

City of Rock Falls

603 W. 10th Street
Rock Falls, IL 61071-2854

Mayor

William B. Wescott
815-380-5333

City Administrator

Robbin D. Blackert
815-564-1366



City Clerk

Eric Arduini
815-622-1104

City Treasurer

Kay Abner
815-622-1100

City Council Agenda Rock Falls Council Chambers October 16th, 2018 6:30 p.m.

Call to Order @ 6:30 p.m.
Pledge of Allegiance
Roll Call

Community Affairs:

Bethany Bland, President / CEO, Rock Falls Chamber of Commerce.

Consent Agenda:

1. Approval of the Minutes of the October 2nd, 2018 Regular Council Meeting.
2. Approval of bills as presented.

Old Business:

1. Items tabled at previous meeting.
 - a. Approval of the quote for the Lincoln Street Watermain Extension with Kirby Cable Service, 17842 Sumner Rd, Pecatonica, IL 61063 not to exceed \$19,999.99 as recommended by the Utilities Committee.
 - b. Approval of the quote for materials from Ferguson 1720 State Street. Dekalb. IL 60116 for the Swallow to Lincoln water main extension in the amount of \$12,597.99 as recommended by the Utilities Committee.

Ordinance First Reading

1. Approval of **Ordinance 2018-2401** authorizing the City to borrow funds from the Water Pollution Control Loan Program.

Ordinance Second Reading/ Adoption

- 1. Adoption of **Ordinance 2018-2399** authorizing lease of elevated water tower through June 15th, 2019 in the amount of \$300.00 per month.
- 2. Adoption of **Ordinance 2018-2400** Declaration of Restrictive Covenants for the Schmitt Addition Redevelopment Site.
- 3. Adoption of **Ordinance 2018-2402** authorizing entry into an easement agreement with Commonwealth Edison for installation of underground utilities.

City Administrator Robbin Blackert:

- 1. Approval the FY 2018 (May 1, 2017 through April 30, 2018) Final Audit.
- 2. Approval of the low bid from Furr Excavating 30529 Duden Road Rock Falls IL. for the demolition of the property at 241 Avenue F in the amount of \$4,900.00.
- 3. Approval of the low bid from Furr Excavating 30529 Duden Road Rock Falls IL. for the demolition of the property at 711 9th Avenue in the amount of \$6,500.00

Information/Correspondence:

Eric Arduini, City Clerk

- 1. Acceptance of the letter of resignation from Michelle Conklin for her position as Deputy Clerk.

James Reese, City Attorney

Brian Frickenstein, City Engineer

Department Heads:

Water Reclamation- Ed Cox

Electric- Dick Simon

Police Chief- Chief Tammy Nelson

Fire Chief- Chief Gary Cook

Building Inspector- Mark Searing

Water - Ted Padilla

Street - Larry Spinka

Utility Office - Diane Hatfield

Tourism

Broadband - Wayne Shafer

Ward Reports:

Ward 1

Ald. Reitzel

Ald. Logan

Ward 2

Ald. Kuhlemier

Ald. Snow

Ward 3

Ald. Schuneman

Ald. Kleckler

Ward 4

Ald. Folsom

Ald. Sobottka

Mayor's Report:

Executive Session:

1. Personnel Section 2 (c)(1) Employee hiring, firing, compensation, discipline, and performance.

Any action taken from Executive Session:

Adjournment:

Next City Council Meeting 11-06-2018

Posted 10-12-2018

Eric Arduini, City Clerk

The City of Rock Falls is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with Disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in the meeting, or who have questions regarding the accessibility of the meeting or the facilities, are requested to contact Mark Searing, ADA Coordinator, at 1-815-622-1108; promptly to allow the City of Rock Falls to make reasonable accommodations within 48 hours of the scheduled meeting.

REGULAR MEETING MINUTES OF THE MAYOR AND
ALDERMEN OF THE CITY OF ROCK FALLS

October 2nd, 2018

The regular meeting of the Mayor and City Council of Rock Falls, Illinois was called to order by Mayor William B. Wescott at 6:30 p.m. on October 2nd, 2018 in the Council Chambers of Rock Falls.

City Clerk Eric Arduini called the roll following the pledge of allegiance. A quorum was present including Aldermen Daehle Reitzel, George Logan Jr., Brian Snow, Glen Kuhlemier, Jim Schuneman, Rod Kleckler, Lee Folsom, and Violet Sobottka. In addition City Administrator Robbin Blackert and City Attorney Jim Reese were present.

Bid Opening

1. A public bid opening was conducted for the sale of real estate at 1200 West 15th Street. Mayor Wescott confirmed with Clerk Arduini that no bids had been submitted for the sale.

Audience Requests

1. Bill Wangelin from the Optimist Club of Rock Falls "Friends of Youth" approached the Council and informed them that the annual pride calendars are available for sale. He informed the Council that all of the money raised from the sales stay here in Rock Falls, and the funds have gone towards painting the Rock Falls High School Band trailer, fishing derbies, and scholarships. Mayor Wescott purchased the first calendar. Jim Wiemken, and Don Stindt distributed calendars to the Council and Department Heads.

Special Recognition

A resolution was read aloud by City Clerk Eric Arduini recognizing the thirty-three years of service that William S. Milby has given to the City of Rock Falls in the Fire Department. A motion was made by Alderman Logan, and second by Alderman Snow to adopt **Resolution 2018-798** Honoring William S. Milby.

Alderman Logan stated that Bill has done an excellent job in the Fire Department.

Mayor Wescott stated that he had the pleasure of knowing Bill since 1985. Bill would always reach out to help the new guys along the way. It has been a rewarding experience to see someone who worked themselves up the ladder. He hopes that Bill enjoys his retirement.

Vote 8 aye, motion carried

A standing ovation was given for Bill Milby.

Mr. Milby thanked the City of Rock Falls, and the Rock Falls Fire Department for having the opportunity to live out a childhood dream for 33 years. He was glad that he had the privilege of serving under the leadership of Fire Chief Gary Cook. Bill said that the young firefighters and officers that we have today are fantastic and do a great job. The residents of Sterling and Rock Falls are in good hands. Fire Chief Gary Cook stated that Bill was awesome all the way through, and could be counted on to make the right decisions.

Promotions

Fire Chief Gary Cook presented the promotion of Captain Cris Bouwens to the position of Deputy Chief, and Cris was pinned by his wife Angie.

Chief Cook presented the promotion of firefighter Kyle Sommers to the position of Captain. Kyle's grandfather Carl was Gary Cook's first Chief. Kyle was pinned by his wife Lauren.

Consent Agenda:

The consent agenda was read aloud by City Clerk Eric Arduini. A motion to approve the consent agenda as read by omnibus designation was made by Alderman Snow and second by Alderman Schuneman.

1. Approval of the Minutes of the September 18th, 2018 Regular Council Meeting.
2. Approval of bills as presented.
3. Proclamation for Fire Prevention Week October 7th - 13th, 2018
4. Proclamation for Public Power Week October 7th-13th, 2018

Vote 8 aye, motion carried

Ordinance First Reading

A motion was made by Alderman Kuhlemier, and second by Alderman Schuneman for the first reading of the following ordinances:

1. **Ordinance 2018-2399** authorizing lease of elevated water tower through June 15th, 2019 in the amount of \$300.00 per month.
2. **Ordinance 2018-2400** Declaration of Restrictive Covenants for the Schmitt Addition Redevelopment Site.

Alderman Schuneman complements Building Inspector Mark Searing for the work done on the restrictive covenants for the Schmitt Addition.

Viva Voce Vote, motion carried

Ordinance Second Reading/ Adoption

1. A motion was made by Alderman Logan, and second by Alderman Snow for the adoption of **Ordinance 2018-2397** amending Section 32-22 adding subsection (j) for transfer of services to landlord.

Vote 8 aye, motion carried

2. A motion was made by Alderman Snow, and second by Alderman Folsom for the adoption of **Ordinance 2018-2398** amending Section 18-152(b) (78) for parking prohibited on Harley Davidson Drive.

Vote 8 aye, motion carried

City Administrator Robbin Blackert:

A motion was made by Alderman Schuneman, and second by Alderman Sobottka to approve the Supplemental Engineering Agreement No. 2 from Stanley Consultants 8501 West Higgins Road Suite 730, Chicago, IL for an additional \$19,410.00 as recommended by the Utilities Committee.

Vote 7 aye, 1 nay (Kleckler) motion carried

A motion was made by Alderman Schuneman, and second by Alderman Snow for the approval of the Supplemental Engineering Agreement No. 3 from Stanley Consultants 8501 West Higgins Road Suite 730, Chicago, IL for weekly construction observation in the amount of \$72,000. This was the same agreement with a lower amount of construction observation.

Vote 7 aye, 1 nay (Kleckler) motion carried

A motion was made by Alderman Kuhlemier, and second by Alderman Schuneman for the approval of the low bid from Gensini Excavating Inc. 10602 IL-26, Princeton, IL 61356 for sewer and water extensions to the Schmitt property in the amount of \$1,959,497.50 as recommended by the Utilities Committee.

Vote 7 aye, 1 nay (Kleckler) motion carried

Administrator Blackert informed the Council that the Finance Committee Meeting on October 3rd, 2018 at 5:00pm will have presentations by the actuaries, and auditors. All are invited.

Information/Correspondence

James Reese, City Attorney

Attorney Reese discussed the item that was on the agenda for the Building Inspector's report. He informed the Council that a company KS Energy 3816 Carnation Street, Franklin Park, IL. who is a subcontractor for Nicor has asked to use part of the Parrish Alford site which is owned by the City for storage of materials while they are doing the work along 8th Avenue going under the river. Mr. Reese asked if the Council would consider allowing them to use a triangular section of the P.A. site approximately 1.5 acres.

Alderman Kuhlemier asked how long the agreement would be for, and that is unknown.

Alderman Logan would like to know if they are willing to pay, and if the materials stored and moved could be an environmental hazard.

Administrator Blackert informed the committee that there will be provisions to protect the NFR letter on the area.

Alderman Reitzel confirmed that storage of spoils and dirt materials are not part of this agreement.

A consensus was made to set the fee for usage of the site at \$500 per month.

A motion was made by Alderman Kuhlemier, and second by Alderman Sobottka that the City Attorney be authorized to negotiate with the advice of the Building Inspector, and Mayor. This is to be brought back to the Council for approval.

Vote 8 aye, motion carried

Department Heads

Water Reclamation- Ed Cox

A motion was made by Alderman Schuneman, and second by Alderman Sobottka for the approval of the tentative award the Sanitary Sewer Rehabilitation contract to Insituform Technologies USA 17988 Edison Ave, Chesterfield, MO. in the amount of \$819,260.00 subject to approval of the low interest loan for this project by the Illinois Environmental Protection Agency. This is for the CIP lining of the 24 inch sewer line on 1st Street from 5th to Leroy, 8th Ave. from 5th Street to Leroy, and Leroy Avenue to the s-curve at the High School. The project is expected to start in the spring.

Mayor Wescott added that when the loan documents are received which have been submitted by Stanley Consultants the final approval will come back to Council for approval.

Vote 8 aye, motion carried

Water – Ted Padilla

Water Superintendent Ted Padilla presented the request for the approval of the quote from Kirby Cable Service, 17842 Sumner Rd, Pecatonica, IL 61063 for the installation of 770 feet of Certlock water main pipe as a subcontractor on the Lincoln Street Watermain Extension Project not to exceed \$19,999.99 as recommended by the Utilities Committee. Alderman Kleckler objected on the basis that it appeared to be an attempt to bifurcate the cost to avoid a public bid process and after discussion, on motion of Logan second by Reitzel to table the matter.

Vote 6 aye, 2 nay (Shuneman, Sobottka) motion carried

A motion was made by Alderman Logan, and second by Alderman Folsom to table item number two under the Water Department for a quote for materials from Ferguson 1720 State Street, Dekalb, IL 60116 for the Swallow to Lincoln water main extension in the amount of \$12,597.99 as recommended by the Utilities Committee.

Vote 6 aye, 2 nay (Shuneman, Sobottka) motion carried

Ward Reports

Ward 2

Alderman Glen Kuhlemier wishes Joe Urbani a speedy and complete recovery.

Alderman Brian Snow stated that it is exciting to see the fiber conduit being laid in the City. He also reminded residents to change the batteries in their smoke detectors when the time changes.

Ward 4

Alderman Violet Sobottka reported she has spoken to people in her ward who are concerned with streets, and storm water distribution.

Mayor's Report

A motion was made by Alderman Folsom, and second by Alderman Snow for the re-appointment of City Administrator Robbin Blackert to the Whiteside County Enterprise Zone for the period October 16, 2018 – October 16, 2021.

Vote 8 aye, motion carried

Mayor Wescott informed the Council that on the front page of the Gazette was an article about Gary Camarano from the Whiteside County Economic Development Office bringing

officials from other countries to the area on Wednesday October 10th. Two years ago he brought in representatives from China from the Consulate General's Office in Chicago. The group will visit with factories, and other suppliers to see if there are markets in their countries for our goods from the area to make their way over there. They will go to the Holiday Inn Express, visit the RB&W Park, and then visit the Wahl Clipper corporate headquarters. The representatives will then go to Sauk Valley Community College and speak in room 1-K10. Mayor Wescott invited the Alderman to join them.

Executive Session

A motion was made by Alderman Snow, and second by Alderman Reitzel to enter executive session at 7:20pm for Section 2(c)(21) – Review of Executive Session minutes.

City Council enters executive Session at 7:20pm
City Council returns to regular session at 7:29pm

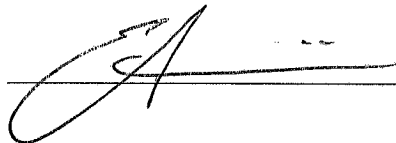
Action taken from Executive Session

A motion was made by Alderman Logan, and second by Alderman Sobottka for the approval of the reviewed closed session minutes, keeping them all closed.
Vote 8 aye, motion carried

With nothing else for the good of the Council a motion was made by Alderman Folsom, and second by Alderman Sobottka to adjourn at 7:29pm.

Viva Voce Vote, motion carried

Meeting is adjourned at 7:29pm



Eric Arduini, City Clerk

CITY OF ROCK FALLS

Rock Falls, Illinois October 16, 2018

To the Mayor and City Council of the City of Rock Falls, Your Committee on Finance would respectfully report that they have examined the following bills presented against the City, and have found the same correct and would recommend the payment of the various amounts to the several claimants as follows:

Tourism		\$1,833.99
General Fund		\$173,675.94
Industrial Development		\$110.00
Tax Increment Financing		\$0.00
Electric	Electric O & M	\$515,040.61
Fiber Optic/Broadband (Taxable)		\$35,149.79
Fiber Optic/Broadband (Tax Exempt)		\$58,759.45
Sewer	Sewer Revenue/O & M	\$464,804.32
Water	Water Revenue/O & M	\$119,277.15
Garbage		\$55.00
Customer Service Center		\$3,719.98
DUI		\$390.00
Motor Fuel Tax		\$681.11
Customer Utility Deposits		\$870.35
		<u>\$1,374,367.69</u>

Alderman Kuhlemier
Alderman Logan
Alderman Kleckler

DATE: 10/04/18
 TIME: 11:37:23
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CITY OF ROCK FALLS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 10/05/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

TOURISM			
05	TOURISM		
1052	SAUK VALLEY MEDIA	15,193.11	47.61
172	CITY OF ROCK FALLS	1,997.74	25.13
2796	U.S. CELLULAR	2,058.19	108.85
5235	WRCV-FM	663.00	200.00
795	SBM BUSINESS EQUIPMENT CENTER	5,664.90	60.40
	TOURISM		441.99
GENERAL FUND			
01	ADMINISTRATION		
1472	WARD, MURRAY, PACE & JOHNSON	47,762.99	3,630.00
172	CITY OF ROCK FALLS	1,997.74	0.94
4310	PITNEY BOWES	1,500.00	500.00
4392	WILLIAM B WESCOTT	1,353.00	40.00
753	ROCK FALLS CHAMBER OF COMMERCE	2,500.00	500.00
	ADMINISTRATION		4,670.94
02	CITY ADMINISTRATOR		
172	CITY OF ROCK FALLS	1,997.74	1.42
4972	ROBBIN BLACKERT	200.00	40.00
	CITY ADMINISTRATOR		41.42
03	PLANNING/ZONING		
1472	WARD, MURRAY, PACE & JOHNSON	47,762.99	55.00
	PLANNING/ZONING		55.00
04	BUILDING		
172	CITY OF ROCK FALLS	1,997.74	37.60
194	GRUMMERT'S HARDWARE - R.F.	2,650.60	9.89
2797	MARK SEARING	200.00	40.00
4995	CLOUDPOINT GEOGRAPHICS INC	32,315.00	687.50
5220	TECHNOLOGY FINANCE CORP	5,934.70	30.43
795	SBM BUSINESS EQUIPMENT CENTER	5,664.90	136.21
	BUILDING		941.63

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CITY OF ROCK FALLS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 10/05/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
05	CITY CLERK'S OFFICE		
172	CITY OF ROCK FALLS	1,997.74	180.91
5087	ERIC ARDUINI	992.19	136.25
	CITY CLERK'S OFFICE		317.16
06	POLICE		
1472	WARD, MURRAY, PACE & JOHNSON	47,762.99	220.00
172	CITY OF ROCK FALLS	1,997.74	20.19
176	PETTY CASH	421.06	52.20
1849	ROCK FALLS PIT STOP	138.00	204.00
295	PAM ERBY	500.00	50.00
4579	CROWN EXTERMINATORS, INC	180.00	50.00
4729	TAMMY NELSON	500.00	275.94
5096	TREASURER, STATE OF ILLINOIS	65.00	5.00
5097	ILLINOIS STATE POLICE	390.00	30.00
5098	ILLINOIS OFFICE OF THE	390.00	30.00
55	ARAMARK UNIFORM SERVICES, INC.	5,611.06	77.60
	POLICE		1,014.93
07	CODE HEARING DEPARTMENT		
172	CITY OF ROCK FALLS	1,997.74	89.16
	CODE HEARING DEPARTMENT		89.16
10	STREET		
1853	MOORE TIRES INC.	2,307.89	38.46
2087	CHEMSEARCH	1,273.57	535.60
5220	TECHNOLOGY FINANCE CORP	5,934.70	243.47
529	LAWSON PRODUCTS, INC.	1,596.71	75.02
T0003321	M & R STRIPING	8,294.40	850.00
	STREET		1,742.55
12	PUBLIC PROPERTY		
1052	SAUK VALLEY MEDIA	15,193.11	218.40

