing Park Golf Course, known for its accessibility to beginners and seniors; the Highlands of Elgin, recognized for its value; and Bowes Creek Country Club, offering a private club experience at a public course price. The Edward Schock Centre of Elgin, a cutting-edge recreation facility in the downtown area, features a fitness center, indoor pools, a field house, a walking track, racquetball courts, climbing wall, programming rooms, and banquet facilities. The Centre averages over 800,000 visitors annually. The Hawthorne Hill Nature Center, covering 67 acres, provides year-round nature programs, wheelchair-accessible trails, ponds, a nature play area, pollinator garden, and wood-chipped trails.

The Parks and Recreation Department provides high-quality parks, facilities, and a variety of general recreation programs throughout the City. These programs encompass athletic leagues, art and dance, swimming, preschool, camps, martial arts, special events, enrichment, and educational programs catering to all age groups and ability levels from infants to senior citizens. Given the array of top-notch amenities and services, the Elgin Parks and Recreation Department strives to be the heart of the City.

Elgin Riverfront

Part of the City's riverfront, specifically Riverside Drive, was designated a River Edge Redevelopment Zone (“RERZ”) in 2009 by the Illinois Department of Commerce and Economic Opportunity (“DCEO”). The RERZ program was developed to “revive and redevelop environmentally challenged properties adjacent to rivers in Illinois.” Inclusion in this zone provides additional funding opportunities for the City to revitalize this riverfront area located within the central business district.

In October 2010, the City was awarded a River’s Edge Redevelopment Grant to reconstruct Riverside Drive. The funding was provided by Illinois Jobs Now! capital plan, administered by DCEO for the demolition of the existing Riverside Drive decking and the construction of a new environmentally sensitive structure creating the Riverside Drive Promenade, which was completed in the fall of 2014. Features of the Riverside Drive Promenade include permeable pavers, bio-swales, traffic calming devices and bicycle paths consistent with existing riverfront improvements in the City’s downtown area.

More recently, the City commissioned a planning study of vacant downtown properties it owns along the east side of the Fox River to determine what is the best use of that land. While not expected to be completed until later this Summer, the current version of the plan recommends a series of active and passive recreational opportunities along the river and continuing the bicycle path. The plan also calls for private residential and commercial development that would bring more people downtown.

Transportation

The City is located at the center of the nation's transportation network, offering businesses, residents and visitors access to one of the nation's greatest multimodal transportation systems including:

- Second-largest public transportation system
- Second-largest rail system
- Third-largest interstate system
- Fifth-largest highway system
- Among the largest international airport systems

The City's businesses, residents and visitors alike count on the City's safe, effective and accessible transportation system, where all modes connect in ways that make travel easy.

The City benefits from exceptional highway access throughout the Chicago area. Interstate 90, known as the "Golden Corridor," connects the City to O'Hare International Airport and downtown Chicago. The City has three full interchanges on I-90 at Illinois Route 25, Illinois Route 31, and Randall Road, providing easy north-south access through the Fox Valley. U.S. Route 20, a limited-access east-west highway, serves the southern part of the City.

Illinois Route 390, formerly the Elgin-O'Hare Expressway, is under continued development to improve western access to O'Hare International Airport. Upon completion, this project will further enhance the City's connectivity to global travel and commerce.

O'Hare International Airport is approximately a 30-minute drive from the City via Interstate 90, while Chicago's Midway International Airport is approximately 40 miles away. Corporate jets and other general aviation aircraft use nearby DuPage Airport, approximately 11 miles from the City, or Schaumburg Regional Airport approximately 10 miles away. Illinois has approximately 750 aviation facilities, including heliports and specialty airfields that support various industries and emergency services.

Commuter rail service is available through Metra's Milwaukee District West Line, which provides a direct connection to Chicago's Union Station. The City has three Metra stations serving passengers traveling to downtown Chicago: Big Timber Road, Elgin, and National Street stations.

Bus transportation for the City and neighboring communities is provided by the state-funded Pace Suburban Bus Service of the Regional Transportation Authority (RTA). The Pace Bus Elgin Transportation Center, located downtown, currently has 12 routes that serve the City and connect to CTA, RTA and Metra routes in more than 220 communities throughout the six-county area. Pace's fixed-route bus service conveniently transports commuters throughout the suburbs using a set schedule and routing, while providing fast and economical service to employment centers, hospitals, shopping centers and many other attractions.

Education

U-46

School District U-46 (the "District") serves families in 11 communities across 90 square miles within Chicago's northwest suburbs. Approximately 34,000 preschoolers through 12th graders attend the 55 District schools and programs. The District's vibrant student population lists 95 home languages and more than half of its students are from Hispanic families.

More than 40 percent of the District's students are English learners, a demographic that paved the way for the District to develop its renowned Dual Language program. The program allows many students to maintain their first language of Spanish while learning English and also offers an opportunity for all students to become fluent in Spanish, in addition to English and any other languages they may speak at home. High school students can select from among 27 Advanced Placement courses at the District's five high schools, and 47 students graduated in 2024 from the Dual Credit program, a partnership with Elgin Community College. Thirty-five of those students graduated with the equivalent of an associate's degree.

The District has been honored for six straight years with the Best Communities for Music Education designation from The NAMM Foundation for its outstanding commitment to music education. Sycamore Trails Elementary was named "Exemplary" on the 2023-24 Illinois Report Card, the highest designation. Forty other District schools were categorized as "Commendable," the next highest designation. The District has also earned national accreditation in its Career and Technical Education programs, including automotive, precision manufacturing, and welding.

Higher Education

Elgin Community College

Since its founding in 1949, Elgin Community College ("ECC") has grown into a nationally recognized institution that offers 130 degree and certificate options featuring dozens of transfer agreements with top four-year institutions, as well as career and technical programs to prepare students for immediate employment in rewarding careers.

ECC's 145-acre Spartan Drive Campus features smart classrooms, facilities, and equipment that mirror what is in use in the workforce, a vibrant and engaging campus experience, and support services that help students succeed. The Burlington-based, 120-acre Elgin Community College Center for Emergency Services features classrooms, a three-story burn tower, training bays, and a diving pond to train current and future first responders. ECC serves approximately 16,000 students each year.

ECC is nationally recognized as a Leader College of Distinction by Achieving the Dream, Inc., a national nonprofit organization dedicated to helping more community college students, particularly low-income students, and students of color, stay in school and earn a college certificate or degree.

In 2021, The Aspen Institute named ECC one of the top 150 community colleges in the United States. In 2022, ECC was named among 25 colleges nationwide as a semifinalist for the 2023 $1 million Aspen Prize for Community College Excellence, the signature recognition of high achievement and performance among America's community colleges. In 2024, ECC began construction on a new, cutting-edge Manufacturing and Technology Center ("MTC"). The MTC will span 150,000 square feet. This facility addresses growing enrollment and expands academic offerings to meet local employers' needs. The MTC will offer vital education and training for manufacturing employers in the Elgin area. It has secured $28.5 million in State funding to address the middle-skills labor gap, including industrial/manufacturing, maintenance technology, HVAC/energy maintenance, welding, manufacturing automation, robotics, renewable energy and industrial-process control.

Joint Agreement Institutions:

- Black Hawk College
- Carl Sandburg College
- City Colleges of Chicago
- College of DuPage
- College of Lake County
- Danville Community College
- Harper College
- Heartland Community College
- Highland Community College
- Illinois Central College
- Illinois Eastern Community Colleges
- Illinois Valley Community College
- John A. Logan College
- John Wood Community College
- Joliet Junior College
- Kankakee Community College
- Kaskaskia College
- Kishwaukee Community College
- Lake Land College
- Lewis and Clark Community College
- Lincoln Land Community College
- McHenry County College
- Moraine Valley Community College
- Morton College
- Oakton Community College
- Parkland College
- Prairie State College
- Rend Lake College
- Richland Community College
- Rock Valley College
- Sauk Valley Community College
- Shawnee Community College
- South Suburban College
- Southeastern Illinois College
- Southwestern Illinois College
- Spoon River College
- Triton College
- Waubonsee Community College
- University of Maryland Global Campus

Judson University

Also located in the City is Judson University, a Christian liberal arts college established in 1963. The university is home to approximately 1,250 students and is located on a 90-acre campus along the Fox River. Judson University offers more than 60 undergraduate majors, minors and pre-professional programs and is currently the only evangelical Christian university to offer an accredited architecture program. Judson University also has a Division of Professional Studies, which caters to the adult, working population. Offerings include Liberal Arts, Business Administration, Organizational Leadership, Human Services, and Mental Clinical Health Counseling. Programs are offered at the AA, BA, and MA level with classes available in the City, Rockford, or fully online.

Judson is an active member of the City and is committed to serving the City's needs through strong partnerships with businesses, schools and non-profit agencies.

NLU, Robert Morris, & DeVry

Established more than 125 years ago, National Louis University ("NLU") is one of Chicago's oldest private universities and a leader in providing a quality education for the adult learner. NLU is a nonprofit, non-denominational university serving more than 8,000 students in three colleges: National College of Education; College of Arts & Sciences; and College of Management and Business. It offers bachelors, masters and doctoral degrees in 60 fields including education, management, human services, counseling, and other community-serving disciplines. NLU's reach is national with five campus locations in the State: Downtown Chicago, the City, Lisle, North Shore, and Wheeling. NLU first opened its academic center in the City in 1979, and currently resides in an 18,900 square foot building located in the Leslie Oaks Business Center.

DeVry University and Robert Morris College also have satellite campuses in the City. Additional opportunities for higher education are available to City residents from the various colleges and universities throughout the Chicago metropolitan area.

Healthcare

The City's healthcare industry is a cornerstone of its economy, providing high-quality care to residents and contributing significantly to the region's healthcare landscape. This robust job market positions the City as a major employer in the healthcare sector, providing diverse career opportunities and attracting skilled professionals to over 14,000 healthcare jobs. The healthcare industry generates approximately $2.4 billion to the City's economy, contributing to its overall prosperity and creating a ripple effect that benefits businesses and residents alike. The City has a diverse range of over 200 healthcare facilities, including hospitals, medical clinics, nursing homes, and rehabilitation centers, offering a comprehensive spectrum of care to the community.

Ascension Saint Joseph Hospital Elgin

Established in 1901, Ascension Saint Joseph-Elgin delivers specialty care and 24/7 emergency care to the Fox River Valley. It provides advanced surgical care for serious and life-threatening injuries and illnesses. They have a level II trauma center. Ascension Saint Joseph-Elgin delivers specialty care — including heart, vascular, cancer, stroke care, orthopedics, weight loss, and offering a wide range of minimally invasive procedures, imaging and lab tests, all on one campus.

Advocate Sherman Hospital

Advocate Sherman Hospital ("Sherman Health") is an acute care facility with highly skilled physicians and clinical professionals offering a comprehensive range of health care services. Since 1888, Sherman Health has provided quality, compassionate care to its patients and communities, and is a leader in delivering the most advanced technologies and services available in the northwest suburbs.

U.S. News & World Report has named Sherman Health a 2018-2019 Best Regional Hospital. In addition, Sherman Health has ranked high performing in aortic valve surgery, congestive heart failure, colon cancer surgery, COPD, diabetes and endocrinology, gastroenterology and GI surgery, geriatrics, hip replacement, knee replacement and pulmonology. Sherman Hospital employs more than 2,200 individuals and has more than 600 dedicated physicians on its medical staff.

Community Life

Elgin Symphony Orchestra

The Elgin Symphony Orchestra ("ESO") is one of the preeminent regional orchestras in the United States. Since its founding in 1950, the organization has developed a reputation for artistic excellence, innovative programming, and a deep commitment to the social advocacy and economic development of the diverse communities that it serves. The ESO is celebrating its 75th Anniversary this season and it's the second season with new Music Director, Chad Goodman.

Named "Orchestra of the Year" an unprecedented four times by the Illinois Council of Orchestras, (1988,1999, 2005 and 2016) and winner of a 2010 Elgin Image Award, the Elgin Symphony Orchestra, now in its 71st season, is respected for exceptional performance, innovative education programs, and community outreach initiatives.

Founded in 1950 by Douglas Steensland at ECC, the orchestra's profile expanded greatly with the appointment of Grammy Award-winning conductor Margaret Hillis as Music Director in 1971. The Orchestra became fully professional in 1985 under the direction of conductor/composer Robert Hanson, who was named Music Director earlier that year. The fifth music director, Chad Goodman, was hired in 2023.

The ESO has featured many of the biggest names in classical music as guest artists, including Yo Yo Ma, Itzhak Perlman, Sir James Gallway, Pinchas Zukerman, Kathleen Battle, James Ehnes, Nicola Benedetti and Pepe Romero.

The ESO collaborates with the Latino and African American communities with meaningful programs and free events in a wide variety of community venues with ESO Musicians. The Elgin Hispanic Network named the ESO the 2024 Organization of the Year and the City presented the first Dia de Los Muertos Concert in November, 2024 in partnership with the Gail Borden Public Library. ESO Musicians have partnered with Centro de Información, participated in Juneteenth and Mexican Independence Day Festivals, performed in Ofrendas and Hispanic Heritage events at the Gail Borden Public Library, and collaborated in Gospel Celebrations with 2nd Baptist Church.

Gail Borden Library

The Gail Borden Public Library District (the "Library District") serves a wonderfully diverse community, and it welcomes over 870,000 visitors annually. The Library District serves almost 150,000 and 63 percent of the people have library cards and the library is proud that that continues to grow. The Library District is a self-governed unit of government. Small portions of the City are also served by the Bartlett Public Library District and the Dundee Township Public Library District.

Serving and collaborating with the local community since 1874, the Library District's main prairie style building along the Fox River was completed in 2003. Its first branch opened just west of Randall and Bowes in 2009. The beautiful sustainable Rakow Branch situated adjacent to wetlands earned the rare gold status from U.S. Green Building Council and is a living educational classroom for visitors. The Library District opened a second branch in South Elgin in 2016. A bookmobile also serves the community.

The Library District offers books, eBooks, streaming movies and classes, dynamic programming with Science, Technology, Engineering and Math ("STEM") and technology themes, as well as special events such as job and career expos, technology fairs and new-parent initiatives. Unique museum-quality exhibits have featured life-size dinosaurs, interactive exhibits such as Adventures with Clifford The Big Red Dog™ and the history of space, which gave local students the opportunity to chat live with an astronaut aboard the International Space Station.

The Library District's partnerships with the community have helped bring a diverse array of literacy initiatives to residents of all ages. The library works regularly with the District and local private schools to ensure student participation in the annual summer reading program to maintain student reading skills over the summer. One library card promotion resulted in 8,000 residents signing up for library cards in one month. The Library District's outreach initiatives bring storytelling, programming and materials to many in the community. The Library District also offers myriad virtual programs for people of all ages.

In the last few challenging years, the Library District is proud to have worked with many other people and organizations in the community to get people counted in the successful 2020 Census via grants from both Forefront and the Secretary of State. A grant for the Illinois Public Health Association has enabled the Elgin Area Pandemic Team to work out of the library to help people with vaccines, and assisting those having food, rental, utility needs and more that resulted from a negative impact of the pandemic. The pandemic work was so valuable to the community that the Library District subsequently added a Bilingual Social Services department.

SOCIOECONOMIC INFORMATION

The following statistics pertain principally to the City. Additional comparisons are made with Kane and Cook Counties and the State.

Population

The City continues to see progressive gains in population, as summarized below. CMAP estimates the City's population could be almost 150,000 by 2050.

City Population Trends*(1)*

	The City		Kane County		Cook County	
Year	Population	Percentage Growth	Population	Percentage Growth	Population	Percentage Growth
1960 Census	49,447	11.81%	208,246	38.47%	5,129,725	13.77%
1970 Census	55,691	12.63%	251,005	20.53%	5,492,369	7.07%
1980 Census	63,668	14.32%	278,405	10.92%	5,253,655	(4.35%)
1990 Census	77,010	20.96%	314,934	13.12%	5,105,067	(2.83%)
1996 Census	85,068	10.46%	N/A	N/A	N/A	N/A
2000 Census	94,487	11.07%	404,119	28.32%	5,376,741	5.32%
2008 Census	104,939	11.06%	N/A	N/A	5,294,664	(1.53%)
2010 Census	108,188	3.10%	515,269	27.50%	5,194,675	(1.89%)
2020 Census	114,797	6.11%	516,522	0.24%	5,275,541	1.56%
2050	149,878	30.56%(2)	796,415	54.19%(2)	6,194,059	17.41%(2)

Notes: (1) Source: U.S. Bureau of the Census.
(2) Percentage growth based on increase from 2020 Census to 2050 CMAP projection.

Employment

The City is the employment center for northern Kane County. The City has a highly diversified, well-balanced economy and is not dominated by any single commercial or industrial sector.

Below is a list of large employers located in the City.

Major City Employers*(1)*

Company	Product/Service	Approximate Employment
The District	Public School District	4,830
Chase	Credit Card Processing	2,700
Advocate Sherman Hospital	General Hospital	1,600
John B. Sanfilippo & Son, Inc.	Corporate Headquarters and Snack Foods	1,200
ECC	Community College	1,035
Ascension Saint Joseph - Elgin	General Hospital	1,000
Capsonic Group, LLC	Plastic Products	600
Elgin Grand Victoria Casino	Gaming	535
American NTN Bearing Mfg. Corp.	Precision Ball Bearings	530
Colony Display, LLC	Metal Products and Fabrication	450
Elgin Sweeper Co.	Street Sweepers	400
SKF USA, Inc.	Automotive, Aerospace and Industrial Seals	400

Note: (1) Source: 2025 Illinois Manufacturers Directory, 2025 Illinois Services Directory and a selective telephone survey.

City residents also have substantial employment opportunities in surrounding communities, as well as throughout the Chicago Metropolitan area. The following list shows selected large private employers located in communities immediately surrounding the City.