INVOICES DUE ON/BEFORE 10/05/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
12	PUBLIC PROPERTY		
4451	DAVIS COMPLETE INC	1,364.00	1,364.00
T0003035	BYERS ENTERPRISES LLC	1,582.10	135.00
	PUBLIC PROPERTY		1,717.40
13	FIRE		
1472	WARD, MURRAY, PACE & JOHNSON	47,762.99	220.00
172	CITY OF ROCK FALLS	1,997.74	7.47
295	PAM ERBY	500.00	50.00
4396	GARY COOK	200.00	40.00
	FIRE		317.47
BUILDING CODE DEMOLITION FUND			
12	BUILDING CODE DEMOLITION FUND		
1052	SAUK VALLEY MEDIA	15,193.11	764.40
131	BURGER BROTHERS TRUCKING &	24,043.69	12,200.00
	BUILDING CODE DEMOLITION FUND		12,964.40
INDUSTRIAL DEVELOPMENT FUND			
14	INDUSTRIAL DEVELOPMENT		
1472	WARD, MURRAY, PACE & JOHNSON	47,762.99	110.00
	INDUSTRIAL DEVELOPMENT		110.00
ELECTRIC FUND			
20	OPERATION & MAINTENANCE		
1472	WARD, MURRAY, PACE & JOHNSON	47,762.99	770.00
172	CITY OF ROCK FALLS	1,997.74	28.45
194	GRUMMERT'S HARDWARE - R.F.	2,650.60	21.95
2557	ASPLUNDH TREE EXPERT CO.	68,944.57	9,123.10
4148	BHMG ENGINEERS	14,713.18	15,886.85
4995	CLOUDPOINT GEOGRAPHICS INC	32,315.00	1,629.34
5105	STANLEY CONSULTANTS, INC.	34,133.79	7,675.00
5220	TECHNOLOGY FINANCE CORP	5,934.70	517.39

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CITY OF ROCK FALLS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 10/05/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

ELECTRIC FUND			
20	OPERATION & MAINTENANCE		
529	LAWSON PRODUCTS, INC.	1,596.71	232.55
T0004949	[REDACTED]		5.17
	OPERATION & MAINTENANCE		35,889.80
FIBER OPTIC BROADBAND/TAXABLE			
23	FIBER OPTIC BROADBAND/TAXABLE		
5197	COS SYSTEMS INC	2,500.00	500.00
5225	SYNDEO NETWORKS INC	33,412.50	27,380.79
	FIBER OPTIC BROADBAND/TAXABLE		27,880.79
FIBER OPTIC BROADBAND/TXEXEMPT			
24	FIBER OPTIC BROADBAND/TXEXEMPT		
5218	COMMUNICATIONS & ELECTRICAL	34,773.39	1,219.45
T0002811	MORROW BROTHERS FORD		57,540.00
	FIBER OPTIC BROADBAND/TXEXEMPT		58,759.45
SEWER FUND			
30	SEWER		
4040	ILLINOIS ENVIRONMENTAL	159,555.81	398,225.06
5105	STANLEY CONSULTANTS, INC.	34,133.79	37,295.00
	SEWER		435,520.06
38	OPERATION & MAINTENANCE		
1023	WILLETT, HOFMANN & ASSOCIATES	105,317.92	879.80
1052	SAUK VALLEY MEDIA	15,193.11	47.61
1472	WARD, MURRAY, PACE & JOHNSON	47,762.99	220.00
172	CITY OF ROCK FALLS	1,997.74	8.56
2451	MENARDS	4,181.42	24.64
4995	CLOUDPOINT GEOGRAPHICS INC	32,315.00	1,629.33
5131	METROPOLITAN INDUSTRIES, INC.	3,055.00	350.00
5220	TECHNOLOGY FINANCE CORP	5,934.70	182.61
	OPERATION & MAINTENANCE		3,342.55

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CITY OF ROCK FALLS
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INVOICES DUE ON/BEFORE 10/05/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

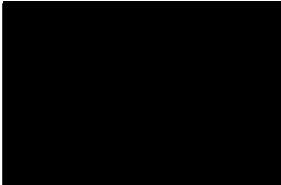
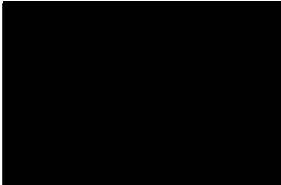
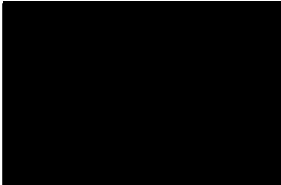
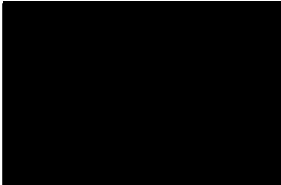
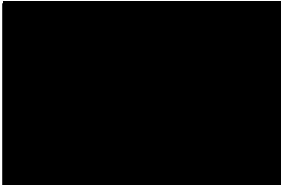
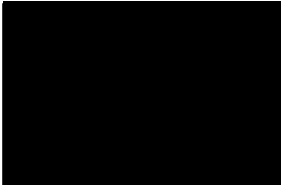
WATER FUND			
40	WATER		
1023	WILLETT, HOFMANN & ASSOCIATES	105,317.92	6,896.30
5105	STANLEY CONSULTANTS, INC.	34,133.79	63,130.00
	WATER		70,026.30
48	OPERATION & MAINTENANCE		
110	BONNELL INDUSTRIES, INC.	3,967.15	2,222.10
1165	COMPLETE ELECTRICAL CONTR. INC	75,933.54	1,206.72
1472	WARD, MURRAY, PACE & JOHNSON	47,762.99	220.00
172	CITY OF ROCK FALLS	1,997.74	1.88
176	PETTY CASH	421.06	30.42
4361	FERGUSON WATERWORKS #2516	33,410.42	1,694.40
4707	KIMBALL MIDWEST	2,162.65	374.78
4995	CLOUDPOINT GEOGRAPHICS INC	32,315.00	1,629.33
5220	TECHNOLOGY FINANCE CORP	5,934.70	213.04
55	ARAMARK UNIFORM SERVICES, INC.	5,611.06	98.68
631	MURRAY & SONS EXCAVATING, INC	89,874.85	3,915.00
	OPERATION & MAINTENANCE		11,606.35
GARBAGE FUND			
50	GARBAGE		
1472	WARD, MURRAY, PACE & JOHNSON	47,762.99	55.00
	GARBAGE		55.00
CUSTOMER SERVICE CENTER			
51	CUSTOMER SERVICE CENTER		
172	CITY OF ROCK FALLS	1,997.74	93.60
4664	STAPLES ADVANTAGE	229.52	126.38
	CUSTOMER SERVICE CENTER		219.98
CUSTOMER UTILITY DEPOSITS			
75	CUSTOMER UTILITY DEPOSITS		
1289	CITY OF ROCK FALLS UTILITIES	209,509.04	50.00

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CITY OF ROCK FALLS
DEPARTMENT SUMMARY REPORT

INVOICES DUE ON/BEFORE 10/05/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

CUSTOMER UTILITY DEPOSITS			
75	CUSTOMER UTILITY DEPOSITS		
T0004944			114.31
T0004945			420.32
T0004946			29.54
T0004947			34.65
T0004948			9.30
T0004949			50.00
	CUSTOMER UTILITY DEPOSITS		708.12
	TOTAL ALL DEPARTMENTS		668,432.45

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CITY OF ROCK FALLS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 10/12/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

TOURISM			
05	TOURISM		
2528	LAMAR ADVERTISING COMPANY	8,352.00	1,392.00
	TOURISM		1,392.00
GENERAL FUND			
01	ADMINISTRATION		
4331	CIRCUIT CLERK OF LEE COUNTY	5,690.00	300.00
795	SBM BUSINESS EQUIPMENT CENTER	5,861.51	83.32
T0004952	CIRCUIT CLERK OF		300.00
	ADMINISTRATION		683.32
02	CITY ADMINISTRATOR		
1493	WILLIAM & MARY COMPUTER CENTER	55,810.45	129.00
795	SBM BUSINESS EQUIPMENT CENTER	5,861.51	83.32
	CITY ADMINISTRATOR		212.32
05	CITY CLERK'S OFFICE		
4566	HARRIS COMPUTER SYSTEMS	600.00	350.00
4664	STAPLES ADVANTAGE	355.90	88.15
795	SBM BUSINESS EQUIPMENT CENTER	5,861.51	105.04
	CITY CLERK'S OFFICE		543.19
06	POLICE		
1289	CITY OF ROCK FALLS UTILITIES	209,559.04	1,216.23
4508	LEXISNEXIS RISK SOLUTIONS	150.00	30.00
4572	CHARLES SCHWAB & CO INC		103,688.28
4692	PANTHER UNIFORMS, INC.	1,745.41	791.30
4966	BETONY KILBERG	363.66	47.15
5110	KUNES COUNTRY AUTO GROUP	1,757.27	2,239.99
533	LECTRONICS, INC.	4,059.48	318.00
55	ARAMARK UNIFORM SERVICES, INC.	5,787.34	77.60
651	NICOR	8,592.58	29.05
752	ROCK FALLS AREA DOG CONTROL	960.84	514.42

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CITY OF ROCK FALLS
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 10/12/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
06	POLICE		
825	ILLINOIS SECRETARY OF STATE	103.00	101.00
	POLICE		109,053.02
07	CODE HEARING DEPARTMENT		
4931	MUNICIPAL SYSTEMS INC	4,241.95	957.64
795	SBM BUSINESS EQUIPMENT CENTER	5,861.51	83.34
	CODE HEARING DEPARTMENT		1,040.98
10	STREET		
1289	CITY OF ROCK FALLS UTILITIES	209,559.04	783.32
1449	QUALITY READY MIX	12,730.38	2,266.00
194	GRUMMERT'S HARDWARE - R.F.	2,682.44	31.92
2067	CIVIL CONSTRUCTORS, INC.	849,963.35	12,922.44
332	FYR-FYTER, INC.		51.95
4207	O'REILLY AUTOMOTIVE INC	2,142.14	178.16
4773	QUALITY CHEMICAL CO MIDWEST	5,158.43	869.10
4827	KELLEY WILLIAMSON COMPANY	3,861.74	318.31
55	ARAMARK UNIFORM SERVICES, INC.	5,787.34	259.10
651	NICOR	8,592.58	112.28
	STREET		17,792.58
12	PUBLIC PROPERTY		
1165	COMPLETE ELECTRICAL CONTR. INC	77,140.26	2,342.40
1289	CITY OF ROCK FALLS UTILITIES	209,559.04	3,495.32
533	ELECTRONICS, INC.	4,059.48	39.00
651	NICOR	8,592.58	97.30
	PUBLIC PROPERTY		5,974.02
13	FIRE		
1279	WILCO RENTAL	722.00	251.70
1289	CITY OF ROCK FALLS UTILITIES	209,559.04	1,269.92
194	GRUMMERT'S HARDWARE - R.F.	2,682.44	11.02

INVOICES DUE ON/BEFORE 10/12/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

GENERAL FUND			
13	FIRE		
2718	TOM ROWZEE	9,482.78	652.84
3010	CUSTOM MONOGRAM	1,307.25	437.00
3050	S & S INDUSTRIAL SUPPLY		57.74
423	AT&T	8,526.67	71.32
4385	DINGES FIRE COMPANY	2,715.81	648.82
4559	CHUCK'S COMPRESSORS INC	1,016.00	295.00
4846	CDS OFFICE TECHNOLOGIES		4,514.00
5103	AIR ONE EQUIPMENT, INC.		602.62
5160	CHIEFS CHOICE		145.62
651	NICOR	8,592.58	87.13
967	UNIVERSITY OF IL PYMT CENTER		300.00
	FIRE		9,344.73
BUILDING CODE DEMOLITION FUND			
12	BUILDING CODE DEMOLITION FUND		
131	BURGER BROTHERS TRUCKING &	36,243.69	1,591.12
1472	WARD, MURRAY, PACE & JOHNSON	53,262.99	3,510.00
	BUILDING CODE DEMOLITION FUND		5,101.12
EMPLOYEE GROUP INSURANCE			
15	EMPLOYEE GROUP INS		
T0004780	MAST WATER TECHNOLOGY	173.55	58.60
	EMPLOYEE GROUP INS		58.60
ELECTRIC FUND			
20	OPERATION & MAINTENANCE		
1224	AIRGAS USA LLC	1,563.14	78.67
1289	CITY OF ROCK FALLS UTILITIES	209,559.04	5,694.55
1853	MOORE TIRES INC.	2,346.35	24.00
194	GRUMMERT'S HARDWARE - R.F.	2,682.44	47.66
2140	MCMASTER-CARR SUPPLY	1,597.75	92.12
2606	MIKE'S REPAIR SERVICE	567.09	55.24
437	ILLINOIS MUNICIPAL ELECTRIC	2,244,176.70	464,908.96
4383	GRAINGER	4,190.76	556.94
4730	FLETCHER-REINHARDT CO	8,686.82	1,105.00

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CITY OF ROCK FALLS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 10/12/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

ELECTRIC FUND			
20	OPERATION & MAINTENANCE		
4995	CLOUDPOINT GEOGRAPHICS INC	37,890.50	88.20
5008	POWER SYSTEM ENGINEERING INC	62,005.32	4,452.50
5236	SUNSOURCE		1,751.49
533	ELECTRONICS, INC.	4,059.48	139.00
651	NICOR	8,592.58	97.48
795	SBM BUSINESS EQUIPMENT CENTER	5,861.51	59.00
	OPERATION & MAINTENANCE		479,150.81
FIBER OPTIC BROADBAND/TAXABLE			
23	FIBER OPTIC BROADBAND/TAXABLE		
5207	INTERNET SERVICES PROVIDER NET	29,984.00	6,000.00
795	SBM BUSINESS EQUIPMENT CENTER	5,861.51	59.00
T0004951	J & J REMODELING &		1,210.00
	FIBER OPTIC BROADBAND/TAXABLE		7,269.00
SEWER FUND			
30	SEWER		
5105	STANLEY CONSULTANTS, INC.	142,233.79	1,298.21
	SEWER		1,298.21
38	OPERATION & MAINTENANCE		
1289	CITY OF ROCK FALLS UTILITIES	209,559.04	19,898.80
2451	MENARDS	4,206.06	539.97
2517	PRAIRIE HILL RDF	10,321.19	442.90
4119	USA BLUE BOOK	5,911.74	405.43
4446	MORING DISPOSAL, INC.	186,287.98	900.00
4684	SCHMITT PLUMBING & HEATING INC	612.55	751.10
4827	KELLEY WILLIAMSON COMPANY	3,861.74	40.42
533	ELECTRONICS, INC.	4,059.48	69.00
651	NICOR	8,592.58	145.88
T0003006	TATAM, INC.		1,450.00
	OPERATION & MAINTENANCE		24,643.50

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CITY OF ROCK FALLS
DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 10/12/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE



WATER FUND			
40	WATER		
4040	ILLINOIS ENVIRONMENTAL	557,780.87	21,319.10
	WATER		21,319.10
48	OPERATION & MAINTENANCE		
1151	SMITH ECOLOGICAL SYSTEMS CO	234.10	209.40
1289	CITY OF ROCK FALLS UTILITIES	209,559.04	6,020.72
1449	QUALITY READY MIX	12,730.38	105.00
1740	VIKING CHEMICAL CO	4,274.00	665.00
194	GRUMMERT'S HARDWARE - R.F.	2,682.44	91.59
2451	MENARDS	4,206.06	8.07
2524	ILLINOIS SECTION AMERICAN		80.00
2606	MIKE'S REPAIR SERVICE	567.09	31.00
2611	FISCH MOTORS INC	68.00	68.00
2796	U.S. CELLULAR	2,167.04	302.65
2847	PDC LABORATORIES, INC.	1,337.00	887.00
4169	SIUE		600.00
4207	O'REILLY AUTOMOTIVE INC	2,142.14	19.99
4387	AMERICAN LEAK DETECTION	700.00	3,500.00
4707	KIMBALL MIDWEST	2,537.43	314.60
5102	FRONTIER	944.19	284.99
5131	METROPOLITAN INDUSTRIES, INC.	3,405.00	73.00
5153	DAVE JACKLEY SEWER &	100.00	2,305.00
55	ARAMARK UNIFORM SERVICES, INC.	5,787.34	204.10
631	MURRAY & SONS EXCAVATING, INC	93,789.85	290.00
651	NICOR	8,592.58	102.84
67	B & D SUPPLY CO.	148.15	162.45
	OPERATION & MAINTENANCE		16,325.40
CUSTOMER SERVICE CENTER			
51	CUSTOMER SERVICE CENTER		
760	ROCK FALLS POSTMASTER	14,225.00	3,500.00
	CUSTOMER SERVICE CENTER		3,500.00
DUI FUND			
55	DUI		

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CITY OF ROCK FALLS
DEPARTMENT SUMMARY REPORT

INVOICES DUE ON/BEFORE 10/12/2018

VENDOR #	NAME	PAID THIS FISCAL YEAR	AMOUNT DUE

DUI FUND			
55	DUI		
4806	AXON ENTERPRISE INC	15,286.20	390.00
	DUI		390.00
MOTOR FUEL TAX FUND			
65	MOTOR FUEL TAX		
2212	ALLIANCE MATERIALS, INC.	2,645.66	681.11
	MOTOR FUEL TAX		681.11
CUSTOMER UTILITY DEPOSITS			
75	CUSTOMER UTILITY DEPOSITS		
T0004950			42.54
T0004953			119.69
	CUSTOMER UTILITY DEPOSITS		162.23
	TOTAL ALL DEPARTMENTS		705,935.24



Request for Bid or Quote (Services)

TO: Kirby Cable Service
Company Name

ATTENTION: _____

BID DEADLINE: DATE _____ TIME _____

Location of Work: **Lincoln and Garfield dead Loop**

Description and Scope of Work: **Contractor will sub contract to the City of Rock Falls Water Department and install 770 feet of Certlock watermain pipe**

Total Cost for Project \$ 19,999.⁰⁰

Quote Valid for 90 Days

Payment Terms: _____

SIGNATURE OF COMPANY REP: Meg Doman DATE: 9/17/18

Please fax or email BID or Quote to: carduini@rockfalls61071.com

Attention: Ted Padilla any questions email: tpadilla@rockfalls61071.com

"Signature of this quote acknowledges that all rules and requirements of the Illinois Department of Labor Prevailing Wage Act must be followed along with the Certificate of Insurance form below". Contractors awarded the Project will Contact the City Clerk to file all proper paperwork as required

ADDENDUM TO PROPOSAL AND AGREEMENT

Contractor – Kirby Cable Service
Address 17842 Sumner Rd Pecatonica, IL 61063
Owner-- City of Rock Falls, Illinois

This addendum supplements and is incorporated into the terms and provisions of the agreement between the Contractor and Owner for Rock Falls, Whiteside County, Illinois.

Contractor agrees that not less than the prevailing rate of wages, as found by the Department of Labor of the State of Illinois, shall be paid to all laborers, workers and mechanics performing work under the contract, and Contractor agrees that all subcontracts and lower tiered subcontracts shall contain a written stipulation that not less than the prevailing rate of wages shall be paid to all laborers, workers and mechanics performing work under such subcontract or lower tiered subcontract, all as determined by the Department of Labor of the State of Illinois. The prevailing rate of wages are revised by the Illinois Department of Labor, and are available on the Department's official website.

Contractor also agrees that it shall:

1. Make and keep for a period of not less than three (3) years, records of all laborers, mechanics and other workers employed on the project, including each worker's name, address, telephone number when available, social security number, classification or classifications, hourly wages paid in each pay period, number of hours worked each day, and the starting and ending times of work each day; and
2. Submit monthly, in person, by mail or electronically, a certified payroll to the Owner, consisting of a complete copy of the records identified in subparagraph 1 hereof, except that the record may exclude the starting and ending times of work each day, and also that the certified payroll shall be accompanied by a statement signed by the Contractor or subcontractor that certifies that such records are true and accurate, that the hourly rate paid to each worker is not less than the general prevailing rate of wage required by the Illinois Prevailing Wage Act, and that the Contractor or subcontractor is aware that filing a certified payroll which he knows to be false is a Class B misdemeanor.

At the time of request for each progress payment, Contractor shall deliver to Owner a contractor's affidavit listing all suppliers of labor and material, the work performed by each, the amounts paid to each to date, the amount due for work performed to date and a waiver of lien for any payments made to any such supplier signed by such supplier.

Contractor:
Kirby Cable Service

Owner:
City of Rock Falls, Illinois

By: Amy Dora

By: _____
Mayor



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/17/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER HUB International Iowa dba Ruhl & Ruhl Insurance 212 Brady St., Ste 4B Davenport IA 52801	CONTACT NAME: Walt Zimmerer, CIC PHONE (A/C, No, Ext): 563-324-1981 FAX (A/C, No): E-MAIL ADDRESS: walter.zimmerer@hubinternational.com														
INSURED Kirby Cable Service Inc P O Box 37 Pecatonica IL 61063	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td>INSURER A : Continental Western Insurance Company</td> <td style="text-align: center;">10804</td> </tr> <tr> <td>INSURER B : Union Insurance Company</td> <td style="text-align: center;">25844</td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Continental Western Insurance Company	10804	INSURER B : Union Insurance Company	25844	INSURER C :		INSURER D :		INSURER E :		INSURER F :	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A : Continental Western Insurance Company	10804														
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INSURER C :															
INSURER D :															
INSURER E :															
INSURER F :															

COVERAGES **CERTIFICATE NUMBER: 1109201697** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURED	SUBROGATION WAIVED	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			CPA305805024	4/29/2018	4/29/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGO \$ 2,000,000 \$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY			CPA305806024	4/29/2018	4/29/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0			CPA305805024	4/29/2018	4/29/2019	EACH OCCURRENCE \$ 9,000,000 AGGREGATE \$ 9,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	WCA305904924	4/29/2018	4/29/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 City of Rock Falls and all officials and employees of the city as to any and all projects are included as an additional insured as required by written agreement on the general liability policy shown above for work performed by the Named Insured on a primary and non-contributory basis, subject to policy forms, terms, conditions and exclusions. A Waiver of subrogation applies in favor of additional insured for the general liability and workers compensation policies if required in written contract subject to policy forms, terms, conditions and exclusions.

CERTIFICATE HOLDER **CANCELLATION**

City of Rock Falls Building Department 603 West 10th Street Rock Falls IL 61071-0000	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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Material Quote Sheet

Swallow Street to Lincoln Street Watermain Extension Project

Company	Address	Phone	Total
Suppliers			
Ferguson	1720 State Street Dekalb, IL 60116		\$12,597.99
Core & Main	6829 Irene Rd Belvidere, IL 61008		\$13,255.00

**ORDINANCE AUTHORIZING LOAN AGREEMENT
NON-HOME RULE ENTITY
ORDINANCE NUMBER 2018-2401**

AN ORDINANCE authorizing the City of Rock Falls of
Whiteside County, Illinois to borrow funds
from the Water Pollution Control Loan Program

WHEREAS the City of Rock Falls, Whiteside County, Illinois operates its water pollution control system (“the System”) and in accordance with the provisions of ILCS 5/19.1, and the Local Government Debt Reform Act, 30 ILCS 350/1 et. seq. (collectively, “the Act”); and

WHEREAS the Mayor and City Council of the City of Rock Falls (the “Corporate Authorities”) have determined that it is advisable, necessary and in the best interests of public health, safety and welfare to improve the System, including the following:

This project consists the cleaning and lining of approximately 4,200 feet of 24-inch reinforced concrete sanitary sewer pipe and 12 manholes for the purpose of preventing the sewers and manholes from collapsing. The work includes 3200 feet of pipe along Leroy Avenue and West 1st Street from just east of the high school to 1st Avenue and 1,000 feet of 24-inch of pipe along 8th Avenue from Leroy Avenue to West 5th Street.

together with any land or rights in land and all electrical, mechanical or other services necessary, useful or advisable to the construction and installation (the “Project”), all in accordance with the plans and specifications prepared by consulting engineers to the City of Rock Falls; and

WHEREAS the useful life of the Project is fifty years; and

WHEREAS the estimated cost of construction and installing the Project, including engineering, legal, financial and other related expenses is \$969,579 and there are insufficient funds on hand and lawfully available to pay these costs; and

WHEREAS the loan shall bear interest at a rate of 1.84% that does not exceed the maximum rate authorized by the Bond Authorization Act, as amended, 30 ILCS 305/0.01 *et seq.* at the time of the making of the loan;

WHEREAS the principle and interest payment shall be payable semi-annually, and the loan shall mature in 20 years, which is within the period of useful life of the project; and

WHEREAS the costs are expected to be paid for with a loan to the City from the Water Pollution Control Loan Program through the Illinois Environmental Protection Agency, the loan to be repaid from Wastewater System Revenues and the loan is authorized to be accepted at this time pursuant to the Act; and

WHEREAS, in accordance with the provisions of the Act, the City of Rock Falls is authorized to borrow funds from the Water Pollution Control Loan Program [415 ILCS 5/19.3] in the aggregate principal amount of \$969,579.77 to provide funds to pay the costs of the Project; and

WHEREAS the loan to the City of Rock Falls shall be made pursuant to a Loan Agreement, including certain terms and conditions, between the City of Rock Falls and the Illinois Environmental Protection Agency;

NOW, THEREFORE be it ordained by the Mayor and City Council of Rock Falls, Whiteside County, Illinois, as follows:

SECTION 1. INCORPORATION OF PREAMBLES

The Corporate Authorities hereby find that the recitals contained in the preambles are true and correct, and incorporate them into this ordinance by this reference.

SECTION 2. DETERMINATION TO BORROW FUNDS

It is necessary and in the best interests of the City of Rock Falls to construct the Project for the public health, safety and welfare, in accordance with the plans and specifications, as described; that the System continue to be operated in accordance with the provisions of the Illinois Environmental Protection Act, 415 ILCS 5/1 et. seq.; and that for the purpose of constructing the Project, it is hereby authorized that funds be borrowed by the City of Rock Falls in an aggregate principal amount (which includes construction period interest financed over the term of the loan) not to exceed \$969,579.77.

SECTION 3. PUBLICATION

This Ordinance, together with a notice in the statutory form, shall be published once within ten days after passage in the Daily Gazette, a newspaper published and of general circulation in the City of Rock Falls and if no petition, signed by electors numbering 10% or more of the registered voters in the City of Rock Falls (i.e., 546 electors) and asking that the question of improving the System as provided in this Ordinance and entering into the Loan Agreement therefore be submitted to the electors of the City of Rock Falls is filed with the City Clerk within 30 days after the date of publication of this Ordinance and notice, then this Ordinance shall be in full force and effect. A petition form shall be provided by the City of Rock Falls Clerk to any individual requesting one.

SECTION 4. ADDITIONAL ORDINANCES

If no petition meeting the requirements of the Act and other applicable law is filed during the 30-day petition period, then the Corporate Authorities may adopt additional ordinances or proceedings supplementing or amending this Ordinance, providing for entering into the Loan Agreement with the Illinois Environmental Protection Agency, prescribing all the details of the Loan Agreement, and providing for the collection, segregation and distribution of the Wastewater System Revenues, so long as the maximum amount of the Loan Agreement as set forth in this Ordinance is not exceeded and there is no material change in the project or purposes described herein. Any additional Ordinances or proceedings shall in all instances become effective in accordance with the Act or other applicable law. This Ordinance, together with such additional ordinances or proceedings, shall constitute complete authority for entering into the Loan Agreement under applicable law.

However, notwithstanding the above, the City of Rock Falls may not adopt additional ordinances or amendments which provide for any substantive or material change in the scope and intent of this Ordinance, including but not limited to interest rate, preference or priority of any other ordinance with this Ordinance, parity of any other ordinance with this Ordinance, or otherwise alter or impair the obligation of the City of Rock Falls to pay the principal and interest due to the Water Pollution Control Loan Program without the written consent of the Illinois Environmental Protection Agency.

SECTION 5. LOAN NOT INDEBTEDNESS OF CITY OF ROCK FALLS

Repayment of the loan to the Illinois Environmental Protection Agency by the City of Rock Falls pursuant to this Ordinance is to be solely from the Wastewater system revenues and the loan does not constitute an indebtedness of the City of Rock Falls within the meaning of any constitutional or statutory limitation.

SECTION 6. APPLICATION FOR LOAN

The Mayor is hereby authorized to make application to the Illinois Environmental Protection Agency for a loan through the Water Pollution Control Loan Program, in accordance with the loan requirements set out in 35 Ill. Adm. Code 662. The loan funds shall be used solely for the purposes of the project as approved by the Illinois Environmental Protection Agency in accordance with the terms and conditions of the loan Agreement.

SECTION 7. RESERVE ACCOUNTS

{ If the City of Rock Falls has outstanding revenue bonds, and the City of Rock Falls does not intend on having a revenue bond ordinance in support of this loan, then this SECTION 7 must establish coverage and a reserve account identical to the coverage and reserves in the outstanding senior revenue bond issue(s). The precise language for this SECTION 7, establishing this reserve account for this Ordinance, depends on the coverage(s) and reserve account(s) found in the outstanding senior revenue bond ordinance(s). }

SECTION 8. AUTHORIZATION OF MAYOR TO EXECUTE LOAN AGREEMENT

The Mayor is hereby authorized and directed to execute the Loan Agreement with the Illinois Environmental Protection Agency.

SECTION 9. SEVERABILITY

If any section, paragraph, clause or provision of this Ordinance is held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

SECTION 10. REPEALER

All ordinances, resolutions or orders, or parts thereof, which conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

PASSED by the Corporate Authorities

on _____, 20 ____ .

Approved _____, 20 ____ .

William B. Wescott, Mayor

_____, County, Illinois

AYES: _____

NAYS: _____

ABSENT: _____

PUBLISHED in the _____ on _____, 20 ____ .

RECORDED in the City of Rock Falls Records on _____, 20 ____ .

ATTEST:

City Clerk

City of Rock Falls, Whiteside County, Illinois

NOTICE OF INTENT TO BORROW FUNDS AND RIGHT TO FILE PETITION

NOTICE IS HEREBY GIVEN that, pursuant to Ordinance Number 2018-2401, adopted on _____, 20_____, the City of Rock Falls, intends to enter into a Loan Agreement with the Illinois Environmental Protection Agency in an aggregate principal amount not to exceed \$969,579.77 and bearing annual interest at an amount not to exceed the maximum rate authorized by law at the time of execution of the Loan Agreement, for the purpose of paying the costs of certain improvements to the public waste water supply system of the City of Rock Falls. A complete copy of the Ordinance accompanies this notice.

NOTICE IS HEREBY FURTHER GIVEN that if a petition signed by 546 or more electors of the City (being equal to 10% of the registered voters in the City, requesting that the question of improving the water pollution control system and entering into the Loan Agreement therefore is submitted to the City Clerk within 30 days after the publication of this Notice, the question of improving the water pollution control system of the City of Rock Falls as provided in the Ordinance and Loan Agreement shall be submitted to the electors of the City of Rock Falls at the Consolidated Election to be held on April 2nd, 2019. A petition form is available from the office of the City Clerk.

City Clerk

City of Rock Falls Whiteside County, Illinois

ORDINANCE NO. 2018-2399

AN ORDINANCE AUTHORIZING LEASE OF
ELEVATED WATER STORAGE TOWER SPACE
2109 9th AVENUE

WHEREAS, the City of Rock falls owns and controls an elevated water storage tank at 2109 9th Avenue in the City of Rock Falls, Illinois;

WHEREAS, an agreement has been made with Lectronics, Inc. an Iowa Corporation, to lease space at the top of said elevated water storage tank for the purpose of placement of radio broadcasting and antenna, in return for payment of a monthly rental amount; and

WHEREAS, the City Council has determined that lease of the space above the water tower will not interfere with nor cause damage to the ability of the City to utilize the tower or the space and that revenue may be gained for the City by entering into the lease as proposed; and

WHEREAS, attached hereto and incorporated herein is a copy of the agreement of tower space lease,

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Rock Falls that:

Section 1: The Mayor and City Clerk are hereby authorized and directed to execute on behalf of the City that form of Tower Space Lease, as it is attached hereto and incorporated herein, by which space above the elevated water tower of the City at 2109 9th Avenue, Rock Falls, Illinois, is leased to Lectronics, Inc. and Iowa Corporation for a term of three (3) years commencing on June 15, 2016 and ending on June 15, 2019 for payment of a monthly rental by Lectronics, Inc. of the amount of \$300.00 per month in advance.

Section 2. The Lease, upon execution by the mayor and City Clerk, shall be delivered over to Lectronics, Inc. upon receipt of a duly executed copy thereof by Lectronics, Inc.

Section 3. This ordinance shall be effective upon its adoption, passage and publication in pamphlet form.

Passed this 15th day of October, 2018

ATTEST:

Mayor William B Wescott

Eric Arduini, City Clerk

Tower Space Lease

AGREEMENT by and between the City of Rock Falls, Whiteside County Illinois ("Lessor") and Lectronics, Inc. an Iowa Corporation ("Lessee").

WHEREAS, Lessee desires the use of said tower for placement of certain of its antennas and grounds thereunder for placement of certain base transmitters;

NOW, THEREFORE, in consideration of the mutual promises below, parties hereto agree as follows:

1. Lessor shall lease to Lessee space on said tower and grounds located at 2109 9th Avenue, Rock Falls, Illinois, for the purpose of installation and maintenance of antenna for radio communication. Lessee shall make use of said tower and grounds for no other purpose.
2. Lessee shall be solely responsible for obtaining and installing the said equipment. All equipment or other property attached to or otherwise brought onto the leased site shall at all times be personal property.
3. During the term of this Agreement, Lessor shall not permit any other similar radio service to erect an antenna on said tower nor permit any other radio antenna to be erected thereon using the same frequencies as Lessee's antennas or that would cause interference with Lessee's service.
4. During the period of this lease, Lessee shall pay a rental of \$300.00 per month in advance, payments being due and payable the fifteenth (15th) of each month beginning June 15, 2019. Payments shall be made to City of Rock Falls, 603 West 10th Street, Rock Falls, Illinois 61071. When and if a second antenna has been installed by the Lessee, said rental shall be increased to \$400.00 per month.
5. Lessee shall be liable to Lessor for any damage caused by the installation, removal, location, maintenance, or existence of said equipment. Prior to the installation or removal of the said equipment, Lessee shall give Lessor seven (7) days' notice so that the Lessor may have a representative on site to supervise. Lessor shall be reimbursed for the reasonable expense and time of its representative.
6. Lessee shall have full access to its installation at all times during the period of this agreement. All work performed by Lessee on or around Lessor's tower shall be done in a neat, safe, and workman like manner so as not to interfere with any other attachments of Lessor and so as not to endanger life and property and shall comply with all statues and regulations governing safety at work sites. Lessee shall be obligated to follow all specifications provided by Lessor. No additional holes may be made in the tower structure, nor shall cross-section of any member be reduce ed. Transmission lines shall be fastened with clamps approved by Lessor and no tower bolts shall be removed and discarded or replaced without specific approval of Lessor in advance.

7. All work on antenna and transmission line installation and maintenance shall be performed by Lessee at its own expense without cost to Lessor and shall be done in such a manner as to not interfere with the operations of Lessor. If the Lessee is negligent in performing any work, Lessor shall have the work performed, and the Lessee will assume all costs.

8. Lessee shall indemnify and hold Lessor harmless of and from any and all liability, claims, and demands whatsoever made upon Lessor as a result of Lessee's attachments and equipment or of the negligence or other wrongdoing of any of its employees or of any subcontractor engaged by it, including all counsel fees and costs of litigation incurred as a result of the aforesaid.

9. This Agreement shall be for a term of three (3) years, commencing on June 1st, 016 and ending on June 1st, 2019. At the end of this period, this agreement shall automatically terminate, and Lessee shall surrender possession to Lessor and shall cause all equipment to be removed and any damage to the structures or property of the Lessor resulting from the removal to be repaired to the satisfaction of Lessor. This agreement shall not extend or renew, and upon any failure of the parties to execute a new agreement creating a new term following termination of this Agreement, then any holding over by Lessor shall be deemed to not constitute any further or other tenancy or relationship, but shall be and constitute only a holding over following the termination of the term. No new tenancy or renewal or extension hereof shall come into existence unless specifically approved and agreed to by Lessor.

Upon failure of Lessee to surrender possession at the termination hereof, Lessee shall be responsible for, liable to and shall pay to Lessor damages for the period of holding over computed at the rate of double of the amount of the rent provided for herein, and in addition, shall pay and reimburse Lessor for any and all expense incurred in obtaining the possession or removing the equipment of Lessee, including reasonable attorney fees and costs.

10. Lessee shall provide City with a Certificate of Insurance which shall be in force and effect at all times during the term of this lease, establishing that Lessee has a comprehensive general liability insurance coverage with a combined single limit of one million dollars (\$1,000,000.00) for bodily injury and property damage. Said insurance shall contain the following endorsement:

"The City of Rock Falls, Illinois shall receive thirty (30) days

Prior written notice of any cancellation or non-renewal of this

Insurance policy"

11. This Agreement shall not be assigned by Lessee without Lessor's written consent.

12. All notices required hereunder shall be deemed given when personally delivered or when deposited in the United States mail, first class, postage prepaid, if to the City of Rock Falls at 603 West 10th Street, Rock Falls, Illinois 61071, and if Lectronics, Inc. at 522

North 2nd Street, Clinton, Iowa 52732, or such other address previously designated in writing to the party to whom the notice is to be given.

13. Failure or delay on the part of Lessor or Lessee to exercise any right, power, or privilege hereunder shall not operate as a waiver thereof.

14. This Agreement constitutes the entire and exclusive statement of the Agreement between the parties. No charge, modification or revision hereof shall be valid unless stated in writing and signed by each of the parties hereto.

15. The terms of this Agreement shall be governed and interpreted by the laws of the state in which this Agreement is to be performed. If any provision or provisions of this Agreement are found by any court or governmental agency having jurisdiction to be invalid, the parties agree to renegotiate the particular provision or provisions such that they will be permissible under the applicable laws or administrative rules and regulations.

IN WITNESS WHEREOF, the parties here to have caused their representative signatures to be affixed this 17 day of July, 2016

City of Rock Falls, Illinois

Electronics, Inc.

By: _____

By: Matt T. Pelt

Title: _____

Title: TREASURER

Tower Space Lease

AGREEMENT by and between the City of Rock Falls, Whiteside County Illinois ("Lessor") and Lectronics, Inc. an Iowa Corporation ("Lessee").