Major Area Employers*(1)*

Location	Company	Business or Product	Approximate Employment
Arlington Heights	Endeavor Health Northwest Community Hospital	Community Hospital	4,025
Hoffman Estates	Transform Holdco, LLC	Holding Company Headquarters; Retail Department Store Chain	3,200
Rolling Meadows	Northrop Grumman Corp., Land & Self Protection Systems Div.	Divisional Headquarters and Electronic Countermeasures	2,800
Hoffman Estates	Ascension Saint Alexius	Full Service Hospital	2,500
Schaumburg	Zurich North America	Company Headquarters and Commercial Property and Casualty Insurance	2,500
Schaumburg	Nation Pizza Products LP	Frozen Pizzas and Crusts	2,000
Arlington Heights	International Services, Inc.	Corporate Headquarters and Management Consulting	1,200
Arlington Heights	Clearbrook	Developmentally Disabled Rehabilitation Services	1,000
Rolling Meadows	Arthur J. Gallaher & Co.	Company Headquarters and Insurance Brokerage	825
Schaumburg	OptumRx, Inc.	Corporate Headquarters, Pharmacy Software and Automation Services	800
Schaumburg	Paylocity Corp.	Software Development	800
Rolling Meadows	Gallagher-Bassett Services, Inc.	Third Party Administrators and Global Risk Management Services	675
Schaumburg	Executive Building Maintenance, Inc.	Janitorial Services	630
Hoffman Estates	CDK Global	Dealer Management Systems for the Automotive Retail Market	600
Hoffman Estates	Siemens Healthcare Diagnostics, Inc.	Medical Imaging Equipment	550
Schaumburg	Ascent Industries Co.	Company Headquarters and Industrial Chemicals	517
Schaumburg	Assurance Agency Ltd.	Insurance	500
Schaumburg	Comcast Corp.	Cable Television and Internet	500
Rolling Meadows	Kelso-Burnett Co.	Company Headquarters and Electrical Contractors	500
Arlington Heights	Lumen Technologies, Inc.	Voice Communications Systems	500
Hoffman Estates	Plote Construction, Inc.	Corporate Headquarters and Asphalt Paving Materials	500

Note: (1) Source: 2025 Illinois Manufacturers Directory, 2025 Illinois Services Directory and a selective telephone survey.

The following tables show employment by industry and by occupation for the City, Cook County, Kane County and the State as reported by the 2019-2023 American Community Survey 5-Year estimates from the U.S. Bureau of the Census released by the U.S. Bureau of the Census in December 2024 (the "2019-2023 ACS").

Employment By Industry*(1)*

	The City		Cook County		Kane County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	206	0.4%	5,098	0.2%	955	0.4%	64,950	1.0%
Agriculture, Forestry, Fishing and Hunting, and Mining	170	0.3%	5,014	0.2%	1,270	0.5%	64,288	1.0%
Construction	3,988	7.0%	120,465	4.7%	17,151	6.4%	338,825	5.4%
Manufacturing	10,195	17.8%	242,723	9.4%	41,428	15.4%	728,327	11.6%
Wholesale Trade	1,733	3.0%	61,180	2.4%	9,988	3.7%	168,508	2.7%
Retail Trade	6,219	10.8%	236,793	9.1%	29,933	11.2%	650,779	10.4%
Transportation and Warehousing, and Utilities	3,864	6.7%	201,110	7.8%	16,367	6.1%	433,291	6.9%
Information	933	1.6%	51,027	2.0%	3,951	1.5%	103,644	1.7%
Finance and Insurance, and Real Estate and Rental and Leasing	3,308	5.8%	217,703	8.4%	19,067	7.1%	462,565	7.4%
Professional, Scientific, and Management, and Administrative and Waste Management Services	7,778	13.6%	411,128	15.9%	33,947	12.7%	794,813	12.7%
Educational Services and Health Care and Social Assistance	10,054	17.5%	608,303	23.5%	52,870	19.7%	1,470,742	23.5%
Arts, Entertainment and Recreation and Accommodation and Food Services	5,352	9.3%	221,832	8.6%	23,741	8.9%	516,702	8.3%
Other Services, Except Public Administration	2,653	4.6%	122,385	4.7%	11,340	4.2%	285,896	4.6%
Public Administration	1,100	1.9%	90,955	3.5%	7,120	2.7%	234,863	3.8%
Total	57,347	100.0%	2,590,618	100.0%	268,173	100.0%	6,253,243	100.0%

Note: (1) Source: The 2019-2023 ACS.

Employment By Occupation*(1)*

	The City		Cook County		Kane County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts	17,955	31.3%	1,181,349	45.6%	104,455	39.0%	2,660,678	42.5%
Service	10,217	17.8%	416,526	16.1%	42,520	15.9%	996,806	15.9%
Sales and Office	12,105	21.1%	491,974	19.0%	58,594	21.8%	1,235,237	19.8%
Natural Resources, Construction, and Maintenance	4,987	8.7%	149,254	5.8%	19,049	7.1%	443,661	7.1%
Production, Transportation, and Material Moving	12,083	21.1%	351,515	13.6%	43,555	16.2%	916,861	14.7%
Total	57,347	100.0%	2,590,618	100.0%	268,173	100.0%	6,253,243	100.0%

Note: (1) Source: The 2019-2023 ACS.

Unemployment Rates

The table below shows unemployment trends for the City, Kane and Cook Counties, and the State.

Annual Average Unemployment Rates*(1)*

Calendar Year	The City	Kane County	Cook County	The State
2021	7.0%	5.7%	7.0%	6.1%
2022	5.8%	4.5%	5.0%	4.6%
2023	5.8%	5.0%	4.5%	4.5%
2024	6.0%	5.0%	5.4%	5.0%
2025(2)	7.4%	5.2%	5.5%	5.1%

Notes: (1) Source: Illinois Department of Employment Security.
(2) Preliminary rates for February 2025.

Building Permits

The City continues to be among the leading suburban communities for new housing starts. Since at least the first quarter of 2017, the City has ranked in the top 10 communities in the State for the number of housing starts.

Based on the trend established following the 2008 Financial Crisis, it is anticipated that approximately 200 new housing units will be added to the City's housing stock each year with new developments primarily on its west side. These developments are well under way and include Highland Woods by Crown Community Development, a 577-acre development containing 591 single-family homes and 309 townhouses; the Ponds of Stony Creek by Lennar, a 278-acre development containing 504 single-family homes; Tall Oaks by Wyndham Deerpoint and DR Horton, a 201-acre development containing 334 single-family homes and 123 townhouses; and West Point Gardens, a 172-acre development containing 384 single-family homes and 44 townhouses. The prices for new homes being built in the western growth area range from about $469,000 to the mid $700,000s.

One large development anticipated on the west side is Pingree Creek Subdivision by Shodeen, Inc. This mixed-use project includes plans for 1,768 single-family homes, 120 townhouses, 883 apartments, and 25 acres of commercial on 780 acres. Shodeen has not announced a start date, but the first phase would include more than 200 apartments and 120 single-family homes. Shodeen is expected to start infrastructure work this year, with improvements to a nearly-mile long stretch of road. The City is also expected to break ground on and complete a new roundabout at a major intersection within the project this year. The City received a grant for a substantial part of the work and the balance will be split between the City and Shodeen.

Lennar is also intending to acquire or has acquired several hundred single-family residential lots in the Waterford Subdivision, located along Longcommon Parkway, north of Bowes Road. This subdivision has been stalled since the 2008 Financial Crisis. Similarly, the City is reviewing an updated preliminary plat for The Glen. This stalled subdivision is located along the east side of Nolan Road, south of Bowes Road. It includes 136 single-family lots and a parcel for an assisted living facility. Construction could start this year.

Developers are also expressing interest in dozens of acres of vacant land along South Street, west of Randall Road. Inquiries range from single-family residential subdivisions to senior living complexes. The City has also been approached about annexing 50 acres along Nesler Road and several hundred acres west of Coombs Road. The majority of this development would be single-family residential with pockets of townhouses at locations that could support the higher density. Development of any of this land is not likely until 2026 at the earliest.

The City approved the adaptive reuse of a 5-story downtown office building, and construction is nearly complete on converting the building into 40 market-rate rental apartments with ground-floor commercial space. The City agreed to a public-private partnership with Judson University to convert a vacant bank building into dorms and studio space for graduate-level architecture students. Students are expected to move in this Summer. The City recently agreed to a public-private partnership with Side Street Studio Arts, NFP to renovate a 15,000 square foot building in downtown, creating space for art classes, exhibitions, and various special events Side Street continues to refine their building permit plans.

The first cannabis dispensary opened in the City in 2024. It is located in the Clock Tower Plaza shopping center on the south side of downtown. A second dispensary is targeting the former Boston Market restaurant on Randall Road, just south of U.S. Route 20.

Construction is well underway on a four-story, 95-room Holiday Inn Express near the southwest corner of Randall Road and Interstate 90. The new 4-story, 122-room WoodSpring Suites Hotel at 2225 Point Boulevard opened in 2021. Further north, construction on a new Nissan dealership has started. Nissan is moving their dealership from E. Chicago Street to Auto Mall Drive. Biggers Mazda opened its new automobile dealership in January 2023. Biggers also moved from their previous location on E. Chicago Street. Their new Randall Road location is the largest Mazda dealership in the State. KIA opened their new dealership at the corner of Randall Road and Auto Mall Drive in December 2023. They too moved from E. Chicago Street.

To the south of Interstate 90 at 1550 N. Randall Road, OrthoIllinois opened their new 49,000 square foot medical office building in 2022. The estimated construction cost was between $15-$16 million, and the value when equipped was between $20-$22 million. OrthoIllinois also opened another facility in 2024, at the corner of Alft Lane and Westfield Drive (two blocks west of Randall). This building is a 20,000 square foot ambulatory center with four operating rooms with expansion potential to six operating rooms. The construction cost of this building was about $8 million, and the value when equipped was about $19 million (each operating room costs $1 million to equip).

A new Starbucks coffee shop is under construction at 1007 N. Randall Road, in front of Russo Power Equipment. Belle Tire opened their new tire and automotive center just to the north of the Meijer building on Randall Road in December 2022. Further south, construction is underway on a 280-unit apartment complex at the southwest corner of Randall and Hopps Road.

Along McLean Boulevard, a new stand-alone Starbucks coffee shop opened at 310 S. McLean Boulevard in 2021, and a new O'Reilly's Auto Parts store opened at 596 N. McLean in 2021.

In late 2023, new Elginites began moving into Hanover Landing, a new 3-story building providing 40 units of permanent supportive housing at 711 E. Chicago Street. Along State Street in 2024, people began moving into the 74-unit, permanent supportive housing community by Association for Individual Development (AID).

On the east side of the City, at the northeast corner of U.S. Route 20 and Lambert Lane, the City annexed and approved the zoning in April 2023 for a new gas station and convenience store. Construction is expected to start in 2025 on Thornton's Fuel Center at a cost of about $10 million. Along Summit Street, City Council amended a previous zoning approval for Bella Casa in April 2023. Bella Casa is a $40 million development that includes 13,000 square feet of ground-floor retail and 151 apartments. Site development plans and the building plans for the first of five buildings are under review by the City.

Atlantic Packaging completed construction in 2022 at 2601 Mason Road on their 488,000 square foot building. The facility is the largest manufacturer of corrugated board and boxes in North America. The development represents a $30 million investment on the vacant site. Construction was also completed in 2023 at 1451 Sheldon – a 477,000 square foot building being built on spec. The total development cost for this building is estimated at $32 million. Construction is complete on a 248,000 square foot and a 187,000 square foot industrial building at the end of Toll Gate Road by High Street Logistics Properties. The development has an estimated value between $30 and $32 million. Gold Coast Logistics finished their 62,000 square foot headquarters for their transportation logistics company in August 2022. This building is located at the southeast corner of Big Timber Road and Madeline Lane. The company also bought the vacant 20 acres at the southwest corner of the intersection and is contemplating additional transportation logistics development there. Two other new industrial buildings also became available in 2024, along Madeline Lane, north of Big Timber. These buildings have added more than 465,000 square feet of industrial space to the market in total.

The City completed the annexation of 12-acre industrial property near the southwest corner of Interstate 90 and Randall Road to be the future headquarters of Orozco Trucking. Orozco is currently in the plan review stages for their 55,000 square foot building. Across the street, the City has been meeting with another trucking and logistics company about building a 110,000 square foot headquarters and maintenance facility at 2565 Mason Road. The 20-acre site would include parking for more than 300 trucks.

The success of the City's industries and businesses at the turn-of-the-19th century allowed the City to flourish which was reflected in the City's older neighborhoods. The homes in these areas, some dating back to the mid-1800's, exhibit a wide variety of styles, size and uniqueness that have established the City as a preservation destination. Many of these homes and areas are recognized for their historic and architectural significance through local and national designation as individual landmarks or as historic districts.

In addition to its 22 individual landmarks, the City designated five historic districts which include: the Elgin Historic District (established 1981); the Spring-Douglas Historic District (established 1996); the Elgin National Watch Historic District (established 1997); the David C. Cook – Lovell Area Historic District (established 2007); and the Elgin Bungalow Thematic Historic District (established 2015).

The Elgin Historic District contains 774 properties and is the earliest area of the City plated by the City's founder, James T. Gifford in 1842. The Spring-Douglas Historic District contains 286 structures and belonged to the City's most prominent business leaders involved in manufacturing, banking and retail, and quickly nicknamed the City's "Gold Coast." Both districts are also listed in the National Register of Historic Places. The Elgin National Watch Historic District contains 585 structures and was associated with workers and executives of the Elgin National Watch Company. The D. C. Cook-Lovell Area Historic District has 89 structures, many of which were built at the beginning of the 20th century due to the relocation of the David C. Cook Publishing Company in 1901, another prominent and successful business that provided the City more notoriety. The most recent district is the Elgin Bungalow Thematic Historic District containing seven residences. It is a district that is based on a theme, the bungalow, has no district boundaries but is city-wide and inclusion is voluntary.

The efforts to restore, preserve and promote the City's rich heritage through tireless efforts of passionate property owners, professional contractors and dedicated volunteers have greatly contributed to the beautification of the City.

The City issued 10,480 permits in 2024, compared to 11,182 permits issued in 2023. The City issued 10,362 permits in 2022 and 10,444 permits issued in 2021. The 2021 figure was up more than 15 percent from the 8,948 permits issued in 2020. The City issued 218 permits for single-family homes in 2024. Single-family homes include detached single-family homes and townhouses. 264 permits for single-family homes were issued in 2023 and 307 permits for single-family homes were issued in 2022, just one less than in 2021. 2021 was a 62 percent increase from the 190 permits for such single-family homes in 2020.

The City's construction activity over the past five years is shown by the building permit data below. The total annual permit valuations averaged nearly $125 million the past five years.

City Building Permits*(1)*

Calendar Year	Single Family Units	Single Family Value(2)	Multi-Family Buildings	Multi-Family Value	Commercial and Industrial	Total All Other	Value
2020	190	$14,097,077	0	$ 0	$ 4,484,360	$24,479,725	$ 43,061,162
2021	308	25,843,911	0	0	12,258,420	31,861,131	69,963,462
2022	307	57,572,255	0	0	25,486,549	69,920,586	152,979,390
2023	264	59,572,769	2	7,300,000	40,151,386	98,101,519	205,125,674
2024	218	48,944,228	9	11,571,435	7,903,654	82,841,074	151,260,391
5-Year Average							$124,478,016

Notes: (1) Source: The City.
(2) Does not include HVAC, electrical or plumbing permits.

Housing

According to figures provided by the U.S. Census Bureau, median home values in the City have been increasing at a rate which compares favorably with Kane County and Cook County and exceeds the State.

Median Home Values*(1)*

	1970	1980	1990	2000	2010	2020	1970-2020 Percent Increase
The City	$20,700	$60,600	$ 96,800	$141,400	$212,700	$196,100	847.34%
Kane County	20,700	60,500	102,500	160,400	245,000	245,500	1085.99%
Cook County	24,400	62,100	102,100	157,700	265,800	255,500	947.13%
The State	19,800	52,800	80,900	130,800	202,500	202,100	920.71%

Note: (1) Source: U.S. Bureau of the Census.

The 2019-2023 ACS reported that the median value of the City's owner-occupied homes was $252,400. This compares to $305,200 for Cook County, $303,000 for Kane County and $250,500 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, Cook County, Kane County and the State at the time of the 2019-2023 ACS.

Median Home Values*(1)*

	The City		Cook County		Kane County		The State	
Value	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under $50,000	1,263	4.6%	41,998	3.5%	3,001	2.2%	179,713	5.4%
$50,000 to $99,999	411	1.5%	40,050	3.3%	2,044	1.5%	293,418	8.8%
$100,000 to $149,999	1,767	6.4%	84,534	7.1%	5,746	4.1%	373,012	11.2%
$150,000 to $199,999	4,146	14.9%	117,090	9.8%	13,839	10.0%	402,625	12.0%
$200,000 to $299,999	10,989	39.6%	303,912	25.4%	43,777	31.5%	796,642	23.8%
$300,000 to $499,999	8,053	29.0%	361,818	30.2%	53,709	38.7%	836,453	25.0%
$500,000 to $999,999	899	3.2%	193,482	16.1%	15,171	10.9%	373,844	11.2%
$1,000,000 or more	227	0.8%	55,950	4.7%	1,468	1.1%	87,327	2.6%
Total	27,755	100.0%	1,198,834	100.0%	138,755	100.0%	3,343,034	100.0%

Note: (1) Source: The 2019-2023 ACS.

Mortgage Status*(1)*

	The City		Cook County		Kane County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage	19,034	68.6%	754,757	63.0%	94,373	68.0%	2,056,770	61.5%
Housing Units without a Mortgage	8,721	31.4%	444,077	37.0%	44,382	32.0%	1,286,264	38.5%
Total	27,755	100.0%	1,198,834	100.0%	138,755	100.0%	3,343,034	100.0%

Note: (1) Source: The 2019-2023 ACS.

Income

Per Capita Personal Income for the Highest Income Counties in the State*(1)*

Ranking	County	2019 to 2023
1	DuPage County	$57,051
2	Lake County	55,756
3	Monroe County	49,438
4	McHenry County	48,275
5	**Cook County**	**47,801**
6	Will County	46,216
7	**Kane County**	**46,013**
8	Grundy County	43,744
9	Piatt County	43,547
10	Kendall County	43,127

Note: (1) Source: The 2019-2023 ACS.

The following shows the median family income for counties in the State.

Ranking of Median Family Income*(1)*

County	Family Income	Ranking
DuPage County	$136,376	1
Lake County	132,828	2
Monroe County	128,922	3
Will County	124,227	4
McHenry County	121,624	5
Kendall County	119,150	6
Kane County	**116,477**	**7**
Cook County	**102,297**	**12**

Note: (1) Source: The 2019-2023 ACS.

According to the 2019-2023 ACS, the City had a median family income of $97,393. This compares to $102,297 for Cook County, $116,477 for Kane County and $103,504 for the State. The following table represents the distribution of family incomes for the City, Cook County, Kane County and the State at the time of the 2019-2023 ACS.

Family Income*(1)*

	The City		Cook County		Kane County		The State	
Income	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under $10,000	535	1.9%	42,405	3.5%	2,442	1.8%	92,276	2.9%
$10,000 to $14,999	414	1.5%	22,515	1.9%	1,467	1.1%	49,504	1.6%
$15,000 to $24,999	1,136	4.1%	51,737	4.3%	3,321	2.5%	115,394	3.7%
$25,000 to $34,999	1,684	6.0%	63,491	5.2%	4,620	3.5%	144,347	4.6%
$35,000 to $49,999	2,342	8.4%	102,147	8.4%	9,286	7.0%	255,343	8.2%
$50,000 to $74,999	3,719	13.3%	162,053	13.4%	17,083	12.9%	440,350	14.1%
$75,000 to $99,999	4,716	16.9%	147,639	12.2%	17,375	13.1%	413,051	13.2%
$100,000 to $149,999	6,509	23.3%	232,849	19.2%	30,525	23.0%	664,299	21.2%
$150,000 to $199,999	3,410	12.2%	150,406	12.4%	19,031	14.3%	404,823	12.9%
$200,000 or more	3,500	12.5%	235,857	19.5%	27,679	20.8%	552,865	17.7%
Total	27,965	100.0%	1,211,099	100.0%	132,829	100.0%	3,132,252	100.0%

Note: (1) Source: The 2019-2023 ACS.