WHEREAS, Lessee desires the use of said tower for placement of certain of its antennas and grounds thereunder for placement of certain base transmitters;

NOW, THEREFORE, in consideration of the mutual promises below, parties hereto agree as follows:

1. Lessor shall lease to Lessee space on said tower and grounds located at 2109 9th Avenue, Rock Falls, Illinois, for the purpose of installation and maintenance of antenna for radio communication. Lessee shall make use of said tower and grounds for no other purpose.
2. Lessee shall be solely responsible for obtaining and installing the said equipment. All equipment or other property attached to or otherwise brought onto the leased site shall at all times be personal property.
3. During the term of this Agreement, Lessor shall not permit any other similar radio service to erect an antenna on said tower nor permit any other radio antenna to be erected thereon using the same frequencies as Lessee's antennas or that would cause interference with Lessee's service.
4. During the period of this lease, Lessee shall pay a rental of \$300.00 per month in advance, payments being due and payable the fifteenth (15th) of each month beginning June 15, 2019. Payments shall be made to City of Rock Falls, 603 West 10th Street, Rock Falls, Illinois 61071. When and if a second antenna has been installed by the Lessee, said rental shall be increased to \$400.00 per month.
5. Lessee shall be liable to Lessor for any damage caused by the installation, removal, location, maintenance, or existence of said equipment. Prior to the installation or removal of the said equipment, Lessee shall give Lessor seven (7) days' notice so that the Lessor may have a representative on site to supervise. Lessor shall be reimbursed for the reasonable expense and time of its representative.
6. Lessee shall have full access to its installation at all times during the period of this agreement. All work performed by Lessee on or around Lessor's tower shall be done in a neat, safe, and workman like manner so as not to interfere with any other attachments of Lessor and so as not to endanger life and property and shall comply with all statutes and regulations governing safety at work sites. Lessee shall be obligated to follow all specifications provided by Lessor. No additional holes may be made in the tower structure, nor shall cross-section of any member be reduced. Transmission lines shall be fastened with clamps approved by Lessor and no tower bolts shall be removed and discarded or replaced without specific approval of Lessor in advance.

7. All work on antenna and transmission line installation and maintenance shall be performed by Lessee at its own expense without cost to Lessor and shall be done in such a manner as to not interfere with the operations of Lessor. If the Lessee is negligent in performing any work, Lessor shall have the work performed, and the Lessee will assume all costs.

8. Lessee shall indemnify and hold Lessor harmless of and from any and all liability, claims, and demands whatsoever made upon Lessor as a result of Lessee's attachments and equipment or of the negligence or other wrongdoing of any of its employees or of any subcontractor engaged by it, including all counsel fees and costs of litigation incurred as a result of the aforesaid.

9. This Agreement shall be for a term of three (3) years, commencing on June 1st, 2016 and ending on June 1st, 2019. At the end of this period, this agreement shall automatically terminate, and Lessee shall surrender possession to Lessor and shall cause all equipment to be removed and any damage to the structures or property of the Lessor resulting from the removal to be repaired to the satisfaction of Lessor. This agreement shall not extend or renew, and upon any failure of the parties to execute a new agreement creating a new term following termination of this Agreement, then any holding over by Lessor shall be deemed to not constitute any further or other tenancy or relationship, but shall be and constitute only a holding over following the termination of the term. No new tenancy or renewal or extension hereof shall come into existence unless specifically approved and agreed to by Lessor.

Upon failure of Lessee to surrender possession at the termination hereof, Lessee shall be responsible for, liable to and shall pay to Lessor damages for the period of holding over computed at the rate of double of the amount of the rent provided for herein, and in addition, shall pay and reimburse Lessor for any and all expense incurred in obtaining the possession or removing the equipment of Lessee, including reasonable attorney fees and costs.

10. Lessee shall provide City with a Certificate of Insurance which shall be in force and effect at all times during the term of this lease, establishing that Lessee has a comprehensive general liability insurance coverage with a combined single limit of one million dollars (\$1,000,000.00) for bodily injury and property damage. Said insurance shall contain the following endorsement:

"The City of Rock Falls, Illinois shall receive thirty (30) days

Prior written notice of any cancellation or non-renewal of this

Insurance policy"

11. This Agreement shall not be assigned by Lessee without Lessor's written consent.

12. All notices required hereunder shall be deemed given when personally delivered or when deposited in the United States mail, first class, postage prepaid, if to the City of Rock Falls at 603 West 10th Street, Rock Falls, Illinois 61071, and if Lectronics, Inc. at 522

North 2nd Street, Clinton, Iowa 52732, or such other address previously designated in writing to the party to whom the notice is to be given.

13. Failure or delay on the part of Lessor or Lessee to exercise any right, power, or privilege hereunder shall not operate as a waiver thereof.

14. This Agreement constitutes the entire and exclusive statement of the Agreement between the parties. No change, modification or revision hereof shall be valid unless stated in writing and signed by each of the parties hereto.

15. The terms of this Agreement shall be governed and interpreted by the laws of the state in which this Agreement is to be performed. If any provision or provisions of this Agreement are found by any court or governmental agency having jurisdiction to be invalid, the parties agree to renegotiate the particular provision or provisions such that they will be permissible under the applicable laws or administrative rules and regulations.

IN WITNESS WHEREOF, the parties here to have caused their representative signatures to be affixed this 17 day of JULY, 2016

City of Rock Falls, Illinois

Electronics, Inc.

By: _____

By: Mark T. Bell

Title: _____

Title: TREASURER

ORDINANCE NO. 2018-2400

AN ORDINANCE DECLARING RESTRICTIVE COVENANTS AND CONDITIONS AFFECTING AND APPLYING TO THE LOTS AND LANDS OF THE CITY OF ROCK FALLS, ILLINOIS, LOCATED WITHIN THE SCHMITT ADDITION REDEVELOPMENT SITE

WHEREAS, the City of Rock Falls, acting by and through its City Council being duly vested with authority to acquire, own, develop and sell real estate for commercial and residential purposes, has determined that it is in the best interest of the City that restrictive covenants and conditions of use, as set forth on the declaration attached hereto and labeled “Exhibit 1”, which is incorporated herein, be adopted to apply to and govern the uses and development of the lands owned by the City designated generally as the “Schmitt Addition”, said lands described within the attached Exhibit 1; and,

WHEREAS, the said restrictive covenants and conditions are adopted for the purpose of establishment and maintenance of character and quality of usage of the lots and lands located within the Schmitt Addition Redevelopment Site, and,

WHEREAS, the City Council finds and determines it is in the best interest of the City of Rock Falls to ensure the continued maintenance of character and quality of usage of the lots and lands located within the Schmitt Addition Redevelopment Site by adopting the covenants, conditions and restrictions herein;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Rock Falls, that:

Section 1. The statements contained in the preamble paragraphs to this ordinance are declared and found to be true and accurate and are incorporated herein.

Section 2. The Declaration of Restrictive Covenants and Conditions Affecting and Applying to the Lots and Lands of the City of Rock Fall’s Illinois, Located Within the Schmitt Addition Redevelopment Site, attached hereto labeled as Exhibit 1, is hereby adopted by the City of Rock Falls, Whiteside County, Illinois.

Section 3. The City Clerk is hereby directed to forthwith record an original signed Declaration of Restrictive Covenants and Conditions with the Recorder of Whiteside County, Illinois.

Section 4. All prior ordinances in conflict herewith are hereby repealed.

Section 5. If any section, paragraph, sentence, clause or other portion of this ordinance is held or deemed to be unconstitutional or invalid, then such holding or finding of unconstitutionality or invalidity shall not affect the validity of the remaining provisions of this ordinance.

Section 6. This ordinance shall be effective upon its adoption, passage and publication in pamphlet form as provided by law.

Passed this ____ day of _____, 2018.

Mayor William B. Wescott

ATTEST:

City Clerk

Alderman Voting Aye

Alderman Voting Nay

**DECLARATION OF RESTRICTIVE
COVENANTS AND CONDITIONS
AFFECTING AND APPLYING TO THE LOTS
AND LANDS OF THE CITY OF ROCK FALLS,
ILLINOIS, LOCATED WITHIN THE Schmitt
Addition REDEVELOPMENT SITE:**

Parcel 1703100006

Part of the Northwest Quarter of Section 3, Township 20 North, Range 7 East of the Fourth Principal Meridian, Whiteside County, State of Illinois, described as follows:

Commencing at the northwest corner of the Northwest Quarter of said Section 3; thence South 0 Degrees 00 minutes 40 seconds West, a distance of 1315.61 feet on the west line of said Northwest Quarter, to the south line of the North Half of the North Half of said Northwest Quarter; thence North 89 degrees 55 minutes 30 seconds East, a distance of 199.08 feet on the south line of the North Half of the North Half of said Northwest Quarter to the east right of way line of a public highway designated SB1 Route 88 (IL Route 40), and the point of beginning; thence North 0 degree 20 minutes 50 seconds West, a distance of 165.04 feet (165') on said right of way line; thence North 0 degree 41 minutes 27 seconds West, a distance of 432.90 feet (439.16') on said right of way line; thence South 89 degrees 34 minutes 58 seconds West, a distance of 69.00 feet on said right of way line; thence North 1 degree 51 minutes 58 seconds East, a distance of 507.78 feet (510.32') on said right of way line, to the south line of the premises conveyed to Commonwealth Edison; thence North 88 degrees 09 minutes 22 seconds East, a distance of 611.81 feet on the south line of said premises; thence North 89 degrees 35 minutes 58 seconds East, a distance of 577.63 feet on the south line of said premises; thence South 0 degrees 24 minutes 02 seconds East, a distance of 189 degrees 55 minutes 30 seconds West, a distance of 1138.31 feet on the south line of the North Half of the North Half of said Northwest Quarter, to the Point of Beginning, containing 30.00 acres, more or less.

Return to:

Rock Falls City Clerk

603 West 10th Street

Rock Falls, IL 61071

ROCK FALLS Schmitt Addition REDEVELOPMENT SITE

Restrictive Covenants

The City of Rock Falls, Illinois, a Municipal Corporation, acting by and through its City Council (referred to herein as "City Council") being duly vested with authority to acquire, own, develop and sell real estate for commercial and residential purposes, does hereby adopt the following as covenants, conditions and restrictions to be applicable to, binding upon and to be covenants to run with the land and be binding upon all successors in interest to any of the lots, lands, tenements and hereditaments of the real property of the City of Rock Falls to which these covenants, conditions and restrictions ("Covenants") are made applicable. Said Covenants are adopted for the purpose of establishment and maintenance of character and quality of usage of the lots and lands described herein.

1. Land described.

The following is the description of the lots and lands to which these Covenants are appended and to which these Covenants are made applicable:

Parcel 1703100006

Part of the Northwest Quarter of Section 3, Township 20 North, Range 7 East of the Fourth Principal Meridian, Whiteside County, State of Illinois, described as follows:

Commencing at the northwest corner of the Northwest Quarter of said Section 3; thence South 0 Degrees 00 minutes 40 seconds West, a distance of 1315.61 feet on the west line of said Northwest Quarter, to the south line of the North Half of the North Half of said Northwest Quarter; thence North 89 degrees 55 minutes 30 seconds East, a distance of 199.08 feet on the south line of the North Half of the North Half of said Northwest Quarter to the east right of way line of a public highway designated SB1 Route 88 (IL Route 40), and the point of beginning; thence North 0 degree 20 minutes 50 seconds West, a distance of 165.04 feet (165') on said right of way line; thence North 0 degree 41 minutes 27 seconds West, a distance of 432.90 feet (439.16') on said right of way line; thence South 89 degrees 34 minutes 58 seconds West, a distance of 69.00 feet on said right of way line; thence North 1 degree 51 minutes 58 seconds East, a distance of 507.78 feet (510.32') on said right of way line, to the south line of the premises conveyed to Commonwealth Edison; thence North 88 degrees 09 minutes 22 seconds East, a distance of 611.81 feet on the south line of said premises; thence North 89 degrees 35 minutes 58 seconds East, a distance of 577.63 feet on the south line of said premises; thence South 0 degrees 24 minutes 02 seconds East, a distance of 189 degrees 55 minutes 30 seconds West, a distance of 1138.31 feet on the south line of the North Half of the North Half of said Northwest Quarter, to the Point of Beginning, containing 30.00 acres, more or less.

Said lots and lands are generally referred to herein as the "Schmitt Addition" and said reference, being singular, shall apply to each lot or parcel of real estate which may be subsequently separated or partitioned from all of that real estate described within this paragraph, and use of the words Schmitt Addition shall refer to each separate lot or parcel which may be subsequently set apart from or conveyed to a separate grantee.

1. Use

A. Approved Uses. Subject to applicable zoning regulations, specific prohibited uses as set forth in section B below, uses which are approved for the Schmitt Addition include all of those listed in section 34-307 of the Rock Falls code of ordinances permitted uses in the B-2 and similar uses that, in the opinion of the

Zoning Board of Appeals, would be compatible with the listed permitted uses and the quality, character, appearance and function of the Schmitt Addition as a whole.

B. Prohibited Uses. No use of the Schmitt Addition shall be permitted which is offensive by reason of odor, fumes, dust, smoke, noise, vibration or other pollution, nor shall any use be permitted which is hazardous by reason of excessive danger of fire or explosion, which may be injurious to any property or persons on or about the Schmitt Addition, and any dust, smoke or other airborne pollutants visible outside of the walls of the premises from which it emanates shall be considered offensive. Any noise generated from an indoor use shall be considered offensive if audible outside of the walls of the premises from which it emanates.

Uses that are prohibited include the following:

1. adult uses as enumerated in Sec. 34-480 of the Rock Falls Code of Ordinances
2. agriculture and livestock
3. assembly, fabrication and manufacturing
4. billboards
5. churches and other religious institutions
6. elementary, middle and high schools
7. day labor offices
8. detached single family homes
9. flea markets and pawn shops
10. for-profit blood or plasma donation centers
11. funeral homes and mortuaries
12. gold buyers
13. junkyards and auto wrecking yards
14. kennels
15. mini-storage, warehouses and freight terminals
16. outdoor storage of equipment or merchandise
17. mobile home and mobile home parks
18. pay day loan stores
19. shooting ranges
20. waste treatment and transfer facilities and composting and recycling facilities
21. similar uses that, in the opinion of the Zoning Board of Appeals, would be incompatible with the permitted uses and the quality, character, appearance and function of the Schmitt Addition as a whole

2. General provisions.

A. Purpose.

- (1) To improve the overall quality of nonresidential development in Rock Falls;
- (2) To ensure compatibility of nonresidential development with surrounding land uses;
- (3) To enhance site design of nonresidential development in the city, enhance pedestrian safety and walkability, and improve user-friendliness of the document and review process.

B. Applicability. The provisions of this section shall apply to the following types of developments:

- (1) Development of all projects in which the principal use is commercial, industrial, or institutional.
- (2) Any accessory use to one of the principal uses listed in [subsection] (a), including but not limited to lighting, accessory buildings over 144 square feet in floor area, telecommunications facilities, and exterior building alterations.
- (3) Any addition to an existing use listed in subsection (1) which existed as of October 2, 2018, that results in a total cumulative square foot expansion of 25 percent or more over the life of the development for any of the following:
 - (a) Building floor area;
 - (b) Outdoor storage area; or
 - (c) Parking lot area.

3. Process.

All projects shall be reviewed and approved by the building department and zoning committee.

A. Purpose. These guidelines and standards are intended to encourage an orderly and logical pattern of commercial development that is easily recognized by local residents, and that enhances the convenience and livability of Rock Falls. It is also the intent that these guidelines and standards encourage forethought and consideration of both a development's external relationships as well as its internal organization.

4. Preservation of natural features.

A. Purpose. To enhance local character; protect natural features' important functions, such as storm water management, air purification, and provision of shade; preserve and integrate natural features, including mature trees into new development.

- (1) Tree and vegetation preservation.
- (2) Tree survey/plan requirement. Developers shall submit an existing tree survey and preservation plan to show compliance with these guidelines and standards.
- (3) General guideline. Existing quality/specimen trees and vegetation should be preserved whenever possible to act as buffers between adjoining developments and as site amenities within the development.
- (4) Desirable trees. For purposes of this section, "significant" trees include the following:
 - (a) Deciduous trees with 12-inch minimum DBH.
 - (b) Evergreen trees 12 feet or more in height.

(c) Groups or stands of ten or more trees with a minimum DBH of six inches.

(d) Significant tree preservation and replacement standards.

(5) At least 50 percent of desirable trees shall be preserved or transplanted on site, to the maximum extent practicable.

(6) Desirable trees in appropriate locations, such as along drainages and along the perimeter of the site should be used to fulfill landscaping or buffering requirements.

(7) Tree replacement. If a significant tree or trees designated to be preserved is removed or substantially damaged during clearing, grading, or construction, the developer shall replace the removed or damaged tree or trees with a new tree or trees. Replacement trees shall be the same or similar species to the trees removed or damaged, or alternately a species native to Whiteside County and a minimum planting size of two and one-half inches diameter at breast height (DBH). Trees removed or damaged shall be replaced by the developer on a diameter inches for diameter inches basis.

(8) Desirable trees shall be protected during construction with the erection of barrier fencing.

(9) Grading shall be avoided within the root area or drip line of any existing preserved trees.

5. Land disturbance.

A. Intent. The natural rolling and vegetated topography is a key element in distinguishing Rock Falls and defining its character. Development should maintain natural site topography and minimize land disturbance. Extensive grading or unusual site improvements (e.g., large retaining walls) to force a design onto a property is strongly discouraged. Modifying the design of a commercial development to fit the site generally results in a reduced potential for environmental problems and an improved level of visual interest and variety.

B. Guidelines and standards.

(1) Prior approval of land disturbance. Where significant topographical issues are identified at a pre-application conference (for example, substantial differences in grade on site), the city may require the applicant to submit a preliminary grading plan. As applicable, no grading, excavation, or tree/vegetation removal shall occur on a site, whether to provide for a building site, for on-site utilities or services, or for any roads or driveways, before the city's approval of such preliminary grading plan.

(2) Natural topography. To the maximum extent feasible, the layout of commercial developments shall maintain natural site topography. Berms, channels, swales, and similar manmade changes to the landscape shall be designed and graded to be an integral part of the natural landscape and to provide a smooth transition in changes of slope.

(3) Maximum slope on graded or filled manmade slopes. The maximum slope of any manmade slope shall be 3:1, unless otherwise approved by the city.

(4) Site drainage patterns. Site drainage patterns shall be designed to prevent concentrated surface drainage from collecting on, and flowing across pedestrian paths, walks, and sidewalks. All site drainage shall comply with ARTICLE XVIII. - STORMWATER MANAGEMENT AND EROSION CONTROL ordinance in the City of Rock Falls Municipal Code.

6. Landscape and buffer regulations

A. General provisions.

(1) Purpose. Uniform landscape, screening, and tree preservation standards for development of property in the city and the review of plans to ensure that the city remains attractive, safe and comfortable.

(2) Applicability. Every development shall provide sufficient landscaping so that neighboring properties are shielded from detracting visual aspects, and the appearance and desirability of development contributes to the overall attractiveness and economic health of the city.

(3) Plan requirements.

(a) Landscape plan required. A landscape plan following the standards set forth in this section shall be required for all projects requiring building, site and operational (“BSO”) plan review. The landscape plan shall be prepared by a landscape architect, certified nursery professional, a reputable nursery or person with demonstrated experience. Landscaping on any existing or proposed street right-of-way shall comply with the requirements as set forth by the City of Rock Falls Building Inspector. Landscape plans shall be reviewed and approved as a part of the building site and operation plan procedures contained in section 6-152(b)(3).

(b) Content of landscape plan. All landscape plans shall include or have attached thereto the following information:

(i) North arrow, scale, date of plan and any subsequent revisions.

(ii) The location and dimensions of all existing and proposed buildings, structures, parking lots and driveways, roadways and rights-of-way, sidewalks, bicycle paths, signs, refuse disposal areas, fences, free standing electrical equipment, light fixtures, other surface utility structures, and other free standing structural features, recreational facilities, setbacks and easements. The landscape plan shall be drawn at a legible scale.

(iii) The location, quantity, size at planting, and both scientific and common names of all proposed plant materials.

(iv) Existing and proposed contours, including the location of all proposed berming, at a one foot contour interval. Also included shall be the location, extent and general elevations of all detention and retention areas and drainage ways.

(v) Specification of the type and boundaries of all proposed ground cover, including both scientific and common names of all proposed plant materials.

(vi) The designation, location, type, and size of all existing trees four inches and larger in diameter measured one foot above natural grade. Any trees to be removed should be clearly identified. Trees which will be used to meet landscape requirements shall also be indicated. If required for reasons of clarity, this information may be placed on an additional illustration. Where existing trees are grouped in a dense cluster, an overall tree mass may be used without a specific delineation of individual trees. If this technique is used, protected trees used to meet site landscape requirements must be tagged on-site and identified on the plan in tabular form.

(vii) Details of all fences and walls proposed to be constructed on the site.

(viii) Elevations, cross-sections and other site or construction details determined to be necessary by the building official.

(ix) The following notes shall be included on the face of all plans:

(x) Name and contact information of the property owner.

(xi) Name and contact information of the person/company who prepared the plan.

(4) Timing of landscape improvements.

(a) All required landscaping shall be installed prior to the issuance of a certificate of occupancy, unless otherwise approved by the building official.

(b) If weather conditions or other circumstances beyond the developer's control prevent installation of all or portions of the landscape materials and all other requirements for the issuance of a certificate of occupancy have been met, a letter of credit or a performance guarantee approved by the city attorney to insure completion of approved landscaping shall be filed with the city treasurer. The amount of the performance guarantee and the required completion date shall be based on a cost estimate submitted to the building inspector. If such a letter of credit or performance guarantee has already been submitted for the proposed landscape improvements, the city council may permit the developer to extend the performance guarantee for an additional specified period of time.

(5) Guarantee. All plantings shall be guaranteed to be in a healthy and flourishing condition for a period of 18 months.

B. The landscape installer must receive approval from the building inspector for any substitutions or alterations to the plan.

C. It is the responsibility of the landscape installer to have underground utilities located by JULIE prior to installation.

D. Landscape requirements. The following shall establish standards for the landscape improvements required to be installed as part of the development of new buildings, structures and uses of land governed by this section:

(1) Plantings Meeting Landscape Requirements of this chapter:

<u>Botanical Name</u>	<u>Common Name</u>	<u>Height/Spread</u>
*Acer freemanii	Freeman Maple	H 40-80 S 25-50
Acer nigrum	Black Maple	H 50-75 S 50
*Acer platanoide	Norway Maple	H 40-50 S 35-40
*Acer saccharium	Sugar Maple	H 50-75 S 50
*Acer Tataricum	Tartarian Maple	H 15-20 S 15-20
*Amelanchier	Serviceberry	H 25-30 S 25-30
Betula alleghaniensis	Yellow Birch	H 50-75 S 35-50
Betula populolia	Whitespire Birch	H 20-40 S 10-20
Carpinus caroliniana	Musclewood	H 25-30 S 25-30
Celtis occidentalis	Hackberry	H 60-75 S 40-60
Cercis Canadensis	Eastern Redbud	H 20-30 S 25-35
Cladrastis kentukea	American Yellowwood	H 30-50 S 40-55
Cornus alternifolia	Pagoda Dogwood	H 10-15 S 15-20

*Crataegus	Hawthorn	H 20-30 S 20-30
Ginkgo biloba (male only)	Ginkgo	H 40-80 S 30-40
*Gleditsia tricanthos	Honeylocust	H 30-60 S 30-45
Gymnocladus dioica	Kentucky Coffeetree	H 50-60 S 50-60
*Magnolia	Magnolia	H 20-30 S 15-35
*Malus	Crabapple	H 15-30 S 15-30
Ostrya virginiana	Ironwood	H 30 S 20
Prunus maacki	Amur Chokecherry	H 20-30 S 20-30
Pyrus calleryana	Callery Pear	H 30-50 S 20-35
Quercus bicolor	Swamp White Oak	H 50-60 S 50-60
Quercus bicolor x macrocarpa	Swamp White x Bur Oak	H 75 S 70
Quercus macrocarpa	Bur Oak	H 70-90 S 60-80
Quercus muehlenbergii	Chinkapin Oak	H 45-80 S 50-80
Quercus robur	English Oak	H 40-60 S 40-60
Quercus alba	White Oak	H 50-80 S 40-70
Syringa reticulata	Japanese Tree Lilac	H 20 S 15
*Tilia	Linden	H 50-70 S 35-50
*Ulmus	Elm Hybrid	H 50-70 S 45-60

Shrubs

- *Amelanchier Serviceberry
- *Aronia Chokeberry
- *Berberis Barberry
- *Buddleia Butterfly Bush
- *Cornus Dogwood
- *Corylus Hazelnut
- *Cotinus Smokebush
- *Cotoneaster Cotoneaster
- *Euonymus alatus Burning Bush
- *Forsythia Forsythia
- *Hydrangea Hydrangea
- *Hypericum St. Johnswort
- *Philadelphus Mockorange
- *Physocarpus Ninebark
- *Potentilla Potentilla
- *Rhus Sumac
- *Ribes Alpine Current
- *Rosa Rose
- *Salix Willow
- *Sambucus Elderberry
- *Spirea Spirea
- *Syringa Lilac
- *Viburnum Viburnum
- *Weigelia Weigelia
- *Yucca Yucca

Evergreens

- Abies concolor Concolor Fir H 30-50 S 15-30
- Abies balsamea Balsam Fir H 45-75 S 20-25
- Abies fraseri Fraser Fir H 30-40 S 20-25
- *Picea Spruce H 40-60 S 15-40
- *Pinus Pine H 50-80 S 20-40

*Thuja Arborvitae H 10-60 S 6-30
Tsuga canadensis Canadian Hemlock H 40-70 S 25-35
Larix decidua Common Larch H 70-75 S 25-30
Larix laricina Tamarack H 40-80 S 15-30

Evergreen Shrubs

*Juniperus Juniper
*Taxus Yew
Microbiota Russian Cypress
*Thuja Arborvitae (Globe & Compact)

Evergreen Broad Leaf

*Azalea Azalea
*Buxus Boxwood
*Euonymus Euonymus
Ilex crenata Holly
Ilex verticillata Winterberry
*Rhododendron Rhododendron

** Indicates many cultivars in each species.*

(2) Types of landscaped areas. This article regulates landscaping of four distinct areas of a parcel as follows:

- (a) Interior parkway;
- (b) Perimeter landscape area;
- (c) Foundation area;
- (d) Parking lots.

(3) Landscaped criteria.

(a) Interior parkway landscaping. An interior parkway shall be provided as identified in the Table 5.1. For corner lots, interior parkways shall be provided along both streets.

Figure 5.4: Landscaping Areas on a Typical Non-Residential Lot

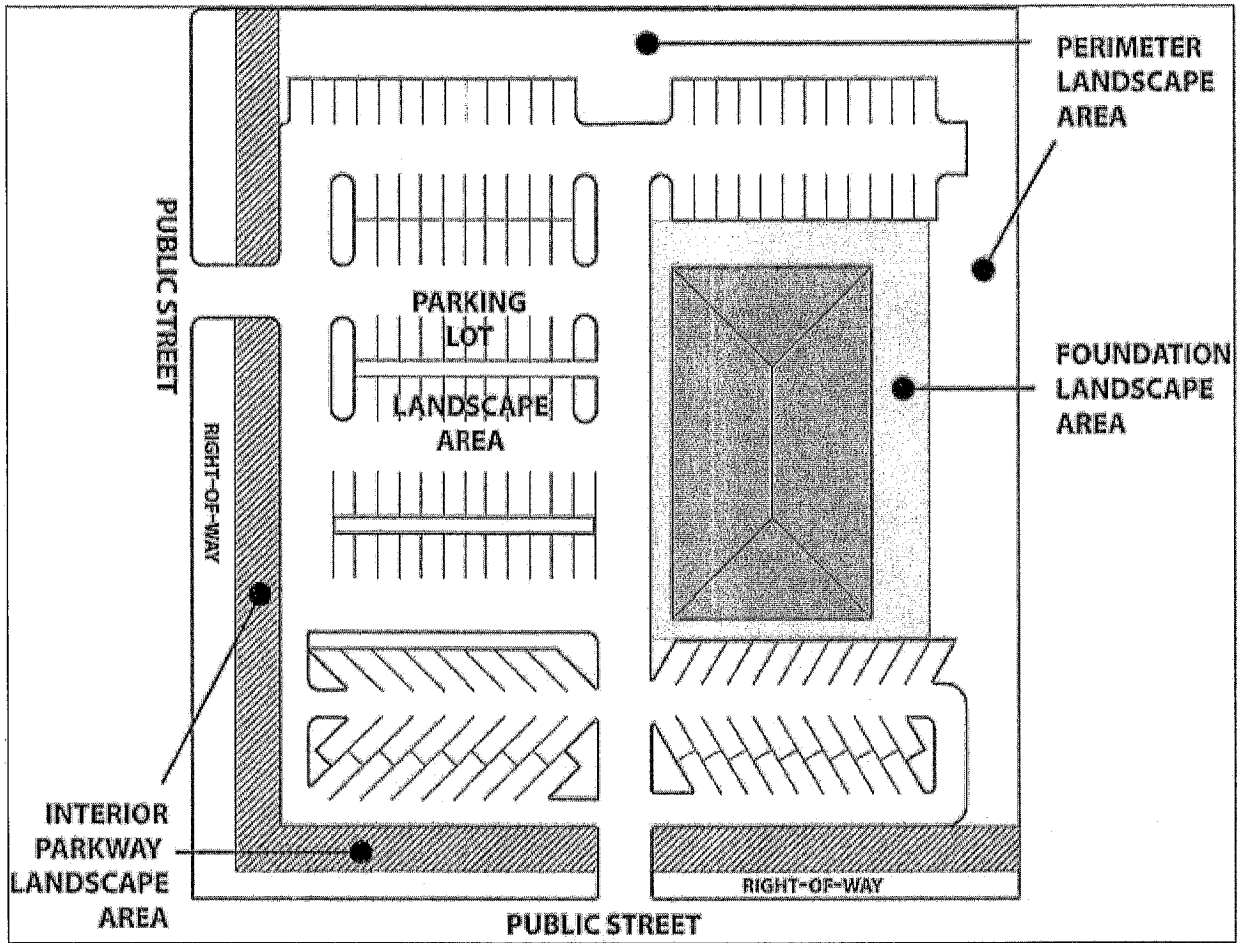


Table 5.1: Interior Parkway Depth

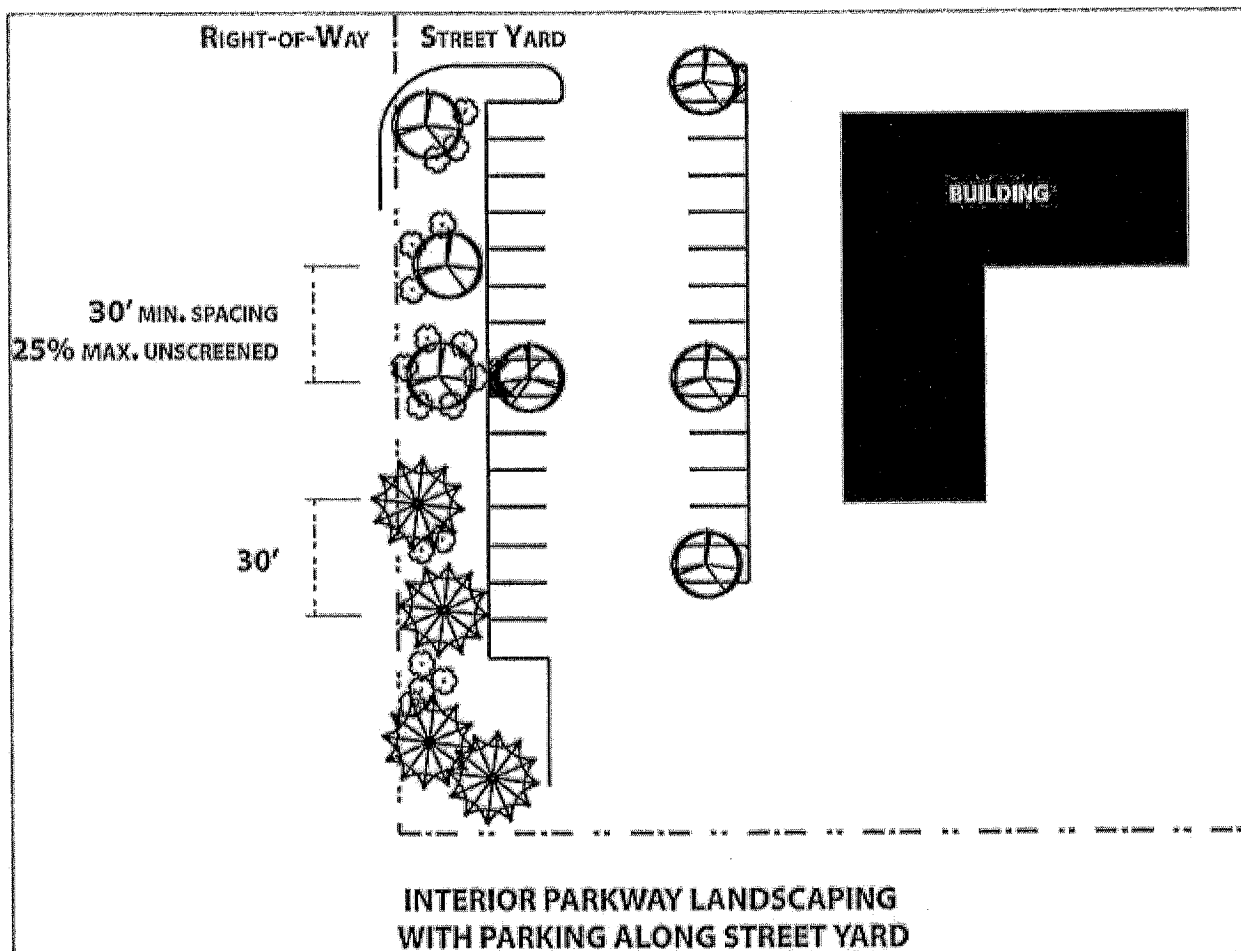
B-1 15'

Except for access drives, interior parkways shall be landscaped as follows:

(1) Parking along street yard. One tree per 40 feet of street frontage shall be provided. At least 50 percent of the required trees shall be appropriately sized or evergreen trees as identified in the recommended trees, shrubs, evergreen, and ground cover list outlined in section 5 (C) Species may vary depending on design intent.

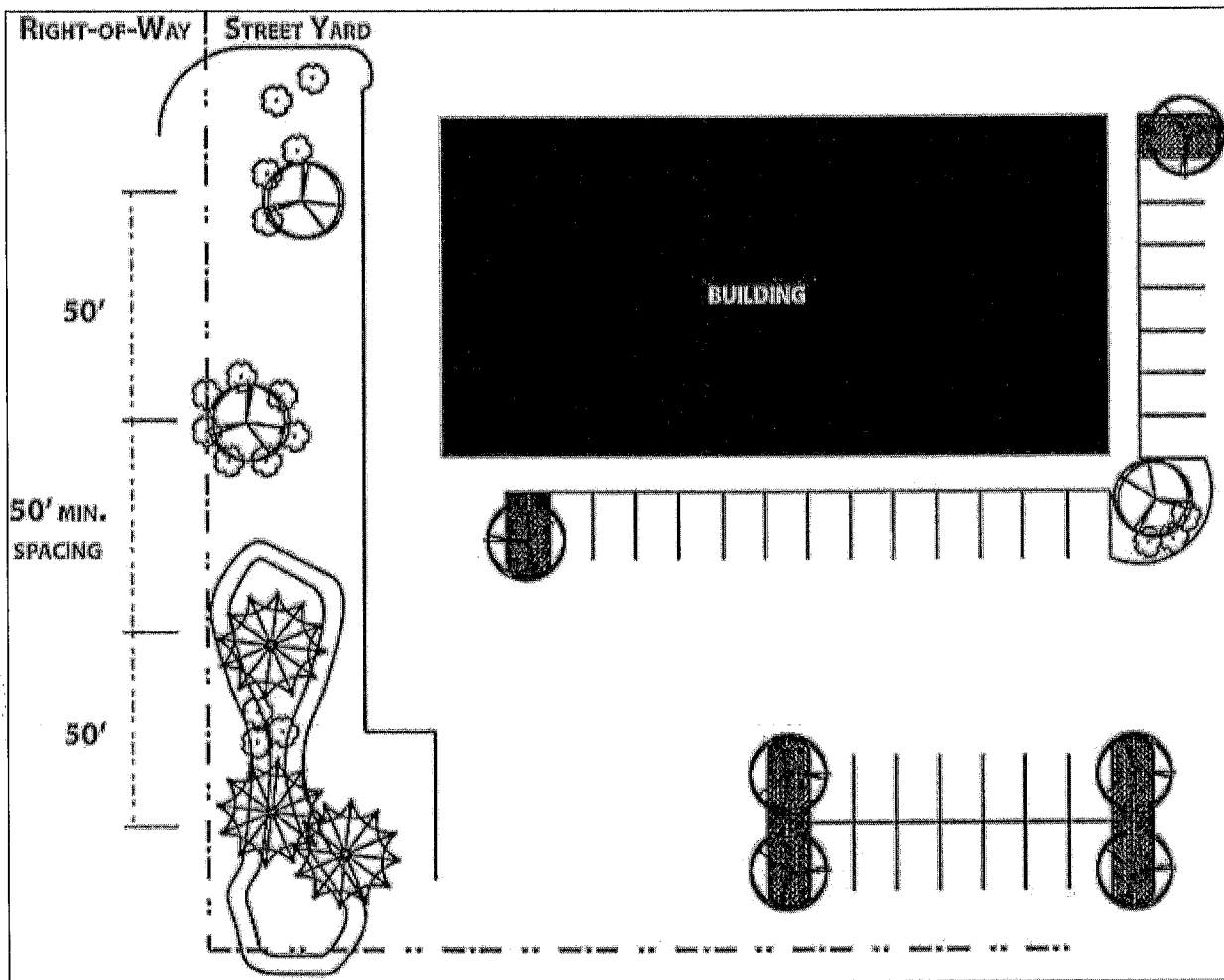
Shrub planting shall be a minimum of three feet in height and be located within the interior parkway to screen the parking area from the roadway. At intersections of access drives and streets, vision clearance triangles shall be maintained to allow unobstructed visibility between two and one-half feet and eight feet above grade. A maximum of 25 percent (measured at maturity) of the parking lot frontage may be left unscreened to permit design flexibility. The remainder of the interior parkway shall be planted with approved ground cover, flowers, or grass.

Figure 5.5: Interior Parkway Landscaping with Parking along a Street Yard



(1) No parking located along street yard. One tree per 50 feet of street frontage shall be provided. At least 50 percent of the required trees shall be appropriately sized or evergreen trees as identified in the recommended trees, shrubs, evergreen, and ground cover list. Tree type may vary depending on design intent. The remainder of the interior parkway shall be planted with shrubs, ground cover, flowers, or grass

Figure 5.6: Interior Parkway Landscaping with No Parking along Street Yard



(1) For corner lots, interior parkways shall be provided along both streets.