According to the 2019-2023 ACS, the City had a median household income of $88,316. This compares to $81,797 for Cook County, $100,678 for Kane County and $81,702 for the State. The following table represents the distribution of household incomes for the City, Cook County, Kane County and the State at the time of the 2019-2023 ACS.

Household Income*(1)*

	The City		Cook County		Kane County		The State	
Income	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under $10,000	1,012	2.6%	124,398	6.0%	5,667	3.1%	262,472	5.2%
$10,000 to $14,999	1,086	2.8%	79,619	3.8%	3,546	1.9%	167,954	3.4%
$15,000 to $24,999	1,775	4.6%	131,723	6.3%	7,698	4.2%	312,209	6.2%
$25,000 to $34,999	2,580	6.6%	135,473	6.5%	8,868	4.8%	325,873	6.5%
$35,000 to $49,999	3,922	10.1%	199,836	9.6%	14,775	8.1%	493,412	9.9%
$50,000 to $74,999	5,637	14.5%	297,564	14.3%	25,826	14.1%	755,975	15.1%
$75,000 to $99,999	6,254	16.1%	256,665	12.3%	24,554	13.4%	637,303	12.7%
$100,000 to $149,999	8,575	22.1%	356,146	17.1%	39,234	21.4%	896,614	17.9%
$150,000 to $199,999	4,190	10.8%	201,564	9.7%	22,271	12.2%	494,802	9.9%
$200,000 or more	3,815	9.8%	301,590	14.5%	30,757	16.8%	655,290	13.1%
Total	38,846	100.0%	2,084,578	100.0%	183,196	100.0%	5,001,904	100.0%

Note: (1) Source: The 2019-2023 ACS.

COMMERCE AND INDUSTRY

The City has traditionally been a center for commerce and industry. A major reason for this strength is the City's business diversity, location, and access to a skilled and large labor supply. The City has a well-balanced economy that is not dominated by any single business sector. Dun & Bradstreet lists over 5,500 businesses in the City. The City is also home to a robust manufacturing sector located in some 24 business parks including Burnidge Industrial Park, Randall Road Executive and Corporate Centers, Fox River Business Center, Fox Bluff Corporate Center, Northwest and Corporate Parks, Windsor Commerce Center, Miller-Davis Industrial Park, and others. Diversification of businesses has strengthened the City's economy and has made it more resilient to downturns in the overall economy as evidenced by the most recent recessions and the effect of the COVID-19 pandemic.

The City's favorable transportation infrastructure connects the City to such major routes such as I-90, Routes 20, 25, and 31. The City's proximity to the City of Chicago, O'Hare International Airport, and access to a Chicago metropolitan area labor force of nearly 5 million people all work together to make the City an ideal location in which to operate a business. Foreign Direct Investment has also played a major role in recent years in the expansion of the area's economy. Businesses from Germany, Japan, India, Canada, Switzerland, Austria, China, and Italy have decided to locate operations in the City. Foreign owned companies such as SureWerx, Faber-Castell, Harting, American NTN Bearing and others recognize the advantages and have made a footprint on the City's landscape.

The City's success in attracting and retaining both domestic and international businesses of all sizes and types is reflected in the industries that comprise their diversified economy. The City's industrial market remains one of the strongest in the Interstate-90 Northwest Corridor. The industrial market size is 35 million square feet in over 400 properties.

In 2020, new, speculative Class A industrial and commercial construction soared to 1.7 million square feet, a historic high for construction. By the end of 2024, almost all that space was absorbed by new and expanding businesses. Some 50 new manufacturing, warehouse and distribution businesses either expanded, located, or renewed leases of 2.5 million square feet by 2024, a record year for lease renewals and new leases. Today, the industrial vacancy rate is well below its 10-year average and is at around 6.0%.

Commercial and Industrial Development

Development along Randall Road and the I-90 interchange provides a mix of uses such as office, research, retail, and residential and industrial development. The Randall Point Executive Center is a major development located at that intersection offering more than 780,000 square feet of office space on a 60-acre campus space as well as a 74-room hotel and 9,900 square foot restaurant with seating capacity of 350. A nature preserve of approximately four acres has been dedicated at the northeast quadrant, which provides a park for the executive center.

Fabricators and Manufacturers Association ("FMA") opened its new headquarters in a distinctive building in the Randall Point Executive Center. FMA is a professional association devoted to improving the metal processing, forming, and fabricating industries complementing the City's manufacturing sector. The association relocated its headquarters to the City from Rockford, Illinois.

Randall Point West, near the auto mall at I-90 and Randall Road, is a 40-acre Class A business park. Japan's MAZAK Optronics Corporation became the first company in the park when it built its new $10 million North American headquarters complex in 2009. In 2014, Newhaven Display International constructed a 30,000 square foot building to house its headquarters, and completed an $8 million, 40,000 square foot expansion of its facility, while adding 25 to 30 employees to its current 50 employee staff. In 2024, 500,000 square feet of speculative space was leased to an international manufacturer on the east side of the City.

The City is home to many new and used automobile dealerships including Biggers Chevrolet, Biggers Mazda, Brilliance Subaru, Napleton Kia, Ron Hopkins Ford, Elgin Volkswagen, Feeny Chrysler-Jeep-Dodge, and McGrath Honda. The 86-acre Auto Mall at Randall Road and I-90 saw its first auto dealer in 2010 when McGrath Honda built a dealership. Brilliance Subaru opened a new dealership off Randall Road in 2013. In 2015, a 36,000 square foot state-of-the-art Volkswagen dealership opened. Four lots have been purchased by yet another automotive group. In 2015, there was an addition of a new car dealership, Elgin Volkswagen. In 2024, Elgin Kia constructed a new dealership in the auto mall complementing other dealership brands. Many new and used dealers have reinvested in their dealerships with new facades and modern service centers to attract additional customers. Automobile dealerships are important contributors of sales tax revenue to the City.

American NTN Bearing Manufacturing Corporation ("NTN"), a Japanese company, owns a variety of companies and manufacturing plants worldwide. Since coming to the City in 1976, NTN has expanded its facilities to nearly 1 million square feet. NTN is now one of the City's largest employers with nearly 600 employees.

Suzlon Wind Energy Corporation ("Suzlon") chose the City for a new 65,000 square foot North American training center. Suzlon is one of the largest wind energy companies in the world. The training center, which opened in October 2010, brings people to the City for training on how to maintain Suzlon and other manufacturers' wind turbines.

John B. Sanfilippo & Sons, Inc. ("Sanfilippo"), maker of Fisher Nuts, consolidated and moved its world headquarters to the City in 2005. Its peanuts are the most well-known, but the company also produces Evon's nuts, and Flavor Tree sesame sticks and snack food. The City's location of this business employs approximately 1,200 employees in a one million square foot building.

Cherry Bekaert, a certified public accounting and manufacturing consulting firm, decided to continue to keep its headquarters in the City after a merger. The business occupies nearly 100,000 square feet in the Fisher Corporate Center at I-90 and Randall Road. Cherry Bekaert is now one of largest accounting firms in the Chicago region.

Retail

The City has nine main retail corridors. These nine shopping corridors are historically unique and serve specific populations of people in the City and the region. One example, the Randall Road corridor includes over 100 retail businesses, new car dealers, significant industrial and office buildings, and a major hospital. The corridor serves a larger area for people moving through the City that frequent the businesses found along Randall Road. Retail vacancies have hovered at under 3% for the past five years and are projected to stay that way for the foreseeable future.

Downtown Elgin

The City's downtown revitalization continues to grow. First and foremost, the $10.5 million Riverside Drive Promenade project has been completed and enjoyed its official ribbon cutting and grand opening in August 2013. This stretch, Chicago to Prairie Street, along the scenic Fox River has created beauty, recreation, and outdoor dining experiences for all that visit. Bicyclists, walkers, and runners, alike, can also take advantage of the stretch of the Fox River Bike Trail that was newly paved and improved. DuPage Court has been renovated to give shoppers and store patrons a place to relax and enjoy the downtown.

The iconic Elgin Tower Building's recent $16.75 million renovation converted the building into 45 one-and-two-bedroom apartments, bringing new life to the historically designated property downtown. The recently redeveloped landmark building gave more options to those seeking to live in the suburbs in a downtown neighborhood environment. The City Center has been experiencing low retail vacancy rates, and a surge of new activity. The downtown revival as a destination spot has increased visitors from around the region and State.

Vacancy Rates

Industrial vacancy rates were at an all-time low of 3.2% in December of 2023 and are currently at 6.16%. The City had a net 12-month absorption of nearly 153,000 square feet. Net absorption is the sum of square feet that became physically occupied, minus the sum of square feet that became physically vacant. Market rent per square foot is at a high of $9.96 per square foot. Market sale prices have gone up to $94 per square foot. The former Ball building, the City's largest unoccupied building, should be occupied in the coming months and will bring the rate down further. Demand and supply are in equilibrium.

Multi-Family vacancy rates are low in the City and have stayed relatively the same since 2021. The vacancy rate has hovered around 2.1%. There are 113 units available to rent out of a total inventory of 5,469 rental units. The housing market is tight, and the average rent price went up from $1,277 in April 2023 to $1,413 today and climbing. A 3-bedroom apartment for example averaged $1,664 per month in April 2023 and is now at $1,771 per month. By the end of the 4th quarter of 2029, rents for a 3-bedroom unit are estimated to climb to $2,429 in the City. Rent prices, regardless of the number of bedrooms, are forecasted to rise over the next five years. Demand far exceeds supply as the City continues to grow.

Retail vacancy rates went down and are at all-time historic lows in the City. The current retail vacancy rate went down from 3.78% in mid-February to 3.14% today. There is 177,000 square feet of unoccupied space out of a total of 5.6 million square feet available for lease or purchase. That is approximately the size of one Walmart Supercenter. Market rent prices are at an all-time high of $18.39 per square foot and climbing. Sale prices for retail property are also near record all-time highs of $157 per square foot. The vacancy rate is projected to remain under 4.0% through 2029. Demand is higher than the supply.

The overall vacancy rate for 11 distinct types of commercial real estate property segments in the City has stayed about the same when it was 7.2% in February 2023 to 7.28% today. The overall 10-year average is 8.35%. Market rent per square foot is at a high of $12.68. In the last 12 months, 274,000 square feet of commercial space were absorbed. The existing inventory is 40 million square feet of commercial space in the City. Demand is projected to outweigh supply over the next five years. Office vacancies have gone from a low of 17.9% at the end of the second quarter of 2019 to 26.3% in February 2023 to 20.7% today, which is based on approximately 4.7 million square feet of inventory in the City. This is approximately the same as the past 10-year average of 20.5%. On a positive note, there has been a net absorption of 61,700 square feet in the past 12 months. There are 969,000 square feet of available office space in the City and supply exceeds demand. High office vacancy is a result of the COVID-19 pandemic and the fact that suburban office vacancy rates have traditionally been high.

Business Growth

The City continues to see an influx of new businesses, business expansions and business reinvestment. In 2019, some 270 occupancy permits were issued to local and new businesses. In 2020, although it's down, over 200 occupancy permits have been issued to businesses. The year 2023 was a banner year for all types of permits issued by the City.

New and Expanding Businesses

Atlantic Packaging announced the construction of the largest manufacturing operation in the State in 2021 with an investment of $120 million in a new 500,000 square foot manufacturing facility. This facility was completed in 2022 and now employs some 500 workers. They are in the process of expanding the facility to 700,000 square feet.

The City continues to attract new businesses while helping local businesses to expand. Businesses such as SureWerx have leased additional square feet because of growing sales for protective work wear, while Motorola has moved its German manufacturing business to the City. Companies like Flender, locally owned ACE Hardware, Sanfilippo and the engineering firm of Hampton, Lenzini & Renwick are all growing and expanding their footprint. Conveyor Solutions moved its headquarters to the City and invested $53.04 million to make it one of the top 20 projects in the State.

Businesses like GoldCoast Logistics, Aptar, Thomas Engineering, Conveyor Solutions, O'Reilly Auto Parts, Popeye's, Charter Automotive and Culver's moved to the City despite the challenges that they faced. Dozens of small businesses have closed, but dozens more have replaced them in recent years. Businesses are optimistic about prospects for the future, and several new projects are being planned.

Tax Increment Financing (TIF) Redevelopment Projects

Tax Increment Financing ("TIF") districts encourage re-development of special need areas by financing redevelopment project costs with incremental property tax revenues. The use of the incremental property taxes permits the City to implement and coordinate public improvements and activities to stimulate private investment within the TIF area. The City's three existing TIF districts include the Central Area TIF, established in 2002; U.S. Route 20 TIF, created in 2004; and, the Bluff City Quarry TIF District, enacted in 2011. The Central Area TIF District is the City's largest and most successful TIF district. The Central Area TIF district includes the City's central historic core which includes a variety of commercial, office, industrial, public, residential and mixed uses. The area contains 1,927 buildings and encompasses approximately 1,070 acres.

Arts-related economic development initiatives serve as an integral high-impact component of the Central Area TIF revitalization efforts. The Artspace Project fosters and preserves affordable living and working space for artists. The $14.5 million development transformed a former legacy department store into an arts facility featuring 55 units of affordable living and workspace for artists and 6,000 square feet of retail and community space for arts-related businesses and nonprofit organizations.

The Central Area TIF redevelopment project and plan's objectives include, but are not limited to the following: strengthen the economic well-being of the project area; encourage and support the preservation and rehabilitation of the project area's historically significant properties; improve and upgrade existing surface infrastructure, including streets, curbs, gutters, sidewalks, lighting and alleys; and create an environment that stimulates private investment in the upgrading and expansion of existing businesses and the construction of new businesses, residential, retail and commercial facilities. The $51 million construction of the Fountain Square residential development completed in 2009 created 211 dwelling units, a two-level parking structure and 11,000 square feet of commercial space in the City's downtown.

In April 2021, the City approved the redevelopment of a five-story former office building into "The Courtyard at 40," an $11.34 million project featuring about 4,500 square feet of ground-floor commercial space, with the four upper floors being a mix of 40 studio, one- and two-bedroom market-rate apartments. The redevelopment is located in the Central Area TIF District and is expected to be completed in the late summer of this year.

The Central Area TIF expires in December 2025. The City is negotiating with the local governmental taxing bodies (school, community college and library districts and township) serving properties within the Central Area TIF to extend the TIF's duration for an additional twelve years. The City expects to be able to reach agreement on the terms for the Central Area TIF's twelve-year extension with the local governmental taxing districts and has introduced legislation in anticipation of an agreement.

The Bluff City Quarry TIF District was established in 2011. The developer of the Bluff City Quarry TIF District proposes to redevelop the area with various commercial and industrial uses. The developer's proposed redevelopment of the property within the TIF district is expected to generate tax increment approximating $64,918,000 over the 23-year TIF district term.

Riverboat Casino

The City's Grand Victoria Casino is now part of the Caesars Entertainment Corporation (CEC). The Grand Victoria Casino's previous owner, Eldorado Resorts, Inc., completed a $17.3 billion buyout of Caesars Entertainment Corp. in July 2020. Eldorado is assuming the iconic Caesar's company name going forward as the largest casino owner in the world. The transaction further enhances Caesars' position as the leading regional and destination gaming operator in the U.S.

Being part of CEC enhances the Grand Victoria Casino's competitiveness in the Chicago metropolitan area. Casino loyalty programs play a major role in a traveler's decision about which hotel to stay at, where to shop and where to eat. CEC has been a generous program for non-gamblers due to generous promotions and availability of high-level Diamond elite status through non-gaming avenues.

Before the pandemic, the Grand Victoria Casino commenced work on studies analyzing the market for an adjoining hotel to the gaming facility and conducted several meetings with the City on the development it is considering. With the gaming industry beginning its return to normal operations after the pandemic, hotel discussions are expected to resume.

The Grand Victoria Casino in late 2022 added 6,500 square feet of gaming space at a cost of $4 million to create a new state-of-the-arts sportsbook and poker room. The Grand Victoria Casino began hosting Illinois' first World Series of Poker Circuit Event after the expansion and has been continuing to host the tournament that comes with $1 million in guaranteed prize money for the annual Tournament of Champions in Las Vegas.

The Riverboat Fund has been serving as a major supplemental revenue stream since 1995. Riverboat Fund revenue is derived from the Grand Victoria Casino's operations. A five percent tax on the Grand Victoria Casino's gaming receipts plus a one dollar per patron admissions tax is deposited in the Riverboat Fund. The City receives an annual lease payment from the casino in the amount of $1.3 million because the City owns the land on which the Grand Victoria Casino's pavilion and parking areas are located.

The Riverboat Fund generated $14.1 million during their first full year of revenues in 1995 with annual revenue peaking at $29.5 million in 2001. The 2011 opening of the Rivers Casino in Des Plaines, combined with the introduction of video gaming in taverns across the State in 2012 have substantially impacted the Riverboat Fund's revenue stream.

Fiscal year 2023 revenues were budgeted at $11.3 million and actual revenues were $12.4 million. Riverboat revenue from gaming and admission continues to be negatively impacted by the opening of the Rivers Casino (Des Plaines) and the increase in video gaming. Riverboat expenditures were $11.8 million compared to budgeted expenditures of $16.7 million.

Riverboat Fund revenues were budgeted at $10.8 million in fiscal year 2024 and are estimated to be approximately $11.3 million, exceeding budgeted expectations. Revenue from gaming tax fell short of budgeted expectations, while admission taxes and video gaming exceeded budgeted levels. In addition, due to rising interest rates, investment income surpassed the planned levels. Riverboat Fund expenditures were budgeted at $16.4 million in fiscal year 2024 and are estimated to be approximately $12.4 million. Capital projects delayed until 2025 account for expenditures being less than planned. Historically, the Riverboat Fund provided about $6.0 million per year for neighborhood and collector street resurfacing projects. Beginning in fiscal year 2021, these projects were not funded through the Riverboat Fund to offset potential revenue decreases. This practice continued throughout 2024. These resurfacing projects were completed using Motor Fuel Tax funds. In addition to the City's normal motor fuel tax allotments, it received an additional $7.1 million in fiscal years 2020 through 2022, under the ReBuild Illinois program.

The fiscal year 2025 Riverboat Fund budget plans for revenues of $11.2 million, expenditures of $15.8 million and draws on reserves in the amount of $4.6 million. The Riverboat Fund balance on December 31, 2024, carrying over to fiscal year 2025, is estimated to be $15.6 million.

Business Statistics

Following is a summary of the City's sales tax receipts as collected and disbursed by the State.

Retailers' Occupation, Service Occupation and Use Tax*(1)*

State Fiscal Year Ending June 30	State Sales Tax Distributions(2)	Annual Percent Change +(-)
2020	$16,465,330	1.94%(3)
2021	17,449,736	5.98%
2022	19,611,765	12.39%
2023	20,959,254	6.87%
2024	21,592,447	3.02%
Growth from 2020 to 2024		31.14%

Notes: (1) Source: Illinois Department of Revenue (the "Department").
(2) Tax distributions are based on records of the Department relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the City, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.
(3) The 2020 percentage is based on a 2019 sales tax of $16,151,944.

Public Act 101-0009, effective June 5, 2019, included the "Leveling the Playing Field for Illinois Retailers Act." This legislation requires certain remote retailers to collect and remit state and locally-imposed sales taxes for the jurisdiction where the product is delivered (destination) starting on July 1, 2020. Information from the Illinois Municipal League ("IML") indicates that "local governments could receive $92 million per state fiscal year." There will, however, be a decrease in collections of Use Tax. Ultimately, the IML anticipates that municipalities will experience a net increase as a result of Public Act 101-0009.

Income Tax Revenue History and Motor Fuel Tax Revenue History

The following table shows the distribution of the municipal portion of the State Income Tax collected by the State and distributed through the Local Government Distributive Fund by the State Comptroller. The tables indicates the amount of Income Tax Revenues received by the City as well as the amount of Motor Fuel Tax ("MFT") collected by the City over the past several years.

Income Tax Revenue History and Motor Fuel Tax Revenue History*(1)*

Fiscal Year	Income Tax Revenues Distribution(2)	MTF Revenues Distribution(3)
2019	$11,515,427	$3,574,668
2020	11,756,673	4,184,605
2021	14,341,173	4,410,133
2022	18,705,859	4,449,766
2023	18,335,305	5,286,004

Notes: (1) Source: The City's audited financial statements.
(2) The Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget contained a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the City, by 5% (for State Fiscal Year 2019 and State Fiscal Year 2020). The City cannot determine at this time the financial impact of this provision on its overall financial condition for the future.
(3) P.A. 101-32, effective June 28, 2019, increased the MFT in order to fund capital projects. Beginning July 1, 2019, the MFT consists of a) $0.38 per gallon of gasoline, a 19-cent increase; and b) $0.455 per gallon of diesel fuel, a 24-cent increase. Increasing the MFT will also increase the portion of the MFT remitted to municipalities.

ARP Moneys

Federal legislation, including the America Rescue Plan Act of 2021 (the "ARP Act"), which was signed into law on March 12, 2021, was directed at mitigating the economic downturn and healthcare crisis caused by COVID-19. The ARP Act provided additional federal money for states and local governments to combat the COVID-19 pandemic including, but not limited to, funds to replace revenues lost as a result of the pandemic. The City received a total of $19.5 million pursuant to the ARP Act. The City has used and expects to continue to use the ARP Act funds for Utility infrastructure improvements, including $7.2 million in fiscal year 2023 and $5.2 million in fiscal year 2024 for lead service line replacement efforts. See **"THE PROJECT"** herein.

THE PROJECT

The Bond proceeds will be used to finance the Utility Project. The Utility Project includes improvements to water mains, water treatment plant improvements, modifications to City wells, and other water distribution system improvements within the City.

In addition to the projects being funded with the proceeds of the Bonds, the City has established a lead service line replacement ("LSLR") program. The City has been removing lead service lines since 2018. In 2022, the IEPA issued a mandate that the City replace 7% of its lead service lines per year. The City's annual goal is to replace approximately 900 lines per year, which would allow the City to achieve the IEPA's 7% goal. This requires an annual investment of approximately $17 million.

In fiscal years 2022 and 2023, the City received a $4 million forgivable IEPA loan each year for the LSLR program. In fiscal year 2024, the City received an interest free loan from the IEPA, for $10.8 million, through the IEPA's Public Water Supply Loan Program, for which loan proceeds are designated for the LSLR program. In fiscal year 2024, the City also received $1.5 million in grant funding from the Illinois Department of Commerce and Economic Opportunity to allow for additional LSLR's in fiscal year 2024. In fiscal year 2025, the City has been approved for a $3.0 million IEPA forgivable loan and expects to enter into a loan agreement with the IEPA for a $9.0 million interest free loan through the IEPA's Public Water Supply Loan Program, which loan proceeds are designated for the LSLR program.

The City expects all of the debt service payments on the proceeds of the Bonds used to finance the Utility Project will be paid through utility user fees and the Pledged Taxes levied for the payment of the applicable Bonds will be abated.

Capital Projects in the Utility Fund

As described above, all of the proceeds of the Bonds will be used to finance various capital projects with respect to the City's waterworks and sewerage systems (together, the "Utilities"). Such capital projects represent a portion of the City's five-year capital plan with respect to the Utilities (the "Utilities Capital Plan"). The Utilities Capital Plan, which is described in the City's fiscal year 2025 enacted budget, provides a path to completing the projects necessary to provide for the treatment and distribution of high-quality drinking water for the City's residents and businesses.

As set forth in the fiscal year 2025 enacted budget, the City expects to issue additional bonds in 2025 (in the approximate amount of $15.2 million), and to annually transfer money from the Capital Projects Fund, to finance certain of the projects set forth in the Utilities Capital Plan during each of the next four fiscal years. Additional information regarding the implementation of the Utilities Capital Plan during the next four fiscal years is set forth in the fiscal year 2025 enacted budget, which is available on the City's website, provided, however, that the contents of such website are not incorporated herein by such reference.

The fiscal year 2025 through 2029 capital plan for the Utility Fund provides for $28.5 million in new debt in fiscal year 2025, expected to come from a combination of general obligation debt and IEPA financing. The IEPA financing will include a combination of a principal forgiveness loan and an interest free loan. The debt is planned for the LSLR program and other Utility projects. In fiscal years 2026 through 2029, the capital plan projects to issue an average of $30 million of debt per year, consisting of $17 million for the LSLR program and $13 million for other initiatives. The City expects the IEPA to offer the forgivable loan program in future years. If that is the case, any grants received will reduce borrowing projections. The City is actively pursuing grant opportunities for the LSLR program to reduce borrowing.

The following is a brief description of certain of the specific projects comprising the Utility Project, all of which are part of the Utilities Capital Plan, and the estimated cost of such projects to be financed during fiscal year 2025.

- Separation of the City's combined sewers (sewers that carry waste and storm water runoff) in order to comply with the requirements of the Environmental Protection Agency (the "EPA"), which must be complete by 2031 ($4,525,000, the City allocates $3 million annually under the Utilities Capital Plan for this purpose);

- Modifications to the City's deep wells that provide a significant supply of source water separate from the Fox River ($1,500,000);

- Upgrading the electrical system at the Airlite water treatment plant ($2,850,000);

- Modifications to the water treatment trains that carry water between the City's water treatment basins ($1,000,000);

- Upgrades to water mains in conjunction with reconstruction of an intersection and roadway improvements ($3,500,000);

- Lining of sewer mains ($500,000); and

- Retrofit of sewer detention facilities designed for flood control ($150,000).

Abatement of Pledged Taxes

The City expects to pay all of the principal of and interest on the Bonds with user fees generated by the Utilities. The Bond Ordinance provides that whenever other funds from any lawful source are made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the Pledged Taxes, the City Council will direct the deposit of such funds into the Bond Fund (as established in the Bond Ordinance) and direct the abatement of the Pledged Taxes by the amount so deposited.

Financial Information Regarding the Utilities

The finances of the Utilities are accounted for in the Utility Fund, which is an enterprise fund resulting from the combination of the water and sewer enterprise fund budgets (which occurred in 2013). With sewer fees being dependent on water usage, the interdependence between the sewer and water funds is better demonstrated by combining these operations into a single fund that provides a comprehensive view of the City's water distribution system. Consolidating the sewer and water funds into the single Utility Fund also affords the City a greater degree of flexibility when setting user rates and financing the infrastructure improvements necessary for maintaining a reliable and high-functioning water distribution system.

The Utility Fund derives its revenues from service charges and user fees instead of general tax dollars. The City treats and distributes water to the residents and business of the City, and also supplies water on a contractual basis to Sleepy Hollow. The services within the Utility Fund operate on a "pay-as-you-use" service delivery model.

The Utility Fund is managed so that all operating costs, including debt service, are paid without assistance from other City funds. Financing strategic system improvements and service expansion needs must also be factored into the cash flow required for annual operations. Capital improvements are financed by the City's issuance of bonds with the annual debt service for those bonds being paid from revenue generated by user fees and service charges.

The current financial plan for fiscal years 2025-2029 includes water rate increases of 9.5%-9.75% annually. Fiscal year 2025 included a 9.5% increase. Sewer rates are projected to increase 4% annually.

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The following table provides information on the historical revenues and expenditures of the Utility Fund:

Statement of Revenues, Expenses and Changes in Net Position Utility Fund
Fiscal Years Ended December 31, 2019-2023*(1)*

	2019	2020	2021	2022	2023
OPERATING REVENUES:					
Charges for Services	$ 1,267,205	$ 670,552	$ 929,981	$ 981,264	$ 1,090,444
Charges for Commodities	29,917,898	29,603,345	31,614,973	30,857,686	34,312,966
Miscellaneous	90,263	72,984	93,579	206,030	179,482
Total Operating Revenues	$ 31,275,366	$ 30,346,881	$ 32,638,533	$ 32,044,980	$ 35,582,892
OPERATING EXPENSES:					
Administration	$ 2,036,920	$ 2,036,920	$ 2,036,920	$ 2,036,920	$ 2,036,920
Personal Services	8,817,659	9,165,600	7,700,962	7,479,164	9,866,046
Commodities	2,543,949	2,636,144	2,755,989	3,116,764	4,160,023
Contractual Services	4,678,764	5,218,995	4,067,347	6,688,738	6,724,360
Insurance	183,810	183,586	181,570	181,570	181,570
Miscellaneous	318,508	480,158	343,519	4,454,753(2)	4,918,639
Total Operating Expenses	$ 18,579,610	$ 19,721,403	$ 17,086,307	$ 23,957,909	$ 27,887,558
Operating Income (Loss) Before Depreciation	$ 12,695,756	$ 10,625,478	$ 15,552,226	$ 8,087,071	$ 7,695,334
Depreciation and Amortization	$ 7,642,300	$ 7,916,767	$ 8,129,097	$ 8,406,147	$ 8,887,922
Operating Income (Loss)	$ 5,053,456	$ 2,708,711	$ 7,423,129	$ (319,076)	$ (1,192,588)
NON-OPERATING REVENUES (EXPENSES):					
Investment Income	$ 813,582	$ 421,281	$ 16,738	$ 69,794	$ 1,759,332
Interest Expense and Fiscal Charges	(1,898,472)	(1,770,801)	(1,579,476)	(1,419,318)	(1,203,604)
Total Non-Operating Revenues (Expenses)	$ (1,084,890)	$ (1,349,520)	$ (1,562,738)	$ (1,349,524)	$ 555,728
Net Income (Loss) Before Transfers	$ 3,968,566	$ 1,359,191	$ 5,860,391	$ (1,668,600)	$ (636,860)
TRANSFERS:					
Transfers In	$ 0	$ 0	$ 19,303	$ 44,247	$ 202,712
Transfers (Out)(3)	(1,285,400)	(1,285,400)	(1,285,400)	(1,285,400)	(1,285,400)
Total Transfers	$ (1,285,400)	$ (1,285,400)	$ (1,266,097)	$ (1,241,153)	$ (1,082,688)
Contributions(4)	$ 1,096,075	$ 2,169,850	$ 5,108,925	$ 8,003,405	$ 7,348,452
Change in Net Position	$ 3,779,241	$ 2,243,641	$ 9,703,219	$ 5,093,652	$ 5,628,904
Net Position, January 1	$265,056,351	$268,835,592	$271,079,233	$280,782,452	$285,876,104
Net Position, December 31	$268,835,592	$271,079,233	$280,782,452	$285,876,104	$291,505,008

Notes: (1) Source: The Annual Comprehensive Financial Reports of the City for the fiscal years ended December 31, 2019 through 2023. Represents the combination of the Statement of Revenues, Expenses and Changes in Fund Balance for the Water Fund and the Sewer Fund.

(2) Capital outlay for major repairs not capitalized. Includes the replacement of lead service lines funded by the IEPA grant.

(3) Represents transfers to the various funds of the City to reflect the cost of services provided by other portions of City government.

(4) $4.0 million grant from IEPA for lead service line replacement. Remainder is developer contributions and contributed assets from bond funds.

With respect to the City's fiscal year ended December 31, 2023, Utility Fund operating revenues (on a cash basis) were $40.4 million, exceeding the budgeted level of $32.5 million due to the acceptance of a second $4.0 million forgivable loan from the IEPA for the replacement of lead service lines. The City increased its water rates by 5% and sewer rates were consistent with 2022 rates. The fiscal year 2023 budget was developed based on an assumption that the City would see average water usage. Water consumption increased, resulting in an increase in water revenues of 7.8% over planned levels. 2023 expenditures (including debt service) were $39.3 million (on a cash basis), compared to budgeted expenditures of $36.2 million. Expenditures exceed budget by $3.1 million due to the expenditures related to the IEPA forgivable loan. Expenditures excluding the lead service line replacements, funded by the forgivable loan, were $0.9 million under planned levels due to savings in contractual expenditures and the delay in acquiring vehicles. The 2023 adopted budget for the Utility Fund planned to draw on cash reserves in the amount of $3.7 million, however, operating results were favorable compared to the budget such that cash reserves increased by $1.1 million.

With respect to the City's fiscal year ending December 31, 2024, Utility Fund operating revenues (on a cash basis) are estimated to be $44.9 million, exceeding the budgeted level of $42.7 million. The City increased its water rates by 7% and sewer rates were consistent with 2023 rates. The fiscal year 2024 budget was developed based on an assumption that the City would see average water usage. Water consumption increased, resulting in an increase in water revenues of 3.1% over planned levels. 2024 expenditures (including debt service) are estimated to be $47.9 million (on a cash basis), compared to budgeted expenditures of $44.9 million. Expenditures are estimated to exceed budget by $3.0 million due to significant increases in chemical costs and the expenditures funded by the IEPA loan, which were partially offset by reduced earnings and benefits expenditures due to budgeted but vacant positions. Expenditures for lead service line replacements, funded by the loan, were not included in the original 2024 budget. The 2024 adopted budget for the Utility Fund planned to draw on cash reserves in the amount of $2.2 million and are estimated to reduce fund reserves by $3.0 million. Cash reserves are estimated to be 50% of annual expenditures, well above the target level of 25%.

The City's Utility Fund budget for the fiscal year ending December 31, 2025, plans for revenues of $42.0 million which includes $2.0 million for grants providing for additional lead service line replacement projects, above and beyond the annual replacement program. The fiscal year 2025 budget planned for average water use and increased water rates by 9.57% and, sewer rates by 4%, in conjunction with a water rate study prepared in 2024. Planned expenditures are budgeted at $47.1 million. Planned expenditures include increases to personnel costs for the addition of two new positions to support on-going operations, an increase for the inflationary increases in the cost of water treatment chemicals and modest increases in other operating costs. The City's five-year financial plan, with respect to the Utility Fund, includes planned drawdowns of cash reserves in 2025 through 2027, with revenues planned to exceed expenditures in 2028 and 2029. The reserves balance will remain at or above the target level of 25% of annual expenditures throughout the five year financial plan.

DEFAULT RECORD

The City has no record of default and has met its debt repayment obligations promptly.

SHORT-TERM BORROWING

The City has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

DEBT INFORMATION

The City is a home rule unit under the Illinois Constitution and, as such, has no general obligation debt limit, is not required to seek referendum approval for the issuance of the Bonds, and has no statutory tax rate limitations for any purpose.

The City currently has outstanding $65,960,000* principal amount of general obligation debt (giving effect to the issuance of the Bonds). Approximately 84% of this indebtedness, $55,250,000* (including the Bonds), is expected to be retired from sources other than City-wide general taxes, principally water system and sewer system revenues, utility revenues and lease payments. The City repays its debt rapidly; all debt expected to be retired with property taxes is scheduled to be retired within ten years. The City has outstanding $3,448,360 in leases payable as of December 31, 2023. The City has no outstanding revenue bonds or installment purchase contracts. The outstanding principal amount for the City's special service area bonds is approximately $260,000 per the City's 2023 Audit (as hereinafter defined). In 2024, the City was approved for an $11,134,010 loan, from the Illinois Environmental Protection Agency Public Water Supply Loan Program, Drinking Water Project to provide funding for lead service line replacement. As of 12/31/24, the City had requested reimbursement under the loan in the amount of $7,330,353. The loan is interest free and payable over 30 years beginning in December 2025.

General Obligation Debt Outstanding - By Issue*(1)*
(Principal Only)

	Amount
Property Tax Supported:	
General Obligation Bonds, Series 2016 (Corporate Purpose Portion)	$ 7,010,000
General Obligation Bonds, Series 2022 (Corporate Purpose Portion)	3,700,000
Total Property Tax Supported	$10,710,000
Self-Supporting:	
General Obligation Refunding Bonds, Series 2013A (Water Portion)	$ 165,000
General Obligation Refunding Bonds, Series 2013A (Sewer Portion)	300,000
General Obligation Refunding Bonds, Series 2015A (Water Portion)	2,115,000
General Obligation Refunding Bonds, Series 2015A (Sewer Portion)	190,000
General Obligation Bonds, Series 2016 (Utilities Portion)	4,450,000
General Obligation Corporate Purpose Bonds, Series 2019 (Water Portion)	5,545,000
General Obligation Corporate Purpose Bonds, Series 2019 (Sewer Portion)	660,000
General Obligation Refunding Bonds, Series 2020A (Water Portion)	3,795,000
General Obligation Refunding Bonds, Series 2020A (Sewer Portion)	470,000
General Obligation Corporate Purpose Bonds, Series 2020B (Water Portion)	1,105,000
General Obligation Corporate Purpose Bonds, Series 2020B (Sewer Portion)	100,000
General Obligation Refunding Bonds, Series 2021A (Water Portion)	1,495,000
General Obligation Refunding Bonds, Series 2021A (Sewer Portion)	150,000
General Obligation Corporate Purpose Bonds, Series 2021B (Water Portion)	6,740,000
General Obligation Corporate Purpose Bonds, Series 2021B (Sewer Portion)	980,000
General Obligation Corporate Purpose Bonds, Series 2022 (Water Portion)	6,590,000
General Obligation Corporate Purpose Bonds, Series 2022 (Sewer Portion)	325,000
General Obligation Corporate Purpose Bonds, Series 2024 (Water Portion)	4,245,000
General Obligation Corporate Purpose Bonds), Series 2024 (Sewer Portion)	610,000
The Bonds(2):	
Water Portion	12,010,000
Sewer Portion	3,210,000
Total Self-Supporting(2)	$55,250,000
Total Outstanding General Obligation Debt(2)	$65,960,000

Notes: (1) Source: the City.
(2) Subject to change.