(a) Perimeter landscape area.

(i) The perimeter area shall be equal to the required zoning district side and rear yard setbacks for the property.

(ii) Within the perimeter areas, berming, trees, and shrubs shall be provided to create a visual separation between properties. Appropriate berm height will depend on the width of the landscape area, with no berm having a slope greater than 3:1. A minimum of 40 percent of the length of the perimeter shall be planted with shrubs that will reach a height of at least four feet. Trees shall be provided in a quantity equal to one tree per 75 feet of perimeter length. Tree spacing shall be determined by tree species and design considerations. Up to 50 percent of the required trees in this screening alternative may be small deciduous trees.

(b) Buffer yard screening.

(i) Screening between adjacent residential and non-residential uses. To provide a substantial buffer between residential and non-residential uses, one of the following three buffering alternatives shall be required. The property owner may select the buffering alternative which best meets the configuration of the site and the proposed development. All fences shall comply with ARTICLE XII. - FENCES

7. Site layout/development pattern.

(1) Intent. Site layout and building orientation often define the focus of activity that occurs at the front door or along the street. These standards are intended to use site planning and building orientation in order to:

- (a) Create a sense of place for users and passers-by.
- (b) Ensure that buildings relate appropriately to surrounding developments and streets and create a cohesive visual identity and attractive street scene.
- (c) Ensure that site circulation promotes contiguous pedestrian and vehicle circulation patterns.
- (d) Ensure that parking areas provide safe and efficient access to buildings.
- (e) Create a unique and identifiable image for development in Rock Falls.

(2) Location of parking.

(a) In order to reduce the scale of the paved surfaces and to shorten the walking distance between the parked car and the building, off-street parking for all non-residential developments shall be located according to one of the following options:

- (i) A minimum of 30 percent of the off-street surface parking spaces provided for all uses contained in the development's primary building shall be located other than between the front façade of the primary building and the primary abutting street (e.g., to the rear or side of the primary building); or
- (ii) More than 70 percent of the off-street surface parking spaces provided for all uses contained in the development's primary building may be located between the front façade of the primary building(s) and the primary abutting street, provided the amount of interior and perimeter parking lot landscaping required is increased by 50 percent.

(3) Multiple-building developments.

(a) Applicability. When there is more than one building in a commercial development, the development shall comply with the following standards, except that multiple-building developments located at the intersection of two thoroughfare streets shall comply instead with the standards stated in section (5) site layout and building orientation at two intersecting thoroughfare streets.

(b) Site layout and building orientation. All primary and pad site buildings shall be arranged and grouped so that their primary orientation complements adjacent development and:

- (i) Avoids linear, "strip commercial" development patterns.
- (ii) Frames the corner of an adjacent street intersection.

(iii) Frames and encloses a "main street" pedestrian and/or vehicle access corridor within the development site.

(iv) Frames and encloses parking areas, public spaces, or other site amenities.

(4) Alternatives. An applicant may submit an alternative development pattern, provided such pattern achieves the intent of the above standards and this section. Strictly linear or "strip commercial" development patterns shall be avoided.

8. Single-building developments.

A. Applicability. Unless part of a larger planned development or commercial center, when there is only one building in a proposed commercial development, the development shall comply with the following standards, except that single-building developments located at the intersection of two thoroughfare streets shall comply instead with the standards stated in section 5 of this chapter, site layout and building orientation at two intersecting thoroughfare streets.

B. Single-tenant building. Unless part of a larger planned development or commercial center, when there is only one building in a proposed commercial development that will be occupied by a single tenant, such building shall be oriented toward the primary abutting street and shall otherwise comply with section 2 of this chapter, location of parking. Deep setbacks behind large expanses of parking areas or vacant land shall be avoided.

C. Multi-tenant building. Unless part of a larger planned development or commercial center, when there is only one building in a proposed commercial development that will be occupied by multiple tenants, at least 50 percent of the building's "active" wall shall be oriented toward the primary abutting street and shall otherwise comply with section 2 of this chapter, location of parking. Deep setbacks behind large expanses of parking areas or vacant land should be avoided.

D. Site layout and building orientation at two intersecting thoroughfare streets.

(1) Intent. Major intersections of commercial activity in Rock Falls need special attention so that all four corners are linked and function as a whole, and so that a sense of place and "arrival" unique to Rock Falls is created.

(2) Applicability. All new office, and commercial developments located at the intersection of two thoroughfare (arterial) streets shall comply with this subsection's site layout and building orientation standards.

(3) Site layout and building orientation. To the maximum extent practicable, within each intersection quadrant, primary buildings and/or pad site buildings shall be arranged to orient to the thoroughfare streets and to frame the corner at the intersection of the two thoroughfares. Deep building setbacks behind large expanses of parking areas or vacant land shall be avoided.

(4) Focal point required. On each of the four corners of a thoroughfare/ thoroughfare street intersection, developments shall provide a "focal point" within a 200-foot radius from the intersection of the centerlines of the two thoroughfare streets. A "focal point" shall be visible from the intersecting thoroughfare streets and may be either:

(a) A distinctively-designed building, which may include a pad site building, preferably with a vertical element.

(b) An architectural feature that is a minimum of 15 feet tall and a maximum 25 feet tall (e.g., a clock tower, spire, or interesting roof form).

(c) Public art or sculpture.

(d) Fountains or other water feature.

(e) Public plazas or other open space.

(f) Landscape feature.

9. Pad/out lot sites.

A. Intent. The siting and design of smaller retail stores, commonly referred to as "pads" or "outlots," can create a more inviting appearance in a larger development by visibly reducing the project's scale and by expanding the range of activities and businesses found within a single development. The location, orientation of the entry, and architecture of pad site buildings also provide opportunities to frame entries into larger developments and contribute to the development's visual interest by placing storefront spaces closer to the street and creating a street scene. Accordingly, pad site structures shall be compatible with the main buildings on a commercial site. The layout of pad site buildings shall relate coherently to the public street and surroundings (outward) as well as to the main center (inward), and specific siting decisions shall further the general intent of creating a "sense of place," focal points, site amenities, and arrival into the commercial center.

B. Design guidelines and standards.

(1) General guideline. The number, location, and design of independent pad sites shall reinforce, rather than obscure, the identity and function of a commercial development.

(2) Clustering of pad sites. To the maximum extent practicable, pad sites shall be clustered together to define street edges and entry points or to enclose and create interesting places between buildings. Even dispersal of pad sites in a widely-spaced pattern within the development, even if along the street edge(s), is discouraged. Placement of pad sites shall be consistent with the requirements for overall development pattern and site layout.

(3) Spaces between adjacent pad sites. Wherever practicable, spaces between adjacent pad site buildings should be improved to provide small pockets (preferably heavily-landscaped) of customer parking, pedestrian connections, small-scale project amenities, or focal points. Examples include, without limitation:

(a) A landscaped pedestrian walkway linking customer entrances between two or more pad site buildings.

(b) A public seating or outdoor eating area.

(c) An area landscaped with a variety of living materials emphasizing four-season colors, textures, and varieties.

C. Sculptures or fountains.

(1) Building orientation on pad sites. The primary façade of a building located on a pad site, typically the façade containing the primary customer entrance, may be oriented in a variety of ways, including, without limitation, toward the primary access street, toward an internal street, framing a primary entrance to the development, toward the side (especially when that side faces another pad site building), or toward the interior of the development.

(2) Pad site building design.

D. Pad site buildings shall incorporate the same materials and colors as those on the primary commercial building(s) in the development or center.

E. Pad site entrances are appropriate locations to express individual building character or identity. Customer entrances shall be emphasized through incorporation of a building recess, projection, canopy, or similar design element.

10. Site amenities.

A. Intent. Site amenities and pedestrian-scale features (e.g., outdoor plazas, street furniture, playgrounds, statuary, and sidewalk cafes) in commercial developments offer attractive spaces for customer and visitor interaction and create an inviting image for both customers and employees. The use of site amenities can also provide pedestrian spaces at the entry to buildings, can break up expanses of parking, enhance the overall development quality, and contribute to the character of an area.

B. Design guidelines and standards.

C. General guideline. Site amenities and gathering places can vary widely in size, in type, and in degree of amenity. Buildings, trees, walls, topography, and other site features within a commercial development should be oriented and arranged to enclose such gathering places and lend a human scale. Permitted site amenities.

(1) Patio or plaza with seating area.

(2) Mini-parks, squares, or greens.

(3) Customer walkways or pass-throughs containing window displays.

(4) Water feature.

(5) Clock tower.

(6) Public art.

(7) Any other similar, deliberately shaped area and/or focal feature that, in the city's judgment, adequately enhances such development and serves as a gathering place.

D. Site amenities as focal points. A site amenity may qualify as a focal point required under subsection C(5), site layout and building orientation at two intersecting thoroughfare streets, provided the site amenity meets all applicable requirements for focal points stated in subsection C(5)(d).

11. Lighting.

All lighting shall comply with the regulations outlined in the design guidelines.

The purpose of this article is to indicate the requirements for access, visibility, off-street parking, off-street loading, exterior storage, exterior lighting, vibration, noise, air pollution, odors, electromagnetic radiation, glare and heat, fire and explosion, toxic and noxious materials, waste materials, drainage, exterior construction materials, and hazardous materials for all development occurring within the jurisdiction of this chapter.

A. Applicability. All public and private outdoor lighting installed in the City of Rock Falls shall be in conformance with the requirements set forth in this section.

B. General design factors:

(1) Style. The style of the light and light standard shall be consistent with the architectural style of the principal building.

(2) Locations. No exterior light fixture may be located within three feet of a property line.

(3) Base. The base for all lighting fixtures shall be no greater than six inches as measured from grade. Lighting fixtures shall be located inside landscape islands or behind curb lines and pavement edges for protection.

(4) Fixtures. All off-street lighting fixtures shall be 90-degree down-cast, cutoff fixtures. Drop-lens fixtures are prohibited.

(5) Height. Fixture height shall be measured from grade to top of the fixture, including the base.

(a) Pathways, sidewalks, and trails shall be lighted with low level fixtures not to exceed 12 feet in pole height.

(b) The total height of all fixtures for non-residential developments shall not exceed the lesser of 20 feet or the ridge line of the principal structure.

(6) Lamps. Lamp-types and wattages shall not be restricted regardless of application. The site must comply with the lighting level standards and requirements as specific in [subsection] (C) below.

(7) Glare control. All lighting shall include glare controls and shall be shielded. Floodlighting is discouraged, and if used, shall be shielded to prevent disability glare for drivers or pedestrians.

(8) Building-mounted lighting. Building-mounted lighting may be used to highlight architectural features or illuminate primary customer or building entrances. General floodlighting or the neon outlining of building façades is not permitted.

(9) Canopy lighting.

(a) The maximum average maintained foot-candles under a canopy shall be 20 foot-candles. Areas outside the canopy shall be regulated by the standards in subsection (c) below.

(b) All canopy fixtures shall be recessed, incorporating a flat lens cover to shield against glare.

C. Lighting level standards and requirements:

(1) Lighting levels. Lighting shall be provided in accordance with the standards of the Illuminating Engineering Society of North America (IESNA) as follows for parking and pedestrian areas of all uses, with the exception of automotive sales establishments as specified in subsection (c)(2):

Table 6.1: IESNA Lighting Level Standards for Parking and Pedestrian

Areas of Activity	Description	Foot-Candle Levels
Feature display area	The first row of vehicles adjacent to a major/minor arterial, including the area in front of the vehicle up to the property line and behind the vehicle up to the merchandise area and/or the circulation area including drive aisles.	Maximum of 40 fc
Merchandise area	All other rows of vehicles on a lot used for general auto sales, including all areas surrounding the vehicle up to the defined circulation area including related drive aisles, including site entrances.	Maximum of 10 fc
Circulation area	Includes all portions of the lot dedicated to customer parking, employee parking, and inventory areas including related drive aisles.	Maximum of 10 fc
Security lighting Monday–Sunday	The average amount of light found on the entire site within each of the areas of activity, including the feature display area, merchandise area, and circulation area from 10:00 p.m. until sunrise.	Average of 10 fc

(2) Lighting for automotive sales establishments.

(a) Lighting shall be provided in accordance with the standards of the IESNA as follows for automotive dealerships:

Table 6.2: IESNA Lighting Standards for Automotive Sales Establishments

Areas of Activity	Description	Foot-Candle Levels
Feature display area	The first row of vehicles adjacent to a major/minor arterial, including the area in front of the vehicle up to the property line and behind the vehicle up to the merchandise area and/or the circulation area including drive aisles.	Maximum of 40 fc
Merchandise area	All other rows of vehicles on a lot used for general auto sales, including all areas surrounding the vehicle up to the defined circulation area including related drive aisles, including site entrances.	Maximum of 10 fc
Circulation area	Includes all portions of the lot dedicated to customer parking, employee parking, and inventory areas including related drive aisles.	Maximum of 10 fc
Security Lighting Monday—Sunday	The average amount of light found on the entire site within each of the areas of activity, including the feature display area, merchandise area, and circulation area from 10:00 p.m. until sunrise.	Average of 10 fc

(b) Height of luminaire at automotive sales establishments. The maximum height of a luminaire at an automotive sales establishment shall comply with the regulations outlined in subsection (b)(5) above.

(c) Drop lenses are prohibited from use on all car dealership luminaries. All existing dealerships using drop lenses at the time of adoption date hereof, will be considered legal nonconforming for the sole purpose of its lens type. All new or replacement fixtures shall have flat lenses that shield glare.

(d) Light shields used by car dealerships to control light and reduce glare shall be made of non-reflective material.

(3) Lighting levels at property/right-of-way lines. Exterior lighting shall be designed at or below the following average maintained foot-candles at the property/right-of-way line:

Table 6.3: Lighting Levels at Property/Right-of-Way Lines

Location	Maximum Horizontal Foot-Candle (HFC) Level at Property/ROW Line
Residential to residential	0.10 hfc
Nonresidential to nonresidential	0.50 hfc
Nonresidential to residential	0.10 hfc
Intensity at adjoining right-of-way, including automotive sales establishments.	0.50 hfc

D. Measuring light levels:

(1) Metering equipment. Light levels of both direct and indirect light shall be measured in foot-candles with a direct reading, portable light meter. Readings shall be taken only after the cell has been exposed long enough to provide a constant reading.

(2) Method of measurement. Foot-candle horizontal measurements shall be taken at a height of three and one-half feet above grade.

(3) Measuring average foot-candle levels. In determining the average foot-candle standard, all foot-candle measurements shall be taken from the ground at ten-foot increments throughout the areas of activity.

E. Exceptions. The following are exempt from the lighting requirements of this section, except that the director of community services may take steps to eliminate the impact of the exempted items when deemed necessary to protect the health, safety and welfare of the public:

(1) Lighting fixtures and standards required by the Federal Communications Commission, Federal Aviation Administration, Federal and State Occupational Safety and Health Administrations, or other federal or state agencies (to include streets, walkways, street lights, traffic signals and signage within public rights-of-way maintained by the city and/or IDOT).

(2) Lighting fixtures for public recreation and athletic facilities, including ball diamonds, playing fields, tennis courts, and other outdoor recreational facilities shall be exempted from the general standards of this section. Lighting for outdoor recreational facilities shall be shielded to minimize light and glare from spilling onto adjacent residential properties. The maximum permitted illumination at adjoining residential property lines shall be one foot-candle. The maximum permitted illumination at adjoining nonresidential property lines shall be two foot-candles. Lighting fixtures for private recreation and athletic facilities may be approved by special use.

(3) Illumination of flags of the United States, the State of Illinois, or a principal business or corporation provided such lighting does not exceed 100 watts and is focused primarily on the individual flag or flags.

(4) Temporary emergency lighting used by police, firefighters, and other emergency services, as well as all vehicular luminaires shall be exempt.

F. Nonconforming luminaires. Exterior lighting luminaires in existence on the effective date of this section shall be exempt from the standards of this section and shall be considered legally nonconforming. Such fixtures may be repaired and maintained. However, if any legal nonconforming luminaire is moved or damaged by any means to an extent that replacement is necessary, the luminaire, or replacement, shall comply with this section. At such time as 60 percent of the existing fixtures on-site are replaced, full compliance for all fixtures shall be required. For development activity involving improved property, all existing luminaires shall be required to comply with this section when the floor area of any building or structure, or parking areas, or any combination thereof, is increased by 40 percent or greater.

G. Exterior lighting plan required:

(1) A lighting plan shall be required any time exterior lighting is proposed, or modified, that is associated with a residential use of greater density than a one- or two-family dwelling or with any commercial, office, industrial or other use. The lighting plan shall be submitted with the site plan information as required in this chapter.

(2) The lighting plan shall include a site plan indicating: the location, height, type, design, orientation, anchorage, and wattage of all proposed of light fixtures; a photometric plan prepared by a lighting professional showing spot illumination levels at regularly spaced intervals on the lot and at all lot lines and average proposed illumination levels on the site; a summary table containing average foot-candles, minimum foot-candles, maximum foot-candles, uniformity ratio (average/minimum), catalog cuts of the proposed fixtures. The plan shall also contain a certification by the property owner or agent and the preparer of the plan that the exterior lighting depicted on the plan complies with the requirements of this article and the criteria of the Illuminating Engineering Society of North America (IESNA) recommendations for outdoor lighting. Once the plan is approved, the exterior lighting of the property shall conform to the plan.

12. Signage.

All signage shall comply with the regulations outlined in Chapter 24 of the Rock Falls Municipal Code.

13. Relationship to surrounding development.

A. Intent. To ensure convenient pedestrian and vehicle access and connections to adjacent uses whenever practicable; encourage architectural, land use, and open space transitions, such as reduced building mass next to residential uses, reduced intensity between commercial and residential uses, front-to-front building orientations, green spaces, and preserved natural features.

B. Connectivity between land uses.

C. Transitions between land uses.

D. Transitions shall be required in the following situations:

(1) Changes in use between adjoining properties, especially from commercial to residential.

(2) Changes in intensity of use between adjoining properties, such as from commercial centers to multi-family residential.

(3) Views, uses, or activities on the commercial development site that could be a nuisance for neighbors, such as commercial loading and service areas.

(4) Preferred techniques. When a transition is required, an applicant shall incorporate, to the maximum extent practicable, the architectural and green/open space transition techniques tools outlined below:

(5) Architectural transitions. To the maximum extent practicable, commercial development incorporate the following techniques to ensure compatibility with surrounding development, including adjacent residential development:

(a) Use similar building setback.

(b) Use similar building height.

(c) Use similar roof form.

(d) Mitigate the larger mass of commercial buildings with façade articulation.

E. Use front-to-front building orientations, especially with commercial uses that are pedestrian-intensive (e.g., restaurants, banks). Other building-to-building orientations may be utilized except that a back-to-front building orientation is not an acceptable transition tool.

F. Green/open space transitions. Commercial development may employ the following technique to provide transitions and ensure compatibility between the commercial development and surrounding development:

(1) Use small green spaces, courts, squares, parks, plazas, and similar spaces that can also function as community gathering places.

(2) Use existing natural features as transitions, including natural differences in topography (not retaining walls), streams, existing stands of trees, and similar features. When existing natural features are used as transitions, the city may still require that adequate pedestrian connections to adjacent land uses be accommodated.

(3) Landscaping and screening transitions. Where other transition tools are not possible, or where the city determines other transition tools by themselves do not create an adequate transition to, or buffer for, less intensive land uses, alternative plans may be considered by the Zoning Board of Appeals.