**Subject to change.*

General Obligation Bonded Retirement Schedule*(1)(2)*

(Principal Only)

Payable Jan. 1 Year(3)	Property Tax Supported Principal	Water, Sewer & Recreation Center Self-Supporting Principal(4)	The Bonds(5)	Total Outstanding Principal(5)	Principal Retired (Property Tax Supported) Amount	Principal Retired (Property Tax Supported) Percent
2026	$ 1,590,000	$ 6,745,000	$ 0	$ 8,335,000	$ 1,590,000	14.85%
2027	1,640,000	6,010,000	780,000	8,430,000	3,230,000	30.16%
2028	1,680,000	5,395,000	815,000	7,890,000	4,910,000	45.85%
2029	1,720,000	4,755,000	855,000	7,330,000	6,630,000	61.90%
2030	1,715,000	3,425,000	900,000	6,040,000	8,345,000	77.92%
2031	1,765,000	3,560,000	945,000	6,270,000	10,110,000	94.40%
2032	600,000	2,850,000	990,000	4,440,000	10,710,000	100.00%
2033	0	1,830,000	1,040,000	2,870,000		
2034	0	1,885,000	1,090,000	2,975,000		
2035	0	1,130,000	1,145,000	2,275,000		
2036	0	1,170,000	1,205,000	2,375,000		
2037	0	410,000	1,265,000	1,675,000		
2038	0	425,000	1,330,000	1,755,000		
2039	0	440,000	1,395,000	1,835,000		
2040	0	0	1,465,000	1,465,000		
Total	$10,710,000	$40,030,000	$15,220,000	$65,960,000		

Notes: (1) Source: the City.
(2) Does not include various special assessment bonds, special service area bonds and public benefit debt.
(3) All debt including general obligation bonds payable on December 15 are treated as payable in the year ended January 1.
(4) Comprised of the water and sewer portions of the Series 2013A, 2015A, 2016, 2019, 2020A, 2020B, 2021A, 2021B, 2022 and 2024 Bonds.
(5) Subject to change.

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Detailed Overlapping Bonded Debt*(1)*

(As of February 25, 2025)

	Outstanding Debt	Applicable to City Percent(2)	Applicable to City Amount
Schools:			
The District	$ 233,920,000	37.66%	$ 88,098,056
School District Number 300	176,815,000	11.81%	20,885,366
School District Number 301	21,368,688	54.72%	11,693,232
School District Number 303	42,740,000	0.26%	109,301
ECC	173,630,000	21.95%	38,116,997
Total Schools			$158,902,953
Others:			
Kane County	$ 13,695,000	15.59%	$ 2,134,497
Kane County Forest Preserve District	68,650,000	15.59%	10,699,759
Cook County	1,907,276,750	0.27%	5,212,595
Cook County Forest Preserve District	87,340,000	0.27%	238,701
Metropolitan Water Reclamation District	2,430,261,774	0.03%	631,166
Campton Township	4,580,000	1.01%	46,437
Bartlett Park District	13,190,000	0.13%	16,854
Dundee Township Park District	13,866,470	23.75%	3,293,802
Total Others			$ 22,273,811
Total Schools and Other Overlapping Bonded Debt			$181,176,764

Notes: (1) Source: Cook and Kane Counties and the MSRB's Electronic Municipal Market Access ("EMMA") website.
(2) Overlapping debt percentages based on 2023 EAV, the most current available.

Statement of Bonded Indebtedness*(1)*

	Amount Applicable	Ratio To Equalized Assessed	Ratio To Estimated Actual	Per Capita (2020 Census Pop. 114,797)
City EAV of Taxable Property, 2023	$ 3,548,670,387	100.00%	33.33%	$30,912.57
Estimated Actual Value, 2023	$10,646,011,161	300.00%	100.00%	$92,737.71
Direct Bonded Debt(2)	$ 65,960,000	1.86%	0.62%	$ 574.58
Less: Self-Supporting Debt(2)	(55,250,000)	(1.56%)	(0.52%)	(481.28)
Net Direct Debt	$ 10,710,000	0.30%	0.10%	$ 93.30
Overlapping Bonded Debt:(3)				
Schools	$ 158,902,953	4.48%	1.49%	$ 1,384.21
All Others	22,273,811	0.63%	0.21%	194.03
Total Overlapping Bonded Debt	$ 181,176,764	5.11%	1.70%	$ 1,578.24
Total Direct and Overlapping Bonded Debt	$ 191,886,764	5.41%	1.80%	$ 1,671.53

Notes: (1) Source: Kane and Cook County Clerks and the City.
(2) Includes the Bonds and is subject to change.
(3) Overlapping bonded debt as of February 25, 2025.

PROPERTY ASSESSMENT AND TAX INFORMATION

Kane County represents approximately 82.87% and Cook County represents approximately 17.13% of the City's 2023 EAV. The total 2023 EAV for Kane and Cook Counties is comprised of approximately 66.30% residential, 14.06% commercial, 19.53% industrial, 0.07% farm and 0.04% railroad property valuation.

Equalized Assessed Valuation*(1)*

	Levy Year				
	2019	2020	2021	2022	2023
Total by Class:					
Residential	$1,769,657,412	$1,845,299,538	$1,916,334,224	$2,175,767,978	$2,352,786,403
Farm	2,446,396	2,473,881	2,524,551	2,524,251	2,656,894
Commercial	417,040,804	432,605,935	438,571,422	450,111,221	498,823,396
Industrial	454,282,083	492,212,753	515,582,137	552,001,229	692,994,732
Railroad	1,097,608	1,137,815	1,224,312	1,313,472	1,408,962
Total	$2,644,524,303	$2,773,729,922	$2,874,236,646	$3,181,718,151	$3,548,670,387
Total by County:					
Cook County	$ 477,107,645(2)	$ 476,237,382	$ 443,758,948	$ 542,120,780(2)	$ 607,920,498
Kane County	2,167,416,658	2,297,492,540	2,430,477,698	2,639,597,371	2,940,749,889
Total	$2,644,524,303	$2,773,729,922	$2,874,236,646	$3,181,718,151	$3,548,670,387
Percentage Growth	8.94%(3)	4.89%	3.62%	10.70%	11.53%

Notes: (1) Source: Cook and Kane County Clerks.
(2) Reassessment year.
(3) Percent change based on 2018 EAV of $2,427,542,900.

Representative Tax Rates*(1)*
(Per $100 EAV)

	Levy Years				
City Rates:	2019	2020	2021	2022	2023
Corporate	$1.0353	$0.9793	$0.9335	$0.8638	$0.7768
Debt Service	0.1072	0.1008	0.0937	0.0596	0.0559
Pensions(2)	0.6415	0.6017	0.5501	0.4894	0.6199
Rec. Programs/Handicap	0.0000	0.0000	0.0379	0.0368	0.0352
Social Security	0.0947	0.0889	0.0897	0.0888	0.0863
Total City Rate(3)	$1.8788	$1.7706	$1.7049	$1.5384	$1.5740
Kane County	$0.3739	$0.3618	$0.3522	$0.3322	$0.3094
Kane County Forest Preserve District	0.1549	0.1477	0.1435	0.1367	0.1289
The District	5.7890	5.7275	5.6180	5.5971	5.4618
ECC	0.4865	0.4439	0.4514	0.4225	0.4207
Elgin Township	0.1121	0.1069	0.1035	0.1006	0.0987
Fox River Reclamation District	0.0278	0.0266	0.0256	0.0249	0.0237
Gail Borden Library District	0.4445	0.4647	0.4542	0.4518	0.4423
Elgin Township Road and Bridge	0.0723	0.0707	0.0684	0.0667	0.0650
Total Rate(4)	$9.3397	$9.1204	$8.9217	$8.6711	$8.5245

Notes: (1) Source: Kane County Clerk.
(2) Includes Police, Fire and Illinois Municipal Retirement Fund pensions.
(3) The City is a home rule unit under the Illinois Constitution and, as such, has no statutory tax rate limitation.
(4) Representative tax rates for other government units are from Elgin Township tax code 05, which represents the largest portion of the City's 2023 EAV, the most current available.

Tax Extensions and Collections*(1)*

Levy Year	Coll. Year	Taxes Extended(3)	Current Collections(2) Amount	Current Collections(2) Percent	Total Collections Amount	Total Collections Percent
2019	2020	$50,448,788	$49,679,115	98.47%	$49,679,115	98.47%
2020	2021	50,266,407	49,957,844	99.39%	49,957,844	99.39%
2021	2022	50,778,906	49,058,393	96.61%	49,058,393	96.61%
2022	2023	49,510,262	47,888,756	96.70%	47,888,756	96.70%
2023	2024	56,337,204	55,997,710	99.40%	55,997,710	99.40%

Notes: (1) Source: Kane and Cook County Clerks and the City.
(2) Current collections in both Kane and Cook Counties include taxes paid under protest.
(3) Taxes extended have been adjusted for abatements in Kane County only.

Principal City Taxpayers*(1)*

Name	County	Description	2023 EAV(2)
Northwest Logistics Park Portfolio Investors LLC	Kane	Real Property	$ 64,324,899(3)
Scannell Properties	Cook	Real Property	42,431,408
John B. Sanfilippo & Son	Kane	Nuts	24,317,247
1323 Brewster Creek LLC	Kane	Real Property	22,015,208
Watermark Apartments LLC	Kane	Real Property	20,207,979
York MW LLC	Kane	Packaging Supplies	17,220,043
Hunter Ridge Apartments LLC	Kane	Apartment Complex	13,987,961
MHC Willow Lake Estates LLC	Kane	Mobile Home Park	13,497,182
Gifford 300 LLC	Cook	Real Property	11,945,348
NM BX LLC	Kane	Real Property	11,038,752
Total			$240,986,027
Ten Largest as a Percent of City's 2023 EAV ($3,548,670,387)			6.79%

Notes: (1) Source: Kane and Cook County Clerks, except for taxpayer descriptions which are based on publicly available information available to the City.
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2023 EAV is the most current available.
(3) Owner of eleven parcels in Elgin's Northwest Corporate Park, located along the west side of Randall Road, north of Interstate 90.

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REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay the principal of and interest on the Bonds will be levied on all taxable real property within the City. The information under this caption describes the current procedures for real property assessments, tax levies and collections in Kane County and Cook County. Certain procedures for assessment, levy and collection differ between Kane County and Cook County. Such differences are noted in this section. There can be no assurance that the procedures described herein will not change.

Real Property Assessment and Equalization

Cook County

The Cook County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within Cook County, including such property located within the boundaries of the City, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Department. For triennial reassessment purposes, Cook County is divided into three districts: west and south suburbs (the "South Tri"), north and northwest suburbs (the "North Tri"), and the City of Chicago (the "City Tri"). The City is located in the North Tri and was last reassessed for the 2022 tax levy year. The City will next be reassessed for the 2025 levy year.

Real property in Cook County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

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In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

Class	Description of Qualifying Property	Assessment Percentage	Reverts to Class
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10 year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7c	Newly constructed or rehabilitated commercial buildings and acquisition of abandoned property and rehabilitation of buildings thereon including the land upon which the buildings are situated and the land related to the rehabilitation	10% for first 3 years and any 3 year renewal; if not renewed, 15% in year 4, 20% in year 5	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10 year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the "Mark up to Market" option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	5a

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the "Board of Review"), which consists of three commissioners elected by the voters of Cook County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County (the "Circuit Court") or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Department is required by statute to review the Assessed Valuations. The Department establishes an equalization factor (the "Equalization Factor"), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is to be equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the EAV of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the Department, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the "Assessment Base"). The following table sets forth the Equalization Factor for Cook County for the last 10 tax levy years.

TAX LEVY YEAR	EQUALIZATION FACTOR
2014	2.7253
2015	2.6685
2016	2.8032
2017	2.9627
2018	2.9109
2019	2.9160
2020	3.2234
2021	3.0027
2022	2.9237
2023	3.0163

Tax Levy, Extensions and Collections

Cook County

As part of the annual budgetary process of governmental units (the “Units”) with power to levy taxes in Cook County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the Cook County Clerk and the Cook County Treasurer. After the Units file their annual tax levies, the Cook County Clerk computes the annual tax rate for each Unit. The Cook County Clerk computes the Unit’s maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year’s EAV for all property currently in the City. The prior year’s EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Property Tax Extension Limitation Law, as amended (the “Limitation Law”). The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year’s EAV.

The Cook County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The Cook County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the Cook County Collector (the “Warrant Books”) along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the Cook County Collector’s authority for the collection of taxes and are used by the Cook County Collector as the basis for issuing tax bills to all property owners.

Property taxes are collected by the Cook County Collector, who is also the Cook County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year’s tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the corrected prior year’s tax bill. The second installment is for the balance of the current year’s tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has historically been the first business day in March. Pursuant to Public Act 102-1112, the first installment penalty date for levy year 2022 was changed from March 1, 2023 to April 1, 2023. The following table sets forth the second installment penalty date for the last ten tax levy years in Cook County.

TAX LEVY YEAR	SECOND INSTALLMENT PENALTY DATE
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017
2017	August 1, 2018
2018	August 1, 2019
2019	August 3, 2020
2020	August 2, 2021
2021	December 30, 2022
2022	December 1, 2023
2023	August 1, 2024

As a result of ongoing efforts to modernize technology within various Cook County property tax agencies, personnel shortages and turnover attributable to COVID-19 and the complicated nature of the reassessment of property taxes in the City of Chicago, for the 2021 tax year (for amounts payable in calendar year 2022), the distribution of amounts related to second installment Cook County property tax bills for calendar year 2022 were delayed. Likewise, such distribution of amounts were delayed in calendar year 2023. The City did not experience any cash flow issues due to such delays.

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. In the future, Cook County may provide for tax bills to be payable in four installments instead of two.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the Cook County Collector, the City promptly credits the taxes received to the funds for which they were levied.

Kane County

Local assessment officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Department assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local assessment officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year.

Scavenger Sales

Cook County

In Cook County, if a property's taxes go unpaid in at least three of the previous 20 years, the property is offered at a biennial "Scavenger Sale," which like the Annual Tax Sale, is a sale of unpaid taxes. The winning bidder is not required to pay any of the previous years' unpaid taxes. If the owner, however, does not redeem such back taxes, the winning bidder can seek deed to the property. To obtain the deed, the bidder must pay all unpaid taxes billed on the property between the last year covered by the Scavenger Sale and the date the bidder seeks the deed. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property. As in the Annual Sale, bidders at the Scavenger Sale can seek the deed to a home after 2 1/2 years, with the option of a six month extension. If the property is abandoned, that time frame can be shortened to two years. With a vacant, commercial or industrial property, the winning buyer can seek the deed after six months.

Public Act 103-0555, effective January 1, 2024, eliminates Cook County's mandatory Scavenger Sale and allows Cook County or local governments to take control of properties if they are not purchased in the Annual Tax Sale. Cook County, like all other Illinois counties, can cease selling tax liens and instead work to connect chronically-delinquent, forfeited tax liens to new development opportunities.

Unpaid Taxes and Annual Tax Sales

Cook and Kane Counties

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 1.50% per month for Kane County and 0.75% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, each county treasurer is required to sell the delinquent property taxes at the "Annual Tax Sale", which is a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, the tax buyer can secure a court-ordered deed to the home. Tax buyers can seek the deed to a home after 2 1/2 years, with the option of a six month extension. If the property is abandoned, that time frame can be shortened to two years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

When taxes remain unpaid for more than 20 years, Illinois law states that the property is "forfeited to the state." As a practical matter, this does not happen. Instead, the taxes are wiped out, as the property remains in its distressed condition barring a change in the owner's circumstances or it being sold.

Exemptions

Cook and Kane Counties

The Illinois Property Tax Code, as amended (the "Property Tax Code"), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, (i) in Cook County, up to a maximum reduction of $10,000 for tax year 2017 and thereafter, and (ii) in Kane County, up to a maximum reduction of $6,000. Beginning with tax year 2023, the maximum reduction in the five collar counties (DuPage, Kane, Lake, McHenry and Will) (the "Collar Counties") is $8,000.

In Cook County, the Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of $100,000 or less ("Qualified Homestead Property"). If the taxpayer's annual income is $75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of $75,000 for up to four years, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2017, the maximum exemption is $5,000 in Kane County. Beginning with tax year 2023, the maximum exemption in the Collar Counties is $8,000. In Cook County, the maximum exemption is $8,000 for tax years 2017 and thereafter.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of $65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year. Beginning in tax year 2017 in Cook County, the amount of the exemption is equal to the greater of the amount calculated as described in the previous sentence (as more completely set forth in the Property Tax Code) or $2,000.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least $5 per square foot, adjusted by the Consumer Price Index ("CPI"). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Several exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to $100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is $2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is $5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of $5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

Property Tax Extension Limitation Law

Cook and Kane Counties

The Limitation Law limits the amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. In general, the Limitation Law restricts the amount of such increases to the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Currently, the Limitation Law applies only to and is a limitation upon all non-home rule taxing bodies in Cook County, the five collar counties (DuPage, Kane, Lake, McHenry and Will) and several downstate counties.

Home rule units, including the City, are exempt from the limitations contained in the Limitation Law. If the Limitation Law were to apply in the future to the City, the limitations set forth therein will not apply to any taxes levied by the City to pay the principal of and interest on the Bonds.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. The City cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the City predict the effect of any such change on the City's finances.

Truth in Taxation Law

Cook and Kane Counties

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The City covenanted in the Bond Ordinance that it will not take any action or fail to take any action which would adversely affect the ability of the City to levy and collect the taxes levied by the City for payment of principal of and interest on the Bonds. The City also covenanted that it will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Ordinance.

FINANCIAL INFORMATION

The City reports all Governmental Funds and the Expendable Trust Fund using the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available, as net current assets and expenditures are generally recognized when the related fund liability is incurred.

All Proprietary Funds and Non-expendable Trust and Pension Trust Funds are accounted for using the accrual basis of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

No Consent or Updated Information Requested of the Auditor

The tables contained in this **"FINANCIAL INFORMATION"** section (the "Excerpted Financial Information") are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended December 31, 2023 (the "2023 Audit"), which was approved by formal action of the City Council and prepared by Sikich LLP, Naperville, Illinois ("the "Auditor"). The 2023 Audit is attached to this Official Statement as **APPENDIX A**. The City has not requested the Auditor to update information contained in the Excerpted Financial Information or the 2023 Audit; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information or the 2023 Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Excerpted Financial Information and 2023 Audit has not been updated since the date of the 2023 Audit. The inclusion of the Excerpted Financial Information and 2023 Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2023 Audit.

Summary Financial Statements

The financial statements of the City are audited annually by certified public accountants and are prepared in conformity with generally accepted accounting principles as applied to governments. The City has received the Certificate of Achievement for Excellence in Financial Reporting for 43 consecutive years, through the fiscal year 2022 Annual Comprehensive Financial Report, from the Government Finance Officers Association.

The following reports are summaries and do not purport to be complete audits, copies of which are available upon request. See also **APPENDIX A** for the City's 2023 Audit.

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Statement of Net Position*(1)*
Governmental Activities

	Audited Fiscal Year Ending December 31				
	2019	2020	2021	2022	2023
ASSETS:					
Cash and Investments	$143,100,153	$147,653,703	$185,246,196	$242,323,617	$249,092,814
Receivables:					
Property Taxes	51,318,210	51,195,602	51,747,750	52,649,554	57,312,510
Accounts	458,782	425,870	448,373	403,906	463,595
Grants	0	0	0	0	2,000,000
Lease	0	0	0	41,178,525	40,542,464
Accrued Interest	732,330	89,934	56,851	179,601	1,123,701
Other	5,172,709	5,048,466	5,626,689	5,589,657	5,582,545
Prepaid Expenses	598,445	1,777,044	691,029	1,602,112	1,031,208
Inventories	73,726	71,118	72,053	72,962	87,066
Due from Fiduciary	0	0	0	19	0
Due from Other Governments	11,636,346	11,974,807	13,990,204	15,050,450	16,099,102
Advances from (to) Other Funds/Internal Balances	(3,647,045)	(3,499,148)	(10,029,874)	(13,039,769)	(3,457,768)
Net Pension Asset	209,890	466,855	12,199,689	30,402,591	589,456
Capital Assets:					
Non-Depreciable	97,001,405	97,714,896	99,679,876	100,561,407	105,398,095
Depreciable, Net	408,453,554	395,747,375	381,932,734	369,016,193	359,932,097
Total Assets	$715,108,505	$708,666,522	$741,661,570	$845,990,825	$835,796,885
DEFERRED OUTFLOWS OF RESOURCES:					
Unamortized Loss on Refunding	$ 12,294	$ 8,354	$ 22,387	$ 0	$ 0
OPEB Items	0	3,316,086	2,905,923	4,168,511	2,477,775
Pension Items - IMRF	15,396,333	5,508,576	3,405,279	2,048,643	15,954,590
Pension Items - IMRF (SLEP)	129,248	0	0	0	51,680
Pension Items - Police Pension	8,945,760	8,037,917	6,239,368	25,434,273	18,876,382
Pension Items - Firefighters' Pension	11,177,699	8,178,742	6,010,610	20,018,068	9,707,222
Total Assets and Deferred Outflows of Resources	$750,769,839	$733,716,197	$760,245,137	$897,660,320	$882,864,534
LIABILITIES:					
Accounts Payable	$ 9,390,342	$ 7,708,195	$ 9,833,918	$ 13,717,073	$ 12,739,712
Accrued Payroll	5,394,913	5,053,936	4,929,965	5,254,657	5,763,406
Retainage Payable	609,528	1,843,577	606,201	1,254,227	1,823,093
Deposits Payable	10,220,187	10,918,656	10,760,297	12,890,785	12,357,909
Due to Fiduciary	0	0	0	560,204	0
Claims Payable	5,943,405	6,252,921	0	0	0
Unearned Revenue	2,710,572	2,074,753	12,116,052	16,315,527	9,114,787
Long-Term Liabilities:					
Due Within One Year	5,312,717	6,052,382	7,559,555	7,050,936	8,292,722
Due In More Than One Year	255,804,616	225,932,150	187,970,118	261,440,382	254,649,382
Total Liabilities	$295,386,280	$265,836,570	$233,776,106	$318,483,791	$304,741,011
DEFERRED INFLOWS OF RESOURCES:					
Deferred Revenue	$ 51,318,210	$ 51,187,020	$ 1,747,750	$ 91,377,715	$ 97,280,995
OPEB Items	5,616,466	6,094,018	14,016,605	12,110,319	11,120,514
Pension Items - IMRF	2,306,451	7,732,835	15,772,608	24,561,842	197,454
Pension Items - IMRF (SLEP)	0	116,825	203,672	329,037	0
Pension Items - Police Pension	18,008,106	17,105,705	19,324,336	4,414,902	2,944,723
Pension Items - Firefighters' Pension	9,677,968	11,252,956	15,738,897	4,454,840	3,348,954
Total Liabilities and Deferred Inflows of Resources	$382,313,481	$359,325,929	$350,579,974	$455,732,446	$419,633,651
NET POSITION:					
Invested in Capital Assets, Net	$487,876,510	$478,470,962	$469,314,361	$452,208,142	$447,537,982
Restricted	22,264,218	27,097,144	32,877,299	43,969,353	48,804,942
Unrestricted	(141,684,370)	(131,177,838)	(92,526,497)	(54,249,621)	(33,112,041)
Total Net Position	$368,456,358	$374,390,268	$409,665,163	$441,927,874	$463,230,883

Note: (1) Source: the City's audited financial statements for years ending December 31, 2019-2023.

Statement of Activities*(1)(2)*
Governmental Activities

	Audited Fiscal Year Ending December 31				
	2019	2020	2021	2022	2023
Functions/Programs:					
Governmental Activities:					
General Government	$ (4,749,642)	$ (8,798,456)	$ (3,654,498)	$ (2,832,324)	$ (4,738,098)
Public Safety	(83,677,254)	(67,556,721)	(63,246,002)	(79,676,558)	(87,404,803)
Highways and Streets	(39,251,838)	(29,764,804)	(25,635,204)	(33,406,220)	(41,100,012)
Health and Welfare	(85,379)	(88,532)	(263,175)	(275,694)	(61,599)
Culture and Recreation	(8,961,457)	(9,309,121)	(8,408,372)	(9,186,253)	(9,902,802)
Economic Development	(2,827,673)	(3,624,714)	(3,251,436)	(2,613,822)	(4,165,968)
Sanitation	(359,291)	682,925	781,228	762,185	704,258
Interest	(431,801)	(408,458)	(281,044)	(520,255)	(1,120,872)
Total Governmental Activities	$(140,344,335)	$(118,867,881)	$(103,958,503)	$(127,748,941)	$(147,789,896)
General Revenues:					
Taxes:					
Property	$ 53,161,780	$ 54,273,544	$ 55,635,588	$ 56,160,965	$ 55,581,864
Road and Bridge	990,885	1,037,283	1,092,444	1,152,617	1,230,810
Hotel/Motel	926,663	416,855	723,196	1,051,729	1,043,541
Sales	34,585,621	35,848,307	42,000,404	45,859,259	45,573,053
Income	11,515,427	11,756,673	14,341,173	18,705,859	18,335,305
Utility	8,558,920	7,906,961	8,172,007	9,110,680	8,359,401
Other	3,270,291	2,874,735	3,881,603	6,090,011	5,534,511
Gaming	9,307,828	4,242,665	8,434,851	9,505,563	9,616,509
Intergovernmental	0	0	0	5,533,652(3)	7,254,487(3)
Investment Income	2,735,763	1,062,272	71,315	2,004,914	11,115,945
Miscellaneous	3,579,766	4,097,096	3,614,720	3,595,250	4,364,791
Transfers In (Out)	1,285,400	1,285,400	1,266,097	1,241,153	1,082,688
Total General Revenues	$ 129,918,344	$ 124,801,791	$ 139,233,398	$ 160,011,652	$ 169,092,905
Change in Net Position	(10,425,991)	5,933,910	35,274,895	32,262,711	21,303,009
Net Position, Beginning of the Year	$ 378,882,349	$ 368,456,358	$ 374,390,268	$ 409,665,163	$ 441,927,874
Net Position, End of the Year	$ 368,456,358	$ 374,390,268	$ 409,665,163	$ 441,927,874	$ 463,230,883

Notes: (1) Source: the City's audited financial statements for years ending December 31, 2019-2023.
(2) Implementation of GASB No. 68, Accounting and Financial Reporting for Pensions.
(3) ARP Act funds expended for combined sewer separation and lead service line replacements. ARP Act funds are recorded as deferred revenue until expended and then recognized as revenue in the fiscal year spent.

General Fund*(1)*
Balance Sheet

	Audited Fiscal Year Ending December 31				
	2019	2020	2021	2022	2023
ASSETS:					
Cash and Investments	$ 81,734,180	$ 80,458,860	$ 95,767,226	$125,366,669	$143,159,081
Property Taxes	43,507,660	43,557,660	43,607,660	45,258,247	49,846,320
Due from Other Governments	9,524,140	9,619,969	11,650,646	12,694,354	12,662,675
Prepaid Items	105,437	1,153,511	25,617	804,816	24,234
Due from Other Funds	1,295,871	70,871	187,277	95,534	188,499
Leases	0	0	0	40,186,620	39,616,383
All Other	5,529,189	4,834,023	5,130,066	5,276,813	5,993,087
Total Assets	$141,696,477	$139,694,894	$156,368,492	$229,683,053	$251,490,279
LIABILITIES:					
Accounts Payable and Accrued Expenses	$ 5,086,729	$ 4,281,793	$ 7,308,000	$ 9,361,917	$ 7,607,230
Deferred Revenues	1,046,321	757,217	740,445	622,453	816,014
Accrued Payroll	5,210,183	4,848,107	4,678,182	4,992,837	5,503,895
Due to Other Funds(2)	325,983	49,758	50,491	6,762	21,431
Deposits Payable(3)	9,959,281	10,156,850	10,506,877	11,920,167	12,179,946
Due to Fiduciary Funds	0	0	0	560,204	0
Retainage Payable	334,655	1,042,033	23,709	30,501	391,058
Total Liabilities	$ 21,963,152	$ 21,135,758	$ 23,307,704	$ 27,494,841	$ 26,519,574
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue	$ 43,507,660	$ 43,557,660	$ 43,607,660	$ 83,524,219	$ 88,931,284
Total Liabilities and Deferred Inflows of Resources	$ 65,470,812	$ 64,693,418	$ 66,915,364	$111,019,060	$115,450,858
FUND BALANCE:					
Nonspendable	$ 105,437	$ 1,153,511	$ 25,617	$ 804,816	$ 24,234
Unrestricted	6,354,980	4,579,765	6,793,901	8,401,410	26,954,047
Unassigned	69,765,248	69,268,200	82,633,610	109,457,767	109,061,140
Total Fund Balance	$ 76,225,665	$ 75,001,476	$ 89,453,128	$118,663,993	$136,039,421
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$141,696,477	$139,694,894	$156,368,492	$229,683,053	$251,490,279

Notes: (1) Source: the City's audited financial statements for years ending December 31, 2019-2023.
(2) Due to Other Funds principally represents monies owed to capital improvements and internal service funds.
(3) Deposits payable represent developer impact fees for specific park and road improvements awaiting expenditure.

General Fund*(1)(2)*
Revenues and Expenditures

	Audited Fiscal Year Ending December 31				
	2019	2020	2021	2022(3)	2023
REVENUES:					
Property Taxes	$ 42,136,034	$ 41,964,508	$ 42,350,357	$ 42,106,629	$ 42,227,384
Road and Bridge Taxes	0	0	0	1,152,617	1,230,810
Hotel/Motel Taxes	0	0	0	1,051,729	1,043,541
Local Liquor Tax	0	0	0	1,728,390	1,825,186
Local Motor Fuel Tax	0	0	0	1,640,531	1,677,194
Intergovernmental(4)	0	0	0	33,531,900	32,585,522
Telecommunications	0	0	0	1,492,471	1,556,887
Sales Taxes	20,124,237	21,809,212	21,809,212	39,183,071	38,987,971
Local Option Sales Tax	9,689,127	9,406,194	12,295,929	0	0
Other Taxes	3,852,714	3,135,612	3,602,458	211,007	331,129
State Income Taxes	11,515,427	11,756,673	14,341,173	0	0
Utility Taxes	6,427,861	6,133,510	6,597,039	7,618,208	6,802,514
Other Intergovernmental Taxes	15,039,555	14,639,453	16,561,916	0	0
Fines and Forfeitures	1,734,371	1,291,666	1,402,664	1,425,814	1,507,754
Charges for Services	12,537,909	14,699,192	17,292,938	18,546,181	21,834,623
Charges for Commodities	0	0	0	0	20,626
Investment Income	2,141,950	859,788	67,801	1,268,840	7,963,878
Licenses and Permits	2,882,203	2,123,136	3,425,797	3,741,518	4,444,125
Miscellaneous	3,538,279	3,519,868	3,811,920	3,594,292	4,312,142
Total Revenues	$131,619,667	$131,338,812	$143,559,204	$158,293,198	$168,351,286
EXPENDITURES:					
General Government	$ 7,590,209	$ 8,160,637	$ 8,693,754	$ 8,928,263	$ 9,168,111
Public Safety	84,337,657	86,273,947	84,764,960	84,126,322	95,775,763
Highways and Streets	15,810,738	14,327,973	15,971,016	15,013,991	17,464,845
Sanitation	7,454,753	7,319,715	7,681,298	8,037,324	8,413,949
Culture and Recreation	509,825	476,660	518,158	640,276	3,016,830
Economic Development	2,100,984	2,060,455	2,173,873	1,259,292	1,600,693
Miscellaneous	1,919,780	4,619,956	2,853,258	2,910,387	4,189,767
Debt Service	0	0	0	1,014,261	1,644,771
Capital Outlay	8,156,750	7,910,669	4,516,150	4,480,582	7,192,216
Total Expenditures)	$127,880,696	$131,150,012	$127,172,467	$126,410,698	$148,466,945
Excess of Revenues Over (Under) Expenditures	$ 3,738,971	$ 188,800	$ 16,386,737	$ 31,882,500	$ 19,884,341
OTHER FINANCING SOURCES (USES):					
Proceeds from Lease Issuance	$ 0	$ 0	$ 0	$ 694,521	$ 168,150
SBITA Issuance	0	0	0	0	135,268
Transfers In(5)	4,875,742	5,437,011	5,414,915	4,883,844	4,587,669
Transfers Out(6)	(5,692,002)	(6,850,000)	(7,350,000)	(8,250,000)	(7,400,000)
Total Other Financing Sources	$ (816,260)	$ (1,412,989)	$ (1,935,085)	$ (2,671,635)	$ (2,508,913)
Net Change in Fund Balance	$ 2,922,711	$ (1,224,189)	$ 14,451,652	$ 29,210,865	$ 17,375,428
Beginning Fund Balance	73,302,954	76,225,665	75,001,476	89,453,128	118,663,993
Ending Fund Balance	$ 76,225,665	$ 75,001,476	$ 89,453,128	$118,663,993	$136,039,421

Notes: (1) Source: the City's audited financial statements for years ending December 31, 2019-2023.
(2) The General Fund includes the Riverboat Fund. The City began to include the Riverboat Fund in the General Fund in fiscal year 2011 and it is treated by the City as a purely capital projects fund. However, the revenue in the Riverboat Fund can be used for general operations. The City carried over $16.2 million in reserves for capital projects going into fiscal year 2023. Going forward the City expects to have approximately $10 million annually from riverboat revenues for capital expenditures on street improvements.
(3) Format change in fiscal year 2022.
(4) Intergovernmental includes State income tax, replacement tax, State and Federal grants and gaming revenues.
(5) Includes routine interfund transfers from pension fund, administrative support allocations, and other miscellaneous transfers.
(6) Transfers out represent funds for capital improvements and debt service.

Revenues

As part of a strategy to reduce reliance on property tax, four new revenue streams were introduced in the 2012 budget. These alternative sources of revenue have helped to diversify the City's General Fund revenues and provide for a more stable financial environment. As a result of these measures, the portion of the City's General Fund revenues generated from property taxes declined from 39% in fiscal year 2011 to 27% in fiscal year 2023.

The new sources of revenue included a monthly refuse fee to recover the City's cost of providing refuse collection; an alcoholic beverage tax of 3% on all alcohol purchases (this includes liquor served at bars and restaurants and packaged liquor sold in stores); an electricity tax based on usage and a natural gas tax of 5% or 3 cents per therm. Collection of refuse fees began on January 1, 2012 while the alcoholic beverage, natural gas and electricity taxes began July 1, 2012.

As the City is a home rule municipality, it has the flexibility to implement new local option revenue sources. During fiscal year 2018, the City Council implemented four measures to diversify revenues and keep general property tax levies flat. Those measures included (1) increasing the home rule sales tax 0.25% effective July 1, 2018; (2) implementing a new local motor fuel tax of 4 cents per gallon effective July 1, 2018; (3) increasing the hotel-motel tax from 4% to 8% effective January 1, 2018; and (4) increasing ambulance fees charged to non-residents effective January 1, 2018.

Fiscal Year 2023 Results, Fiscal Year 2024 Estimated Results and Fiscal Year 2025 Budget

For the fiscal year ended December 31, 2023 ("Fiscal Year 2023"), the City budgeted for general fund revenues of $148.1 million. The City's actual revenues for Fiscal Year 2023 were approximately $163.2 million. Such an increase is due primarily to certain revenues exceeding the budget, including sales tax by approximately $4.4 million, income taxes by approximately $1.8 million, investment income by $5.2 million, and ambulance fees by approximately $1.1 million.

With respect to Fiscal Year 2023 expenses, the City budgeted for $161.8 million and actual expenditures were $146.3 million. Actual budgeted expenditures were $15.5 million under budget primarily due to several significant capital projects that were not completed in 2023 and account for the majority of the expenditure reductions when comparing to planned levels. These building and infrastructure improvements were carried over and completed in 2024. The 2023 budget planned to draw on reserves in the amount of $13.7 million and instead reserves were increased by $16.8 million.

Fiscal year 2024 General Fund revenues were budgeted at $164.5 million and are estimated to be $174.1 million, exceeding budget by $9.6 million. Sales tax receipts are expected to exceed budgeted expectations by approximately $4.8 million and exceeded 2023 receipts due to a strong economy and inflationary pressures since 2021. The City's share of the Local Government Distributive Fund (income tax distribution from the State) is estimated to exceed budgeted expectations by $0.5 million and exceeded 2023 receipts. Increased investment income and ambulance revenues also contributed to revenues surpassing budgeted levels. All other revenue streams were in line with budgeted projections. The City did not add any new revenue streams in 2024.

Fiscal year 2024 expenditures were budgeted at $172.4 million and actual expenditures are estimated to be $165.1 million, or $7.3 million under budget. Budgeted expenditures, in 2024, included several significant capital projects that were not completed in 2024 and account for the majority of the expenditure reductions when comparing to planned levels. These building and infrastructure improvements will be carried over and completed in 2025.