G. Vehicle connections with adjacent properties.

(1) Adjacent non-residential uses.

(a) To the maximum extent feasible, connections between adjacent nonresidential development parcels shall be provided by constructing a logical array of access points continuous to the adjacent development.

(b) To the maximum extent feasible, common or shared service and delivery access shall be provided between adjacent parcels and/or buildings.

(c) The city may require access easements to ensure that pad sites or adjacent parcels have adequate access if ownership patterns change.

14. Emergency access.

All commercial developments shall comply with the currently-adopted building code provisions regarding emergency vehicle access and fire lanes.

Pedestrian access and circulation. Applicants shall submit a detailed pedestrian circulation plan with all development applications that shows compliance with the following guidelines and standards:

(1) Required pedestrian connections. An on-site system of pedestrian walkways shall be designed to provide direct access and connections to and between the following:

(a) The primary entrance or entrances to each commercial building, including pad site buildings.

(b) Any sidewalks or walkways on adjacent properties that extend to the boundaries shared with the commercial development.

(c) Any public sidewalk system along the perimeter streets adjacent to the commercial development (see subsection (3), pedestrian connections to perimeter public sidewalks.

(d) Where practicable and appropriate, adjacent land uses and developments, including but not limited to adjacent residential developments, retail shopping centers, office buildings, or restaurants.

(e) Where practicable and appropriate, any adjacent public park, greenway, or other public or civic use including but not limited to schools, places of worship, public recreational facilities, or government offices.

(2) Pedestrian connections from buildings to parking areas, pad sites, and site amenities. In addition to the connections required in subsection (1), required pedestrian connections, on-site pedestrian walkways shall connect each primary entrance of a commercial building to a pedestrian network serving:

(a) All parking areas or parking structures that serve such primary building.

(b) Site amenities or gathering places provided pursuant to the lighting section of the guide.

(3) Pedestrian connections to perimeter public sidewalks. Connections between the on-site (internal) pedestrian walkway network and any public sidewalk system located along adjacent perimeter streets shall be provided at regular intervals along the perimeter street as appropriate to provide easy access from the public sidewalk to the interior walkway network. Where public sidewalk does not exist adjacent to the development, the developer or property owner shall be responsible for the installation/construction of public sidewalk to serve the development.

(4) Walkways along buildings. Continuous pedestrian walkways shall be provided along the full length of a primary building along any façade featuring a customer entrance and along any façade abutting customer parking areas. Such walkways shall be located away from the façade of the building to provide planting beds for foundation landscaping, except where features such as arcades or entryways are part of the façade.

(5) Walkways through vehicle areas. At each point that the on-site pedestrian walkway system crosses a parking lot or internal street or driveway, the walkway or crosswalk shall be clearly marked through the use of a change in paving materials distinguished by their color, texture, or height, and have a minimum width of seven feet.

15. Building design.

A. Intent. Create commercial/retail/office developments with a recognizable image as a distinct place; vary massing to provide visual interest; as applicable, ensure compatibility with surrounding developments; and use building height and massing to emphasize important corners, designate points of entry, and create a visible skyline to differentiate new Rock Falls commercial areas from other activity nodes.

B. Building massing and façade treatment except where noted, all new commercial development shall comply with the following standards:

(1) Variation in massing. A single, large, dominant building mass shall be avoided.

(2) Building façade treatment standards.

(a) Architectural style. Style is not restricted; evaluation of the appearance of a project shall be based on professional quality of its design, architectural interest and variety, relationship to surroundings and the community, and relationship to human scale.

(b) Four-sided architecture. Continuing an architectural theme on all exposed exterior surfaces through the use of the same building materials shall be required.

(c) Minimum wall articulation. There shall be no blank, unarticulated building walls exceeding 75 feet in length. Long walls shall include at least one change in wall plane, such as projections or recesses, having a depth of at least one foot, or a change in building materials to provide visual interest. All building walls shall include materials and design characteristics consistent with those on the front.

(3) Building walls facing public areas. Building walls that face public streets, connecting walkways, or adjacent development shall be subdivided and proportioned using features such as windows, entrances, arcades, arbors, awnings, trellises with vines, or alternate architectural detail that defines human scale.

(4) Customer entrances. See subsection C (5), customer entrances.

(5) Awnings.

- (a) Fabric awnings are encouraged; canvas awnings with a matte finish are preferred.
- (b) Rigid frame awnings are allowed, but shall stop at the top section and shall not be included in the valance.
- (c) Awning colors shall be compatible with the overall color scheme of the façade from which it projects.

(6) Downspouts. To the maximum extent practical, downspouts should be concealed or integrated into the design of the building.

C. Building materials/colors. All commercial/retail/office development shall comply with the following design guidelines and standards.

(1) Intent. Achieve unity of design through compatible materials and colors throughout commercial developments; select building materials that are durable, attractive, and have low maintenance requirements; and utilize colors that reflect natural tones found in the environment of Rock Falls.

(2) Submittal requirement. Applicants shall submit a color palette and building materials board or graphic as part of their BSO plan application.

(3) Building materials:

(a) Materials shall have good durability and quality and shall be selected for compatibility with adjacent buildings and the surrounding developments.

(b) The façade of any building facing a public right-of-way shall be faced with clay brick, brick veneer, architectural pre-cast concrete panels, natural or engineered wood, architectural composite wall panel systems, or decorative (architectural) concrete masonry, stone, glass, or similar materials.

(c) Metal siding shall not be utilized for any building elevation abutting a public right-of-way and may only be utilized for other elevations in conjunction with a clay brick, stone, natural or engineered wood, architectural composite wall panel systems, or decorative (architectural) concrete masonry. The use of metal/steel for roofing material is permissible and shall be approved by the building inspector based upon context and overall site design.

(d) Building elevations along a public right-of-way shall wrap around a minimum of 20 feet or to a natural dividing point. Elevations facing side or rear yards shall be finished with materials complementary to the street elevations. Side and rear elevations that do not incorporate a significant proportion of the building material outlined above shall incorporate enhanced landscape and screening measures. Appropriateness and effectiveness shall be subject to building inspector approval.

(e) Building elevations abutting a residential land use shall be enhanced with clay brick, brick veneer, architecturally pre-cast textured concrete panels, decorative (architectural) concrete masonry, stone, glass, or similar materials. Landscape and screening measures shall comply with the regulations outlined in section 102-520, landscape regulations. Appropriateness and effectiveness shall be subject to building inspector approval.

(4) Building color.

(a) Color schemes shall tie building elements together, relate separate (freestanding) buildings within the same development to each other, and shall be used to enhance the architectural form of a building.

(b) Color schemes should utilize earth and other natural tones as found in the soil types and/or plant material found in Sterling and, more specifically, that area immediately adjacent to the development site.

(c) All building projections, including, but not limited to, chimneys, flues, vents, and gutters, shall match or complement the color of the surface from which they project.

(d) Intense, bright, black, or fluorescent colors shall be used sparingly and only as accents; such colors shall not be used as the predominant color on any wall or roof of any building. Permitted sign areas shall be excluded from this standard.

(5) Customer entrances. All commercial development shall comply with the following design guidelines and standards:

(a) Number of entrances required.

(i) Each principal commercial building greater than 75,000 square feet (gross floor area) shall provide at least two customer entrances. Entrances shall be sufficiently separated or located on separate building façades.

(ii) Principal commercial buildings smaller than 75,000 square feet (gross floor area) are encouraged to provide multiple customer entrances on sides of the building that face an abutting public street or parking area.

(iii) Where additional stores will be located in the primary building, each such store may have an exterior customer entrance, which shall comply with the prominent entrance requirement below.

(b) Prominent entrances required. Each primary building on a site, regardless of size, shall have clearly-defined, highly-visible customer entrances incorporating some of the following design features:

(i) Canopies or porticos.

(ii) Overhangs.

(iii) Recesses/projections.

(iv) Arcades.

(v) Raised corniced parapets over the door.

(vi) Peaked roof forms.

(vii) Arches.

(viii) Outdoor patios.

(ix) Display windows.

(x) Architectural detail such as tile work and moldings integrated into the building structure and design.

(xi) Integral planters or wing walls that incorporate landscaped areas and/or places for sitting.

16. Multiple buildings in commercial centers.

Commercial centers that contain multiple buildings, including pad sites, shall comply with the following design guidelines and standards:

(1) Use of similar building materials in a commercial center. In order to achieve unity between all buildings in a commercial center, all buildings in the center, including pad site buildings, shall be constructed of building materials from the color and materials palette approved for the center.

(2) Use of similar architectural styles or theme in a commercial center. A consistent architectural style or theme should be used throughout a commercial center, and in particular to tie outlying pad site buildings to the primary building. Building entrances are appropriate locations to express individual building character or identity.

17. Service, loading, outdoor storage and mechanical areas.

A. Purpose. Landscaping or other forms of screening shall be provided around outdoor service, storage, loading and mechanical areas to provide sensory (visual, olfactory, auditory) screening from adjacent properties, streets, affected pedestrian circulation routes, and affected pedestrian-oriented spaces.

B. General. Integrate outdoor storage areas and loading facilities into the site design to minimize their size, reduce visual impact, and where appropriate allow for pedestrian and vehicular movement between sites.

C. Outdoor storage areas. Outdoor storage.

(1) Approval. Outdoor storage shall comply with the provisions for building, site, and operation plans.

(2) Location. Outdoor storage shall not be permitted in a required yard.

(3) Visibility. Outdoor storage shall not be visible from any:

(a) Public street or freeway;

(b) Publicly accessible open space area, parking area, access driveway, or other similar thoroughfare;

(c) Publicly accessible space; or

(d) Undeveloped property where public access to areas adjoining the outdoor storage use is likely.

(4) Screening. The following minimum screening requirements shall apply to outdoor storage adjacent to or potentially visible from public streets and publicly accessible areas identified in [subsection] (2) of this section:

(a) An opaque fence or solid masonry wall or not more than eight feet high. Screening walls and fences shall be architecturally compatible with the principal structure.

(b) No storage may exceed the height of the screening wall or fence.

(c) Screening landscaping in the street frontage yard, located in front of the wall or fence, to soften the view shall be required.

(d) No screening wall or fence shall be located within a required yard.

(5) Surfacing. Outdoor storage areas shall be located on a concrete or bituminous surface draining to an approved stormwater management system. Outdoor storage areas may be surfaced with partially permeable materials with building inspector approval.

(a) Loading areas. All loading areas shall comply with the regulations outlined in the design guidelines.

(b) Mechanical/utility equipment. Mechanical and utility equipment can detract from the quality of a development and the character of an area. These standards mitigate the negative visual and acoustic impacts of mechanical and utility equipment systems located in a commercial development.

(c) Locate and screen mechanical equipment so that the equipment is not visible when viewed from ground level of adjacent properties. Low-profile mechanical units on rooftops that are not visible from public ways should be used. Mechanical units shall be set back from the building edge and located in areas that are not visible or obtrusive. Screen or match the color of roof mounted equipment with the exposed color of the roof to minimize visual impacts when roof mounted equipment is visible from nearby buildings and higher elevations.

(d) Locate and screen utility meters, electrical conduit, and other service and utilities apparatus so as not to be visible from adjoining and nearby streets.

(6) Outside refuse/trash areas.

(a) Trash enclosures shall be located in convenient but not prominent areas, such as inside parking courts, or at the end of parking bays. They should be well screened with landscaping and designed to protect adjacent uses from noise and odors. A clear and safe pedestrian route shall be established to each trash area.

(b) Trash enclosures shall be constructed from solid materials and adequately screened from adjacent units with landscaping. Architectural screening elements should be constructed of the same materials and finishes as adjacent buildings, and the color should be compatible with the adjacent buildings. Gates should be of a solid material and painted to match the architectural screening elements on nearby fences and walls. Chain-link fencing is not permissible.

(c) Trash receptacles should be accessible for trash collection but should not block circulation drives near loading areas or conflict with parking. For security reasons, trash enclosure locations should not create blind spots or hiding areas.

18. Development Approval.

Prior to the commencement of construction, addition or reconstruction of any improvement to the Schmitt Addition (including buildings, auxiliary buildings, signs, walls, fences, outside lighting, landscaping, driveways and parking areas), the owner or prospective owner thereof must submit receive approval from the Zoning Board of Appeals per the provisions of these section.

A. Development Review Process

(1) Plan preparation and submittal – All property owners and prospective purchasers of land or buildings within the Schmitt Addition shall submit three sets of complete plans and specifications for the proposed construction, alteration or reconstruction to the Building Department. All plans and specifications submitted shall be prepared by a qualified, registered architect or contractor who shall

certify in writing that he/she has and will prepare the plans in accordance with all zoning, building, health and safety ordinances, codes and laws and in accordance with all applicable easements, design guidelines and other development standards pertaining to the Schmitt Addition. The plans and specifications shall require all contractors and subcontractors on the proposed project to acknowledge receipt of and agree to abide by these conditions. The plans and specifications shall include such detail as the Zoning Board of Appeals shall require to show the size, shape, floor plans, section details, square footage, height (including elevation drawings of all exterior walls), site plan, foundation plan, roof plans, all grading and landscaping plans, any proposed changes to be made in the elevation or surface conditions of the Schmitt Addition, all exterior improvements, and building materials.

(2) Completeness review – The Building Department shall have five business days to review the plans for completeness. If plans are deemed to be incomplete, the Building Department shall provide a written notification to the applicant detailing those items that are incomplete. If the plans are deemed to be complete, the Building Department shall schedule a Zoning Board of Appeals meeting to act on the plans, which meeting shall take place within 30 days of the date the plans were deemed to be complete.

(3) Committee review and action – The Zoning Board of Appeals shall make its determination on approval of the plans and specifications, lot grading, and landscaping plans based upon: their consistency with the Guidelines, permitted uses, and other development standards and provisions contained in these Covenants; the suitability and durability of the proposed construction; the quality of the building materials and overall construction; the harmony of external design; and the effect and appearance of such proposed project as viewed from the streets and neighboring properties. The Zoning Board of Appeals shall have 30 days from the date the plans and specifications were deemed to be complete to render either a written approval or written rejection thereof stating specifically the basis of objections. A rejection also may contain suggestions for changes to the plans and specifications, etc. that would make such project acceptable. If the Zoning Board of Appeals gives no response within 30 days from the date the plans and specifications were deemed to be complete, the plans and specification as submitted shall be deemed to be approved.

B. Code compliance. All plans and specifications and methods of construction shall be in full compliance with all applicable codes and regulations of the City of Rock Falls and State of Illinois. To the extent that an applicant is intending to seek a variance, waiver or change in any code or regulation applicable to the applicant's project, such intention shall be fully disclosed to the building inspector as part of the submitted application materials. Approval of the project plans and specifications by the building inspector shall be required prior to the applicant seeking action on the proposed variance, waiver or change by the appropriate authority; however, such approval by the building inspector shall not constitute an endorsement of the proposed variance, waiver or change by the building inspector unless the building inspector so indicates in a separate written document.

C. Disclaimer. The building inspector's review of submissions is only for the purpose of assuring the character and value of the Schmitt Addition and shall not be relied upon by anyone as a representation as to structural soundness, fitness for a particular purpose or compliance with zoning, building, health or safety codes or ordinances or any other restrictions on the construction or property, other than the restrictive covenants contained herein.

19. Project Construction.

A. Approved plans. Construction of a project approved by the Zoning Board of Appeals in accordance with Article IV herein shall be in accordance with the plans and specifications approved by the Committee.

B. Construction Site Standards. Construction and the conduct thereof shall comply with all governmental requirements as to health and safety. In addition, building and site plans of the owner shall address, at a minimum, erosion control, parking for construction workmen, office trailers on the Schmitt Site, materials storage locations, security, design, location and disposal of sewage during construction, cleaning and policing of the construction site and protection of streets, street right-of-ways and property adjoining the building site. These may be addressed in plan notes or letter form. When the construction of the project is begun, work therein shall be prosecuted diligently and continuously, as determined by the building inspector and City Building Code time frames, until full completion. Any building shall be substantially completed prior to occupancy of any part thereof, and landscaping shall be fully completed within 30 days following initial occupancy, weather permitting or as determined by the building inspector.

20. Utilities

All electric, telephone and other utility lines in or servicing facilities on the Schmitt Addition Site must be underground. It is the responsibility of the owner or occupant of the facility to make arrangements with the suppliers of electrical, water, sewer, telecommunications and other utility appurtenances extend said utilities to the owner's facility consistent with the requirements contained in these covenants.

21. Utility Easements.

No improvements other than landscaping made be constructed or installed within a utility easement as set forth on the plat of the Schmitt Addition Site without the approval of the building inspector. Anyone making use of said utility easements shall be responsible for restoration of all grades and landscaping disturbed by such work.

Consistent with any restrictions recorded as part of a utility easement, the building inspector may allow paving and fences and other minor improvements of a similar nature to be constructed in a utility easement, provided that the owner of such improvements shall be responsible for the continued maintenance, replacement or removal should they be disturbed by anyone making appropriate use of said easement.

A. Notice and Right to Abate and Lien. If, in the opinion of the building inspector, anyone who fails in any given responsibility set forth in this article, then the building inspector may give such owner notice of failure and such owner must, within 10 days of receipt of such notice, undertake the work required to restore said owner's site to a safe, clean, attractive and lawful condition complying with these covenants. Should any such owner fail to timely fulfill this duty and responsibility after such notice, then the City of Rock Falls shall have the right, license and power, but not the obligation, to perform such area maintenance. The owner of a lot shall be liable for the cost of any such work, and shall reimburse the City for all reasonable expenses, including attorney fees, incurred in collecting such costs. In addition each owner of a lot subject to this paragraph hereby consents to and gives and grants to the City a lien upon such lot to serve as collateral for the repayment of the costs and expenses owed, which lien may be perfected by the filing by the City in the Recorder's Office of Whiteside County, Illinois, of a Notice of Claim for Lien setting forth the amount owed, the lot to which the lien applies, the name and last known address of the owner of said lot, and the general nature of the work performed giving rise to the claim.

22. Waiver of Right to Object to Special Taxing Districts.

While these Covenants remain in effect, all owners, lease holders and tenants within the Schmitt Addition Site agree to waive their rights to object, as may otherwise be provided under state law, to the creation of a Special Service Area or Business Development District by the City of Rock Falls covering all or a portion of the Schmitt Addition Site provided the maximum annual levy imposed under a Special Service Area would

not exceed \$2,000,000 and the maximum sales and hotel occupancy taxes imposed under a Business Development District would not exceed statutory maximum.

23. Further Subdivision Prohibited.

No lot which has been designated as a building lot on the original plat of subdivision of any subdivision to which these covenants and restrictions apply shall be further subdivided by any future owner thereof except with the express written consent of the City of Rock Falls. This shall include the creation of a condominium association, housing cooperative, timeshare or any other form of divided ownership of land or improvements as allowed by Illinois law. Any such proposed re-subdivision or division shall be treated as a subdivision and shall be subject to the requirements for approval provided in Chapter 28 of the Rock Falls Municipal Code.

24. Additional Restrictions.

The owner shall not, without the prior written consent of the City of Rock Falls, impose any additional covenants or restrictions on the Schmitt Addition Site or any part thereof, but the City may include in any contract or deed hereinafter made and covering all or any portion of said "Part" any additional covenants or restrictions applicable to the Schmitt Addition Site which are not consistent with and which do not lower the standards of the Covenants set forth herein.