The fiscal year 2024 budget planned to draw on reserves in the amount of $7.8 million and instead reserves are estimated to increase by $9.0 million. There were no significant one-time revenues or expenditures.

Revenue assumptions for fiscal year 2025 for the General Fund were consistent with fiscal year 2024, except for the inclusion of a significant potential grant opportunity of $7.5 million. Expenditures include an offsetting cost directly dependent on receiving the grant. The City's combined property tax levy (general operations, debt service and public safety pension payment obligations) had remained flat for six consecutive years with the adoption of the 2023 budget. During those years, increases in the required contributions to public safety pensions were covered by other revenue streams. The 2025 adopted budget included an increase in property taxes for public safety pension contributions. Local Government Distributive Fund and sales tax revenue budgets increased when compared to the 2024 budget and are consistent with 2024 actual receipts. State forecasts for municipal shared revenues suggested a 3% increase in 2025 and the budget for this revenue stream is consistent with 2024 actual revenues. Sales tax revenues for 2024 were significantly higher than budgeted expectations and the 2025 sales tax budget was increased to reflect increases in this revenue stream. General Fund budgeted expenditures in fiscal year 2024 were $172.4 million and $176.2 million in 2025, a $3.8 million increase. Personnel costs increased for cost-of-living adjustments consistent with collective bargaining agreements, increases in health insurance premiums and pension contributions. After many years of maintaining staffing levels, with very few increases, the 2025 budget adds 21 new staff positions in specific areas essential to continuing existing levels of service the City provides to the residents and businesses in the community. Budgeted expenditures decreased significantly for transfers out. The 2024 budget included a one-time transfer of $5.0 million to the Utility Fund to support the City's continuing lead service line replacement efforts. Several years of strong revenues and growing General Fund reserves provided for this investment in City infrastructure. The 2025 General Fund budget plans for a balanced budget, with revenues exceeding expenditures by $600,000. The fund balance at the end of fiscal year 2025 is estimated at $110.7 million or 63% of annual expenditures, well above the policy benchmark of 30%.

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General Fund
Budget and Estimated Financial Information*(1)*

	Budget Twelve Months Ending 12/31/2024	Estimated Twelve Months Ending 12/31/2024	Budget Twelve Months Ending 12/31/2025
REVENUES:			
Property Tax	$ 27,800,000	$ 27,615,930	$2 7,800,000
Sales Tax	37,180,000	41,983,300	39,203,000
State Income Tax	19,000,000	19,494,870	20,200,000
Telecommunications Tax	1,374,000	1,451,270	1,500,000
Refuse Fee	8,006,230	8,070,790	8,190,240
Ambulance Revenue	8,000,000	9,726,660	8,500,000
Electricity Tax	4,200,000	4,184,700	4,200,000
Natural Gas Tax	2,750,000	2,279,260	2,000,000
Alcoholic Beverage Tax	1,700,000	1,811,120	1,700,000
Local Motor Fuel Tax	1,700,000	1,680,920	1,700,000
Charges for Services	3,824,230	4,385,150	3,915,120
Licenses, Permits, Fines	5,007,350	5,104,330	4,610,290
Other Governmental	15,499,970	18,073,260	23,376,570
Transfers In	7,457,760	7,295,700	8,014,100
Police and Fire Pension	21,046,320	20,948,820	21,933,710
Total Revenues	$164,545,860	$174,106,080	$176,843,030
EXPENDITURES:			
Legislative	$ 637,000	$ 587,910	$ 655,460
General Government	40,850,840	34,335,220	42,351,920
Public Safety	94,844,820	95,337,110	100,699,640
Streets and Highways	14,448,330	13,297,680	15,068,820
Sanitation	8,523,790	8,526,060	8,716,600
Transfers Out	13,050,000	13,050,000	8,750,000
Total Expenditures	$172,354,780	$165,133,980	$176,242,440
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (7,808,920)	$ 8,972,100	$ 600,590

Notes: (1) Source: the City.
(2) Capital outlay was budgeted at $17.5 million which included a major renovation at the Hemmens Cultural Center and for the addition of soccer fields at the Sports Complex.

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EMPLOYEE RETIREMENT PLANS

The City participates in three defined benefit pension plans: (i) the IMRF Plan, (ii) the Police Pension Plan (the "Police Pension Plan"), and (iii) the Firefighters' Pension Plan (the "Fire Pension Plan" and, together with the IMRF Plan and the Police Plan, the "Pension Plans"). The Pension Plans provide defined benefit pension benefits to the City's employees, retirees and beneficiaries. The IMRF Plan is an agent multiple-employer public employee retirement system, and the Police Pension Plan and the Fire Pension Plan are single-employer pension plans. The City makes certain contributions to the Pension Plans on behalf of its employees, as further described in this section. The operations of the Pension Plans, including the contributions to be made to the Pension Plans, the benefits provided by the Pension Plans, and the actuarial assumptions and methods employed in generating the liabilities and contributions of the Pension Plans, are governed by the Pension Code. This section first describes certain concepts related to pensions generally, then describes the applicable provisions of Pension Plans. These concepts are more completely described in Note 12 to the 2023 Audit, as well as the supplementary schedules thereto, attached hereto as **APPENDIX A**.

The Pension Code allows the State Comptroller to divert State payments intended for the City to the Police Pension Plan and the Fire Pension Plan to satisfy contribution shortfalls by the City (the "Recapture Provisions"). If the City fails to contribute to the Police Pension Plan or the Fire Pension Plan as required by the Pension Code, the City will be subject to a reallocation of payments of State funds to the City if (i) the City fails to make the required payment for 90 days past the due date, (ii) the subject retirement fund gives notice of the failure to the City, and (iii) such retirement fund certifies to the State Comptroller that such payment has not been made. Upon the occurrence of these events, the State Comptroller will withhold payments of State funds from the City in an amount not in excess of the delinquent payment amount in the proportion of 100% of the amount of any payments of State funds to the City. Should the Recapture Provision be invoked as a result of the City's failure to contribute all or a portion of its required contribution, a reduction in payments of State funds may have an adverse impact on the City's finances.

Background Regarding Pension Plans

The Actuarial Valuation

The disclosures in the 2023 Audit related to the Pension Plans are based in part on the actuarial valuations of the Pension Plans. In the actuarial valuations, the actuary for each of the Pension Plans measures the financial position of a Pension Plan, determines the amount to be contributed to a Pension Plan pursuant to statutory requirements, and produces information mandated by the financial reporting standards (the "GASB Standards") issued by the Governmental Accounting Standards Board ("GASB"), as described below.

In producing an actuarial valuation, the actuary for a Pension Plan uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated future salary and interest rates), and decrement assumptions (including employee turnover, mortality and retirement rates) and employs various actuarial methods to generate the information required to be included in such valuation.

GASB Standards

The GASB Standards provide standards for financial reporting and accounting related to pension plans.

The GASB Standards require calculation and disclosure of a "Net Pension Liability" or "Net Pension Asset," which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the GASB Standards (referred to in such statements as the "Total Pension Liability") and the fair market value of the pension plan's assets (referred to as the "Fiduciary Net Position").

Furthermore, the GASB Standards employ a rate, referred to in such statements as the "Discount Rate," which is used to discount projected benefit payments to their actuarial present values. The Discount Rate is a blended rate comprised of (1) a long term expected rate of return on a pension plan's investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate meeting certain specifications set forth in the GASB Standards.

Finally, the GASB Standards require that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of the employer, and that an expense be recognized on the income statement of the employer.

Pension Plans Remain Governed by the Pension Code

As described above, the GASB Standards establish requirements for financial reporting purposes. However, the Pension Plans are ultimately governed by the provisions of the Pension Code in all respects, including, but not limited to, the amounts to be contributed by the City to the Pension Plans in each year.

Illinois Municipal Retirement Fund

The City participates in the IMRF Plan, which is a defined-benefit, agent multiple employer pension plan administered by the IMRF that acts as a common investment and administrative agent for units of local government and school districts in the State. Specifically, the City participates in an IMRF-administered plan for its regular employees (the "Regular Plan") and its Sheriff's Law Enforcement Personnel (the "SLEP Plan") for sheriffs, deputy sheriffs and selected police chiefs. The IMRF Plan is established and administered under statutes adopted by the General Assembly of the State (the "General Assembly"). The Pension Code sets the benefit provisions of the IMRF Plan, which can only be amended by the General Assembly.

Each employer participating in the IMRF Plan, including the City, has an employer reserve account with the IMRF Plan separate and distinct from all other participating employers (the "IMRF Account") along with a unique employer contribution rate determined by the IMRF Board of Trustees (the "IMRF Board"), as described below. The employees of a participating employer receive benefits solely from such employer's IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information which may be viewed at the IMRF's website.

See Note 12 to the 2023 Audit for additional information on the IMRF Plan's actuarial methods and assumptions including information regarding the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate.

Contributions

Both employers and employees contribute to the IMRF Plan. At present, with respect to the Regular Plan, employees contribute 4.50% of their salary to the IMRF Plan, as established by statute. With respect to the SLEP Plan, employees contribute 7.50% of their salary to the IMRF Plan, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF Plan to its employees. The annual rate at which an employer must contribute to the IMRF Plan is established by the IMRF Board. The City's contribution rate for calendar year 2023 was 4.25% of covered payroll for the Regular Plan. The City's contribution rate for calendar year 2023 was 0.00% of covered payroll for the SLEP Plan.

For the calendar years ended December 31, 2018, through December 31, 2022, the City contributed the following amounts to the Regular Plan:

CALENDAR YEARS	IMRF CONTRIBUTIONS
2019	$2,502,698
2020	3,247,812
2021	3,165,385
2022	2,249,317
2023	1,467,533

Source: The 2023 Audit.

The City has not contributed to the SLEP Plan. It does not require contributions.

Measures of Financial Position – Regular Plan

The following table presents the measures of the Regular Plan's financial position as of December 31 of the years 2019 through 2023 which are presented pursuant to the GASB Standards.

FISCAL YEAR ENDED DECEMBER 31	TOTAL PENSION LIABILITY	FIDUCIARY NET POSITION	NET PENSION LIABILITY/(ASSET)	FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY	DISCOUNT RATE
2019	$212,186,563	$206,920,313	$ 5,266,250	97.50%	7.25%
2020	216,176,300	231,236,811	(15,060,511)	107.00%	7.25%
2021	222,853,122	261,656,042	(38,802,920)	117.40%	7.25%
2022	231,874,073	218,317,817	13,556,256	94.15%	7.25%
2023	240,244,153	236,816,344	3,427,809	98.57%	7.25%

Source: The City's audited financial statements for the fiscal years ended December 31, 2018 through 2023.

See Note 12 to the 2023 Audit, and the related required supplementary information disclosures, for a description of the IMRF Plan, the IMRF Account, the City's funding policy, information on the assumptions and methods used by the actuary, and the financial reporting information required by the GASB Standards.

Measures of Financial Position-SLEP Plan

The following table presents the measures of the SLEP Plan's financial position as of December 31 of the years 2018 through 2022 which are presented pursuant to the GASB Standards.

FISCAL YEAR ENDED DECEMBER 31	TOTAL PENSION LIABILITY	FIDUCIARY NET POSITION	NET PENSION LIABILITY/(ASSET)	FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY	DISCOUNT RATE
2018	$1,493,913	$1,703,803	$(209,890)	114.00%	7.25%
2019	1,279,953	1,746,808	(466,855)	136.50%	7.25%
2020	1,261,223	1,917,030	(655,807)	152.00%	7.25%
2021	778,569	1,694,821	(916,252)	217.70%	7.25%
2022	768,864	1,358,320	(589,456)	176.70	7.25%

Source: The City's audited financial statements for the fiscal years ended December 31, 2018 through 2023.

See Note 12 to the 2023 Audit, and the related required supplementary information disclosures, for a description of the IMRF Plan, the IMRF Account, the City's funding policy, information on the assumptions and methods used by the actuary, and the financial reporting information required by the GASB Standards.

Police Pension Plan

The City provides retirement, death and disability benefits to its sworn police personnel and retirees and their beneficiaries through the Police Pension Plan. The Police Pension Plan is a single-employer defined benefit contribution plan. The benefits provided by the Police Pension Plan and the amount of employer and employee contributions to the Police Pension Plan are governed by the Pension Code and may only be amended by the General Assembly. As of December 31, 2023, the Police Pension Fund had a membership of 388.

Contributions

As stated above, both the City and its participating employees make contributions to the Police Pension Plan. At present, employees contribute 9.91% of their salary to the Police Pension Plan. The City is required to make all additional contributions necessary to fund the benefits provided by the Police Pension Plan to its members.

The Pension Code requires that the City contribute annually the amount necessary to fund the normal cost of the Police Pension Plan for such year plus an amount sufficient to bring the total assets of the Police Pension Plan up to 90% of the total actuarial liabilities of the Police Pension Plan by the end of fiscal year 2040, as determined by an actuary (the "Police Pension Plan Funding Requirement"). The Pension Code provides a levy of a separate tax annually by the City to generate the funds necessary to make this contribution, and the proceeds of such tax levy are sent directly by the County Clerks to the Police Pension Plan.

As the Police Pension Plan Funding Requirement represents an amortization of the unfunded portion of the actuarial liabilities of the Police Pension Plan over a closed period of time, the City's required contributions to the Police Pension Plan are expected to increase, possibly by a significant margin, during the period of fiscal years leading up to 2040.

The City's contribution was 54.27% of covered payroll for the fiscal year ended December 31, 2023. The City's actuarially determined pension contributions and contributions with respect to such contributions for the last five fiscal years were as follows:

Fiscal Year Ended December 31	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed
2019	$ 8,524,142	$10,407,934	122.10%
2020	10,453,934	11,061,054	105.81%
2021	11,187,262	10,974,069	98.09%
2022	11,024,424	8,352,202	75.76%
2023	10,562,884	11,991,196	113.52%

Source: The 2023 Audit.

Note: (1) Prefunding of contributions in 2019 through 2021 recorded early contributions in the prior year. When aggregating contributions over the last five years (2019-2023), the City has funded 99% of the actuarially determined contribution.

Measures of Financial Position

The following table provides statistical information produced pursuant to the GASB Standards with respect to the Police Pension Plan for each of the last five fiscal years. The Total Pension Liability as of December 31, 2023, was calculated pursuant to the current Discount Rate of 7.00%.

Fiscal Year Ended December 31	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary Net Position as a % of Total Pension Liability
2019	$253,879,123	$138,539,371	$115,339,752	54.57%
2020	266,051,664	157,305,419	108,746,245	59.13%
2021	272,867,802	176,751,358	96,116,444	64.78%
2022	286,541,050	152,794,925	133,746,125	53.32%
2023	302,976,589	172,046,121	130,930,468	56.79%

Source: The 2023 Audit.

See Note 12 to the 2023 Audit, and the related required supplementary information disclosures, for a description of the Police Pension Plan, the City's funding policy, information on the assumptions and methods used by the actuary for the Police Pension Plan, and the financial reporting information required by the GASB Standards.

Fire Pension Plan

The City provides retirement, death and disability benefits to its sworn fire personnel and retirees and their beneficiaries through the Fire Pension Plan. The Fire Pension Plan is a single-employer defined benefit contribution plan. The benefits provided by the Fire Pension Plan and the amount of employer and employee contributions to the Fire Pension Plan are governed by the Pension Code and may only be amended by the General Assembly. As of December 31, 2023, the Fire Pension Plan had a membership of 273.

Contributions

As stated above, both the City and its participating employees make contributions to the Fire Pension Plan. At present, employees contribute 9.455% of their salary to the Fire Pension Plan. The City is required to make all additional contributions necessary to fund the benefits provided by the Fire Pension Plan to its members.

The Pension Code requires that the City contribute annually the amount necessary to fund the normal cost of the Fire Pension Plan for such year plus an amount sufficient to bring the total assets of the Fire Pension Plan up to 90% of the total actuarial liabilities of the Fire Pension Plan by the end of fiscal year 2040, as determined by an actuary (the "Fire Pension Plan Funding Requirement"). The Pension Code provides a levy of a separate tax annually by the City to generate the funds necessary to make this contribution, and the proceeds of such tax levy are sent directly by the County Clerks to the Fire Pension Plan.

As the Funding Requirement represents an amortization of the unfunded portion of the actuarial liabilities of the Fire Pension Plan over a closed period of time, the City's required contributions to the Fire Pension Plan are expected to increase, possibly by a significant margin, during the period of fiscal years leading up to 2040.

The City's contribution was 62.58% of covered payroll for the fiscal year ended December 31, 2023. The City's actuarially determined pension contributions and contributions with respect to such contributions for the last five fiscal years were as follows:

Fiscal Year Ended December 31	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed
2019	$6,413,430	$8,327,476	129.84%
2020	8,353,732	8,929,201	106.89%
2021	9,023,472	8,950,403	99.19%
2022	8,991,011	6,277,692	69.82%
2023	8,297,903	9,747,033	117.46%(1)

Source: The 2023 Audit.

Note: (1) Prefunding of contributions in 2019 through 2021 recorded early contributions in the prior year. When aggregating contributions over the last five years (2019-2023), the City has funded 99% of the actuarially determined contribution.

Measures of Financial Position

The following table provides statistical information produced pursuant to the GASB Standards with respect to the Fire Pension Plan for each of the last five fiscal years. The Total Pension Liability as of December 31, 2023, was calculated pursuant to the current Discount Rate of 7.00%.

Fiscal Year Ended December 31	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary Net Position as a % of Total Pension Liability
2019	$191,042,002	$100,925,506	$ 90,116,496	52.83%
2020	199,428,978	116,195,153	83,233,825	58.26%
2021	200,974,187	130,212,564	70,761,623	64.79%
2022	208,682,090	108,665,208	100,016,882	52.07%
2023	216,470,778	126,015,025	90,455,753	58.21%

Source: The 2023 Audit.

See Note 12 to the 2023 Audit, and the related required supplementary information disclosures, for a description of the Fire Pension Plan, the City's funding policy, information on the assumptions and methods used by the actuary for the Fire Pension Plan, and the financial reporting information required by the GASB Standards.

Downstate Police and Fire Pension Consolidation Bill

Public Act 101-0610 ("PA 101-610") authorizes the consolidation of more than 650 police and firefighter pension funds that provide benefits to police and firefighters located outside the boundaries of the City of Chicago, Illinois, into two statewide funds: The Police Officers' Pension Investment Fund (the "Consolidated Police Pension Fund") and The Firefighters' Pension Investment Fund (the "Consolidated Firefighters' Pension Fund" and, together with the Consolidated Police Pension Fund, the "Consolidated Pension Funds"). Upon consolidation, the Consolidated Police Pension Fund and the Consolidated Firefighters' Pension Fund will have in excess of $8 billion and $6 billion in assets, respectively. The purpose of consolidating local pension funds into the Consolidated Pension Funds is to invest assets more efficiently and to reduce administrative costs in order to generate higher investment returns.

The Consolidated Pension Funds will be governed by their respective 9-member board of trustees and managed by their respective executive directors. The Consolidated Pension Funds are established with the authority to manage the reserves, funds, assets, securities, properties and moneys of the participating police and fire pension funds which will make up the Consolidated Pension Funds.

Under PA 101-610, each underlying police and fire pension fund will maintain an individual and separate account within the newly established Consolidated Pension Funds. Therefore, no assets or liabilities of any individual police or fire pension fund can be shifted from one pension fund to another. Further, investment returns earned by the Consolidated Pension Funds will be allocated and distributed pro rata among each participating pension fund account in accordance with the value of the pension fund assets attributable to each fund.

The City cannot determine at this time the financial impact PA 101-610 will have on its pension funds. The effectiveness of PA 101-610 in reducing costs and generating additional investment returns may not be determinable for several years.

OTHER POST-EMPLOYMENT BENEFITS

In addition to providing the pension benefits described above, the City provides post-employment healthcare benefits ("OPEB") for eligible retired employees and their dependents (the "OPEB Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the City Council and can be amended by the City through its personnel manual and union contracts. As of December 31, 2023, the OPEB Plan had a membership of 808. As of December 31, 2023, the City's OPEB Plan had a Total OPEB Liability of $24,961,020, a Plan Fiduciary Net Position of $23,522,854 and a Net OPEB Liability of $1,438,166. For additional information regarding the OPEB Plan, see Note 11 to the 2023 Audit.

The City's contributions to the OPEB Plan in each of the last five years are as follows:

Fiscal Year Ended December 31	Contribution
2019	1,597,738
2020	1,604,000
2021	1,854,000
2022	2,104,000
2023	2,604,000

Source: The 2023 Audit.

For additional information on the City's post-employment benefits other than pensions, see Note 11 and the required supplementary information to the 2023 Audit.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The City shall cause books for the registration and for the transfer of the Bonds to be kept at the principal corporate trust office of the Registrar in Chicago, Illinois. The City will authorize to be prepared, and the Registrar shall keep custody of, multiple bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the City shall execute and the Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Registrar shall not be required to transfer or exchange any Bond beginning at the close of business on the first day of the month in which an interest payment date occurs on such Bond (known as the record date) and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the prices set forth, or the prices corresponding to the yields set forth, on the cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the City complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

CONTINUING DISCLOSURE

The City will enter into an Undertaking for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of the Rule. No person, other than the City, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth in the form of the Undertaking, attached hereto as **APPENDIX D**.

The City has adopted disclosure policies and procedures, which specifically include additional procedures to be followed by the City in relation to the two new reportable events added to the list of reportable events for which the City must provide notice to the EMMA website.

There have been no instances in the previous five years in which the City failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the City to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The City must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the City, threatened against the City that is expected to materially impact the financial condition of the City.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois ("Chapman and Cutler"), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the City. Chapman and Cutler has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although as Disclosure Counsel to the City, Chapman and Cutler has assisted the City with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the City, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

INVESTMENT RATING

The Bonds have been rated "AA+" (Stable Outlook) by S&P. The City has supplied certain information and material concerning the Bonds and the City to the rating service shown on the cover page, including certain information and materials which may not have been included in this Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. Except as may be required by the Undertaking described under the heading **"CONTINUING DISCLOSURE"**, the form of which is attached hereto as **APPENDIX D**, neither the City nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal. An explanation of the significance of the investment rating may be obtained from the rating agency: S&P Global Ratings, 55 Water Street, New York, New York 10041, telephone 212-438-2000. The City will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on April 23, 2025. The best bid submitted at the sale was submitted by _________ (the "Underwriter"). The City awarded the contract for sale of the Bonds to the Underwriter at a price of $_________ (reflecting the par amount of $___________, plus a reoffering premium of $___________, and less an Underwriter's discount of $____________). The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields set forth on the cover of the Final Official Statement.

MUNICIPAL ADVISOR

The City has engaged Speer Financial, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the City's continuing disclosure undertaking.

CERTIFICATION

We have examined this Official Statement dated April 15, 2025 for the $15,220,000* General Obligation Corporate Purpose Bonds, Series 2025, believe it to be true and correct and will provide to the purchasers of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ ________________________________
Chief Financial Officer/Budget Director
CITY OF ELGIN
Kane and Cook Counties, Illinois

/s/ ________________________________
City Manager
CITY OF ELGIN
Kane and Cook Counties, Illinois

**Subject to change.*

APPENDIX A

CITY OF ELGIN
KANE AND COOK COUNTIES, ILLINOIS

FISCAL YEAR 2023 AUDITED FINANCIAL STATEMENTS

APPENDIX B

DESCRIBING BOOK-ENTRY ONLY ISSUANCE

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

1. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

2. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

3. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

4. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

5. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

8. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX D

CITY OF ELGIN
KANE AND COOK COUNTIES, ILLINOIS

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

OFFICIAL BID FORM

(Open Speer Auction)

City of Elgin
150 Dexter Court
Elgin, IL 60120

April 23, 2025
Speer Financial, Inc.

Members of the City Council:

For the $15,220,000* General Obligation Corporate Purpose Bonds, Series 2025 (the "Bonds"), of the City of Elgin, Kane and Cook Counties, Illinois, as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you $_________ (no less than $15,098,240). The Bonds are dated the date of delivery, expected to be on or about May 7, 2025. The Bonds will bear interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). **The premium or discount, if any, is subject to adjustment allowing the same $___________ gross spread per $1,000 bond as bid herein.**

MATURITIES* – DECEMBER 15

$ 780,000	2026	$1,090,000	2033
815,000	2027	1,145,000	2034
855,000	2028	1,205,000	2035
900,000	2029	1,265,000	2036
945,000	2030	1,330,000	2037
990,000	2031	1,395,000	2038
1,040,000	2032	1,465,000	2039

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois. The City will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay `the fee charged by CUSIP Global Services and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

If the competitive sale requirements are not met, we elect to use the (circle one): 10% test / hold-the-offering-price rule to determine the issue price of the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the City's good faith bank and under the terms provided in the Official Notice of Sale for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the order of the Treasurer of the City in the amount of the Deposit under the terms provided in the Official Notice of Sale for the Bonds. In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Bonds, on the terms set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale, and (ii) we have an established industry reputation for underwriting new issuances of municipal bonds.

Form of Deposit (Check One)

Prior to Bid Opening:
Certified/Cashier's Check [ ]
Wire Transfer [ ]

Within **TWO hours** of Bidding:
Wire Transfer [ ]

Amount: $304,400

Account Manager Information

Name ______________________________________

Address ____________________________________

By ____

City _______________ State/Zip ______________

Direct Phone (______)______________________

FAX Number (______)______________________

E-Mail Address _____________________________

Bidders Option Insurance

We have purchased insurance from:

Name of Insurer
(Please fill in)

____

Premium: _____________

Maturities: (Check One)

[__] _____________**Years**

[__] All

The foregoing bid was accepted and the Bonds sold by ordinance of the City on April 23, 2025, and receipt is hereby acknowledged of the Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

CITY OF ELGIN, KANE AND COOK COUNTIES, ILLINOIS

____
Mayor

**Subject to change.*

---------------------- **NOT PART OF THE BID** ----------------------

(Calculation of true interest cost)

	Bid	Post Sale Revision
Gross Interest	$	
Less Premium/Plus Discount	$	
True Interest Cost	$	
True Interest Rate	%	
TOTAL BOND YEARS	135,331.56	
AVERAGE LIFE	8.892 Years	

OFFICIAL NOTICE OF SALE

$15,220,000*
CITY OF ELGIN
Kane and Cook Counties, Illinois
General Obligation Corporate Purpose Bonds, Series 2025

(Open Speer Auction)

The City of Elgin, Kane and Cook Counties, Illinois (the "City"), will receive electronic bids on the SpeerAuction ("*SpeerAuction")* website address "www.SpeerAuction.com" for its $15,220,000* General Obligation Corporate Purpose Bonds, Series 2025 (the "Bonds"), on an all or none basis between 10:00 A.M. and 10:15 A.M., C.D.T., Wednesday, April 23, 2025. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City's sale (as described below). Award will be made or all bids rejected at a meeting of the City on that date. The City reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

(1) All bids must be submitted on the SpeerAuction website at www.SpeerAuction.com. **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

(2) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid the prior bid will remain valid.

(3) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.

(4) The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.

(5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)

(6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

Rules of SpeerAuction

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

Establishment of Issue Price

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A** to this Official Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"). All actions to be taken by the City under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor, Speer Financial, Inc., Chicago, Illinois ("Speer") and any notice or report to be provided to the City may be provided to Speer.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

**Subject to change.*

(1) The City shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
(2) all bidders shall have an equal opportunity to bid;
(3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
(4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest TIC, as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in this bid.

(c) If all of the competitive sale requirements are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the Underwriter. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the Underwriter on its bid form to determine the issue price for the Bonds. On its bid form, each Underwriter must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule") in each case applied on a maturity-by-maturity basis. If the winning bidder selects to hold-the-offering-price rule, the winning bidder shall promptly advise the City, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds have not satisfied the 10% test and will be subject to the hold-the-offering-price rule. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule or the 10% test, as selected on the bid form, in order to establish the issue price of the Bonds. In addition, if the 10% test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the winning bidder shall provide the City with a representation as to the price or prices as the date of closing at which the winning bidder reasonably expects to sell the remaining Bonds of such maturity.

(d) If all of the competitive sale requirements are not satisfied and the Underwriter selects the hold-the-offering price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or
(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public. Within one hour of the award, the winning bidder will inform the City of the initial offering price for each maturity of the Bonds.

(e) If the competitive sale requirements are not satisfied and the winning bidder selects the 10% test, then until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the winning bidder's reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the City or Bond Counsel. In addition, if the 10% test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the winning bidder shall provide the City with a representation as to the price or prices as of the date of closing at which the winning bidder reasonably expects to sell the remaining Bonds of such maturity.

(f) The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,
(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and
(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

**Subject to change.*

(g) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, which shall be until the 10% test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth (5th) business day following the date of award,

(C) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a winning bidder who is a related party to an underwriter participating in the initial sale of the Bonds to the public, and

(D) to acknowledge that, unless otherwise advised by the underwriter, the winning bidder shall assume that each order submitted by the underwriter is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold or until it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and

(B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth (5th) business day following the date of the award.

(h) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

**Subject to change.*

Rules

(1) A bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the City, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the City.

(2) Neither the City, Speer, nor Grant Street Group (the "Auction Administrator") is responsible for technical difficulties that result in loss of Bidder's internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.

(3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the City exercises its right to reject bids, as set forth herein.

(4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.

(5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.

(6) Neither the City, Speer, nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Official Statement as they appear on SpeerAuction.

(7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

(8) Neither the City, Speer, nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's SpeerAuction password.

(9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.

(10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to SpeerAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Bonds are definitively awarded to the winning bidder only upon official award by the City. If, for any reason, the City fails to: (i) award Bonds to the winner reported by SpeerAuction, or (ii) deliver Bonds to winning bidder at settlement, neither the City, Speer, nor the Auction Administrator will be liable for damages.

The City reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the City reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds will be in fully registered form in the denominations of $5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Bond shall be paid by check or draft of the Registrar to the person in whose name such bond is registered at the close of business on the first day of the month in which an interest payment date occurs. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Registrar in Chicago, Illinois. Semiannual interest is due June 15 and December 15 of each year commencing December 15, 2025, and is payable by U.S. Bank Trust Company, National Association, Chicago, Illinois (the "Registrar"). The Bonds are dated the date of delivery, expected to be on or about May 7, 2025.

If the winning bidder is not a direct participant of DTC and does not have clearing privileges with DTC, the Bonds will be issued as Registered Bonds in the name of the purchaser. At the request of such winning bidder, the City will assist in the timely conversion of the Registered Bonds into book-entry bonds with DTC as described herein.

MATURITIES* – DECEMBER 15

$ 780,000	2026	$1,090,000	2033
815,000	2027	1,145,000	2034
855,000	2028	1,205,000	2035
900,000	2029	1,265,000	2036
945,000	2030	1,330,000	2037
990,000	2031	1,395,000	2038
1,040,000	2032	1,465,000	2039

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds due December 15, 2026-2034, inclusive, are not subject to optional redemption. The Bonds due December 15 2035-2039, inclusive, are callable in whole or in part and on any date on or after December 15, 2034, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in any order of maturity as determined by the City and within any maturity by lot.

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed three percent (3%). All bids must be for all of the Bonds, must be for not less than $15,098,240.

**Subject to change.*

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the City as determined by the City's Municipal Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of profit per $1,000 bond as submitted on the Official Bid Form. The dollar amount of profit must be written on the Official Bid Form for any adjustment to be allowed and is subject to verification.

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the City's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or its Municipal Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-32. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per bond.

The winning bidder is required to wire transfer from a solvent bank or trust company to the City's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the City. The City reserves the right to award the Bonds to a bidder whose wire transfer is initiated but not received within such two hour time period provided that such bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

The Deposit of the successful bidder will be retained by the City pending delivery of the Bonds and all others, if received, will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Official Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the City caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. No interest on the Deposit will accrue to the purchaser.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
30 North LaSalle Street
38th Floor
Chicago, IL 60602
ABA (for wires only) # 071003405
Credit To: 3281 Speer Bidding Escrow
RE: City of Elgin, Kane and Cook Counties, Illinois
Bid for $15,220,000* General Obligation Corporate Purpose Bonds, Series 2025

Contemporaneously with such wire transfer, the winning bidder shall send an email to biddingescrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such bidder is not awarded the Bonds. The City and any bidder who chooses to wire the Deposit hereby agree irrevocably that Speer shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to such bidder; (ii) if the bid is accepted, the Deposit shall be forwarded to the City; (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the bidder; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) no interest on the Deposit will accrue to the winning bidder.

The City covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

**Subject to change.*

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the Bonds.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about May 7, 2025. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as that term is defined in the Rule. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda. By awarding the Bonds to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 50 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for bond counsel's opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the unqualified opinion of Bond Counsel, that the Bonds are lawful and enforceable obligations of the City in accordance with their terms; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate of the City.

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Bonds. Copies of such Official Statement or additional information may be obtained from Ms. Debra Nawrocki, Chief Financial Officer/Budget Director, City of Elgin, 150 Dexter Court, Elgin, Illinois 60120 or an electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Sales Calendar" from the Municipal Advisor to the City, Speer Financial, Inc., 230 W. Monroe Street, Suite 2630, Chicago, Illinois 60606, telephone (312) 346-3700.

/s/ **DEBRA NAWROCKI**
Chief Financial Officer/Budget Director
CITY OF ELGIN
Kane and Cook Counties, Illinois

/s/ **RICHARD G. KOZAL**
City Manager
CITY OF ELGIN
Kane and Cook Counties, Illinois

**Subject to change.*

Exhibit A

CERTIFICATE OF PURCHASER

The undersigned, on behalf of __________________ _____(the *"Purchaser"*), hereby certifies as set forth below with respect to the sale and issuance of the $____________ General Obligation Corporate Purpose Bonds, Series 2025 (the *"Bonds"*), of the City of Elgin, Kane and Cook Counties, Illinois (the *"City"*).

I. General

On the Sale Date the Purchaser purchased the Bonds from the City by submitting electronically an "Official Bid Form" responsive to an "Official Notice of Sale" and having its bid accepted by the City. The Purchaser has not modified the terms of the purchase since the Sale Date.

II. Price

Competitive Sale Requirements Met – 3 Bids Received

Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in *Exhibit A* (the *"Expected Offering Prices"*). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Exhibit B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given an exclusive opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

3 Bids Not Received – At Least 10% of Each Maturity Sold by Closing

As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the *"First Sale Price"*).

3 Bids Not Received – At Least 10% of Certain Maturities Not Sold by Closing; Expected First Sale Price

1. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the *"First Sale Price"*).

2. Expected First Sale Price.

With respect to each of the ____________ Maturities of the Bonds:

(a) As of the date of this certificate, the Purchaser has not sold at least 10% of the Bonds of this Maturity at any Price.

(b) As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of Bonds of this Maturity equal to 10% or more of this Maturity will be at or below the Expected Sale Price listed on the attached *Exhibit A* (the *"Expected First Sale Price"*).

3 Bids Not Received – At Least 10% of Certain Maturities Not Sold by Closing; Hold-the-Offering-Price Rule

1. As of the date of this certificate, for each of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the *"First Sale Price"*).

2. (a) The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in *Exhibit A* (the *"Initial Offering Prices"*) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as *Exhibit B*.

(b) As set forth in the Official Notice of Sale and the Official Bid Form, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the *"Hold-the-Offering-Price Rule"*), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement would contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-the-Offering-Price Rule.

(c) No Underwriter (as defined below) has offered or sold any Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.

III. Defined Terms

[1. *"General Rule Maturities"* means those Maturities of the Bonds not listed in *Schedule A* hereto as the "Hold-the-Offering-Price Maturities."]

[2. *"Hold-the-Offering-Price Maturities"* means those Maturities of the Bonds listed in *Schedule A* hereto as the "Hold-the-Offering-Price Maturities."]

[3. *"Holding Period"* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (__________, 2025), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

4. *"Maturity"* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

5. *"Public"* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

6. A person is a *"Related Party"* to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

7. *"Sale Date"* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _______________, 2025.

8. *"Underwriter"* means (i) any person that agrees pursuant to a written contract with the City (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

IV. Use of Representations

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Bonds, and by Chapman and Cutler LLP in connection with rendering its opinion concerning interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds.

IN WITNESS WHEREOF, I hereunto affix my signature, this _____ day of _____________, 2025.

________________________________,
_____________, _________________

By:_____________________________________
Title: ________________________________

EXHIBIT A

The Bonds are dated ___________, 2025, and are due on December 15 of the years and in the amounts, bear interest at the rates and were sold and offered to the Public as described in the attached Certificate of Purchaser at the prices, in percentages and dollars, as follows:

HOLD-THE-OFFER-PRICE MATURITY IF MARKED (*)	YEAR	PRINCIPAL AMOUNT ($)	INTEREST RATE (%)	[EXPECTED] FIRST SALE PRICE OF AT LEAST 10% (% OF PAR)]	[EXPECTED] FIRST SALE PRICE OF AT LEAST 10%[/TOTAL ISSUE PRICE ($)]]	[INITIAL OFFERING PRICE (% OF PAR)]	[INITIAL OFFERING PRICE [/TOTAL ISSUE PRICE ($)]]	[TOTAL ISSUE PRICE ($)]
	Total							

EXHIBIT B

[PURCHASER'S BID]

[PRICING WIRE OR EQUIVALENT COMMUNICATION]