25. Violations.

If any person, firm, corporation or other entity owning or holding any interest in any lot, land or part of the subdivisions to which these restrictive Covenants apply shall violate any of the Covenants, then in order to redress such violations, the City of Rock Falls shall have the following powers and authority, all of which shall be cumulative and not exclusive:

(1) To file and maintain in the name of the City of Rock Falls an action at law for the recovery of damages from the person or persons violating these covenants, and including in such recovery all costs and expenses incurred in such action, including but not limited to reasonable attorney fees.

(2) To file and maintain an action seeking a temporary restraining order, preliminary injunction and permanent injunctive relief, including mandatory injunctive relief for the purpose of preventing or enjoining any violation or the continuation of any violation of these covenants and restrictions. For this purpose, each owner of any lot, land or portion of the subdivisions to which these Covenants apply does hereby acknowledge and agree that a remedy at law may be inadequate to secure redress and remedy arising from violation of these Covenants, and does further acknowledge and agree that damages may be inadequate to properly compensate the City of Rock Falls for damage arising from violation of these Covenants. Each such owner of any lot, land or portion of the subdivisions does therefore acknowledge and agree that a court of competent jurisdiction shall have full authority to enter mandatory or prohibitory injunctions, preliminary or permanent, and restraining orders in accord with and pursuant to this provision.

26. Titles.

The addition of titles to the various paragraphs in this instrument are for convenience and identification only and the use of such titles shall not be construed to limit, enlarge, change, or otherwise modify any of the provisions hereof, each and all of which shall be construed as if not titled.

27. Severability.

Invalidity of any one or more of the provisions of these Covenants shall not affect the validity or enforceability of any of the other provisions, hereof, which shall remain in full force and effect.

28. Duration and Amendment.

These Covenants shall continue and be binding for a period of twenty-five (25) years from the date hereof. These Covenants shall automatically be continued thereafter for successive periods of twenty (20) years each unless affirmatively discontinued by action of the City Council approved within sixty (60) days after the expiration of the then applicable 25 or 20 year period. Provided, however, that said Covenants may be amended or altered in accordance with the following:

(1) So long as any of the lots or lands within the subdivision to which these Covenants are applicable are owned by the City of Rock Falls, then said Covenants may be amended by adoption by the City Council of the City of Rock Falls, by two-thirds (2/3) majority vote, of the corporate authorities then holding office of an ordinance amending the same. This same process also shall be used to exempt and exclude application of any one or more, including all, of these Covenants to any one lot or parcel within the subdivisions to which these Covenants are applicable provided, however, that no such amendment, exemption or exclusion shall permit the construction of any improvement or the use of any lot or parcel in any manner which would be in violation of any duly adopted ordinance or code then in effect within the City of Rock Falls.

(2) Any amendment, alteration, exemption or exclusion in or from the application of these Covenants shall be effective only from the time a duly adopted and executed original thereof shall have been recorded in the Office of the Recorder of Whiteside County, Illinois."

The above and foregoing Restrictive Covenants and conditions consisting of thirty (30) pages was signed by the City of Rock Falls, Whiteside County, Illinois, as Owner this ____ day of _____, 2018.

City of Rock Falls, Illinois

By: _____
Mayor

Attest: _____
City Clerk

CITY OF ROCK FALLS

ORDINANCE NO. 2018-2402

**ORDINANCE AUTHORIZING ENTRY INTO AN EASEMENT
AGREEMENT WITH COMMONWEALTH EDISON COMPANY
FOR INSTALLATION OF UNDERGROUND UTILITIES**

ADOPTED BY THE
CITY COUNCIL
OF THE
CITY OF ROCK FALLS

THIS _____ DAY OF _____, 2018

Published in pamphlet form by authority of the City Council of the City of Rock Falls, this
_____ day of _____, 2018.

ORDINANCE NO. 2018-2402

**ORDINANCE AUTHORIZING ENTRY INTO AN EASEMENT
AGREEMENT WITH COMMONWEALTH EDISON COMPANY
FOR INSTALLATION OF UNDERGROUND UTILITIES**

WHEREAS, the City of Rock Falls (“City”) has requested that Commonwealth Edison (“ComEd”) grant an easement permitting the City to cross property owned by ComEd, PIN # 17-03-200-002; and

WHEREAS, Commonwealth Edison in exchange for payment of the requisite easement amount (\$8,400.00) has indicated consent to entry into the necessary easement agreement; and

WHEREAS, it is the opinion of the City Council that entry into the easement agreement is in the best interests of the residents of the City of Rock Falls; and

WHEREAS, the City Council herein waives necessity of a second reading and desires to adopt the Ordinance..

NOW, THEREFORE, be it ordained by the Mayor and City Council of the City of Rock Falls as follows:

SECTION 1: The preambles to this ordinance are true and correct and are hereby incorporated in this section as if fully set forth herein.

SECTION 2: The Mayor and City Clerk are authorized to execute the easement agreement, from Commonwealth Edison to the City, in substantially the same form hereto as Exhibit A (Easement Agreement).

SECTION 3: Provisions and sections of this resolution shall be deemed to be separable and the invalidity of any portion of this resolution shall not affect the validity of the remainder.

SECTION 4: The City Clerk is directed to publish this resolution in pamphlet form.

SECTION 5: This Ordinance shall be in full force and effect from and after its passage and approval and publication as required by law.

Passed by the Mayor and the City Council of the City of Rock Falls on the _____ day of _____, 2018.

Mayor

ATTEST:

City Clerk

AYE

NAY

Exhibit A

This Document was Prepared by:
When Recorded, Return to:
John Mishevski
Three Lincoln Centre, 4th FL
Oakbrook Terrace, Illinois 60181

FOR RECORDING PURPOSES ONLY

EASEMENT AGREEMENT

THIS Easement Agreement (“Easement”) is made as of this ___ day of _____, _____, by and between COMMONWEALTH EDISON COMPANY, an Illinois corporation (“Grantor”), with a mailing address of Three Lincoln Centre, 4th FL, Oakbrook Terrace Illinois 60181, and CITY OF ROCK FALLS, 603 West 10th Street, Rock Falls, Illinois 61071 (“Grantee”).

RECITALS:

A. Grantor is the owner of a parcel of land in Rock Falls, County of Whiteside and State of Illinois, commonly known as Rockfalls Morison right of way, described in Exhibit A attached hereto and made a part hereof (“Grantor’s Property”).

B. Grantor utilizes Grantor’s Property for Grantor’s own business operations, which operations, for purposes hereof, shall include without limitation the construction, reconstruction, maintenance, repair, upgrade, expansion, addition, renewal, replacement, relocation, removal, use and operation of Grantor’s equipment and facilities, whether now existing or hereafter to be installed, in, at, over, under, along or across Grantor’s Property (collectively, “Grantor’s Operations”).

C. Grantee desires to install a six -inch (6”) underground primary electric circuit below and underneath a center line across Grantor’s Property in the location legally described on the Plat of Easement diagram attached hereto as Exhibit B (for the purposes of this Easement, the “Easement Premises as shown on the diagram attached hereto as Exhibit B).

NOW, THEREFORE, in consideration of Ten and No/100ths Dollars, the payments, covenants, terms, and conditions to be made, performed, kept and observed by Grantee hereunder and other good and lawful consideration, Grantor and Grantee hereby agree as follows:

1. Grant of Easement. Subject to the terms and provisions of this Easement, Grantor hereby grants and conveys, without warranty of title, a perpetual, non-exclusive easement for the right and privilege to use the underground Easement Premises for the following purposes and for no other purpose whatsoever: construction, maintenance and use of two (2) six -inch (6”) underground primary electric circuit conduit and one (1) four-inch (4”) underground fiber optic cable conduit in substantial conformity with the engineering plan sheet 01, prepared by Willet Hoffman & Associates, 809 East 2nd Street, Dixon, Illinois

61021, dated 3/22/2018 and known as City of Rock Falls Electric Line Utility Easement attached hereto as Exhibit B and made a part hereof (hereinafter referred to as the “Facilities”).

2. Grantee’s Use. The following general conditions shall apply to Grantee’s use of the Easement Premises:

(a) Grantee shall procure and maintain at its own expense, prior to entry upon Grantor’s Property hereunder, all licenses, consents, permits, authorizations and other approvals required from any federal, state or local governmental authority in connection with the construction, placement, use and operation of the Easement Premises and the Facilities, and Grantee shall strictly observe all laws, rules, statutes and regulations of any governmental authorities having jurisdiction over the Easement Premises or Grantee’s operations thereon. Grantor may from time to time request reasonable evidence that all such approvals have been obtained by Grantee and are in full force and effect. In no event shall Grantee seek any governmental approvals that may affect in any way Grantor’s Operations, including without limitation any zoning approvals, without in each instance obtaining Grantor’s prior written consent, which consent may be granted or withheld in Grantor’s sole discretion.

(b) In the event any aspect of Grantee’s construction, placement, maintenance, repair, use or operation of the Easement Premises and the Facilities at any time violates or is forbidden by any law, statute, rule, regulation, order or requirement of any governmental authority, Grantee shall immediately discontinue such operations and at its own expense take all required corrective action, including without limitation removal of all or any portion of the Facilities from Grantor’s Property if required, within the lesser of (i) thirty (30) days from Grantee’s notice of such violation or (ii) the period of time required by law for the correction of such violation.

(c) Grantee’s use of the Easement Premises shall be conducted in a manner that does not conflict or interfere with Grantor’s Operations.

(d) This Easement and the rights granted hereunder are subject and subordinate in all respects to all matters and conditions affecting the Easement Premises (whether recorded or unrecorded).

(e) Grantee’s obligations and liabilities to Grantor under this Easement with respect to the Easement Premises and the Facilities and all other matters shall not be limited or in any manner impaired by any agreements entered into by and between Grantee and any third parties, including without limitation any agreements related to the construction or installation of the Facilities, and Grantee shall be and remain liable to Grantor for the installation and operation of the Facilities in accordance with the terms and conditions of this Easement, notwithstanding Grantee’s failure or refusal to accept delivery of or title to such facilities from any such third parties.

(f) Without limiting the generality of the foregoing, this Easement and the rights granted hereunder are subject and subordinate in all respects to the existing and future rights of Grantor and its lessees, licensees and grantees, existing roads and highways, the rights of all existing utilities, all existing railroad rights-of-way, water courses and drainage rights that may be present in Grantor’s Property. If required, Grantee shall secure the engineering consent of such prior grantees as a prerequisite to exercising its rights hereunder and provide Grantor with a copy of the same.

3. Term. The term of this Easement shall be perpetual, unless sooner terminated in accordance with the provisions of this Easement, and shall commence as of the date first hereinabove written.

4. Fees. In partial consideration of this Easement, Grantee shall pay Grantor a certain sum of money as set forth in a separate agreement between Grantor and Grantee, which amount shall be due and payable to Grantor, prior to Grantor's execution of this Easement.

5. Rights Reserved to Grantor.

(a) Grantor's rights in and to the Easement Premises, Grantor's Property and Grantor's Operations are and shall remain superior to Grantee's rights granted hereunder. Grantor shall not be liable to Grantee for damage to the Facilities due to Grantor's Operations and/or the installation, operation, maintenance or removal of any present or future facilities of Grantor.

(b) Grantor reserves the right to grant additional leases, licenses, easements and rights hereafter to third parties through, under, over and across all or any portion of Grantor's Property, including the Easement Premises, so long as there is no material adverse impact on Grantee's rights in and use of the Easement Premises pursuant to the terms of this Easement. In the event of a violation of this Paragraph 5(b), Grantee's sole and exclusive remedy against Grantor shall be seeking an injunction preventing such third party from creating such material adverse impact on Grantee's rights as aforesaid.

6. Relocation and Restoration of Easement Premises. The following terms and conditions shall govern the rights and obligations of the parties with respect to relocation and restoration of the Easement Premises:

(a) In the event any alteration, expansion, upgrade, relocation or other change in Grantor's Operations interferes or conflicts with Grantee's use of the Easement Premises hereunder, Grantor shall notify Grantee in writing of such proposed change and the conflict posed by this Easement or the presence of the Facilities on the Easement Premises. Such notice shall contain Grantor's estimate of the additional costs Grantor will incur if the proposed change in Grantor's Operations must be altered to avoid or minimize any conflict or interference with Grantee's use of the Easement Premises. Within twenty-one (21) days after receipt of such notice, Grantee shall notify Grantor in writing of its election to (i) make such changes in the Facilities, at Grantee's cost, as in the judgment of Grantor may be required to avoid or minimize any conflict or interference with the proposed change in Grantor's Operations, including without limitation the relocation of the Easement Premises and the Facilities to another location owned by and designated by Grantor, or (ii) reimburse Grantor for all additional costs incurred by Grantor in altering the proposed change in Grantor's Operations to avoid or minimize such conflict or interference. In the event Grantee fails to notify Grantor in writing of such election within such twenty-one (21) day period, Grantee shall be conclusively deemed to have elected to reimburse Grantor for its additional costs as provided in clause (ii) hereinabove. In the event Grantee elects to make all changes to the Easement Premises and/or the Facilities, including relocation to another location designated by Grantor, required to avoid conflict with the proposed change in Grantor's Operations, Grantee, at its sole cost and in accordance with all applicable terms and conditions of this Easement, shall promptly take all steps necessary to complete such changes and relocation within a reasonable time but in no event later than sixty (60) days after the date of such election. In the event Grantee elects to reimburse Grantor for the additional costs to be incurred by Grantor, Grantee shall make such payment within thirty (30) days after Grantor's demand therefor.

(b) Grantee agrees that, within sixty (60) days after the termination of this Easement for any reason, Grantee shall, at its sole cost and expense and only if directed to do so by Grantor in Grantor's sole discretion, remove all of the Facilities from Grantor's Property and restore and repair Grantor's Property to the condition existing prior to the installation of the Facilities. In the event Grantee fails to so remove the Facilities and restore and repair Grantor's Property, Grantor may elect to do so at Grantee's sole cost and expense, and, in such event, Grantor may dispose of the Facilities without any duty to account to Grantee therefor. Grantee shall pay all costs and expenses incurred by Grantor in removing the Facilities, including

any storage costs, and any costs incurred by Grantor in restoring and repairing Grantor's Property. Any facilities and equipment that Grantee fails to remove from Grantor's Property within sixty (60) days after the termination of this Easement shall be conclusively deemed to have been abandoned by Grantee and shall become the sole property of Grantor, without liability or obligation to account to Grantee therefor.

7. Condition of Grantor's Property. Grantee has examined the Easement Premises and knows its condition. Grantee hereby accepts the condition of the Easement Premises in its **AS-IS, WHERE-IS CONDITION, WITH ALL FAULTS**. No representations as to the condition, repair or compliance thereof with any laws, and no agreements to make any alterations, repairs or improvements in or about the Easement Premises have been made by or on behalf of Grantor. By accepting possession of the Easement Premises, Grantee shall be conclusively presumed to have accepted the condition thereof and to have unconditionally waived any and all claims whatsoever related to the condition of the Easement Premises.

8. Conditions Governing Construction, Repair, Maintenance and Other Work.

(a) All work performed by Grantee pursuant to this Easement, including without limitation all work related to the installation, alteration, maintenance (excluding only routine maintenance), repair, relocation, replacement or removal of the Easement and the Facilities, shall be performed in accordance with plans and specifications approved in writing by Grantor prior to the commencement of such work. Grantor shall review and approve any amendments, additions or other changes to such approved plans and specifications, prior to the performance of any work identified therein. Grantor shall have the right (but not the obligation) to supervise Grantee's performance of any such work at the Easement Premises (or any component thereof) and, in the event that Grantor so elects, Grantee shall reimburse Grantor for any and all costs of such supervision, together with a charge for Grantor's overhead, as determined by Grantor.

(b) Prior to the performance of any work, Grantee shall (i) obtain all applicable permits, approvals and authorizations required from any federal, state or local governmental authorities and furnish Grantor with satisfactory evidence that all such approvals have been obtained and (ii) furnish Grantor with certificates of insurance for each contractor and subcontractor evidencing such contractor's or subcontractor's compliance with the requirements of Section 11 hereof.

(c) Except for emergency repairs affecting the health and safety of the public, Grantee shall provide Grantor with not less than thirty (30) days advance notice of any work (including routine maintenance) so that Grantor may take such protective actions as Grantor deems necessary to ensure the safety and reliability of Grantor's facilities in the area of Grantee's proposed work. Grantee shall postpone the commencement of its work until such time as Grantor has completed any and all such protective work. Any cost and expense of such protective work shall be borne by Grantee and paid by Grantee within thirty (30) days after receipt of a bill therefor.

(d) Grantee hereby agrees that, in the event that Grantee (or any employee, agent, representative, contractor, licensee, invitee or guest of Grantee) performs any grading, leveling, digging or other work of any kind on the Grantor's Property (to the extent expressly permitted under the terms of this Easement) and damages any improvements, fixtures, facilities, equipment, or other property located (now or in the future) at Grantor's Property, then Grantee will either (at Grantor's sole election), (x) promptly cause any such improvements, fixtures, facilities, equipment or other property to be repaired and restored to the same or better condition as the same were in immediately prior to such damage or destruction, or (y) promptly pay Grantor the amount which Grantor estimates (as set forth in a written notice from Grantor to Grantee) will cover the cost and expense of repairing and restoring such damage or destruction. Prior to performing any such grading, leveling, digging or excavation work on the Easement Premises (which work shall be subject to Grantor's prior written approval), Grantee will notify J.U.L.I.E. at telephone number (800) 892-0123, C.U.A.N. at (312) 744-7000 if the Easement Premises are located in the City of Chicago, or in the event

the Easement Premises are located outside J.U.L.I.E.'s or C.U.A.N.'s jurisdiction, any other services required by the utilities in the jurisdiction where the Easement Premises are located, at least seventy-two (72) hours prior to the commencement of such work in order to locate all existing utility lines that may be present on the Easement Premises.

(e) Except for emergency repairs affecting the health and safety of the public, which emergency repairs should be called in within the first 8-hours of entering Grantor's Property and confirmed by Grantor, Grantee shall (in addition to the notice required under subparagraph (c) above) notify Grantor's at 1-866-639-35327661 at least forty-eight (48) hours in advance of entering Grantor's Property for the performance of any work (including routine maintenance). The timing and scheduling of such work shall be subject to Grantor's prior approval. In the event Grantee is required to perform any emergency repair work affecting the health and safety of the public, Grantee shall notify Grantor in writing of such repair work within forty-eight (48) hours after the performance of such repairs.

(f) Grantee hereby acknowledges that the Easement Premises may be used from time to time to accommodate equipment and facilities of other persons and/or entities (including, without limitation, pipeline and utility companies) which are (or will be) located on, above or below the surface of the Easement Premises. Grantee agrees that it will contact any such persons and/or entities holding rights to use and/or occupy the Easement Premises, and provide the proper protection required by such persons or entities, in connection with Grantee's use and occupancy of the Easement Premises. Grantee further agrees to furnish Grantor copies of the correspondence between the any such persons or entities and Grantee. Grantee agrees that this requirement shall apply to any installations currently located on, above or below the Easement Premises and any and all future installations on, above or below the Easement Premises.

(g) Grantor may withhold its approval to the performance of any work hereunder whenever any of the following conditions exist: (i) Grantor is in default under this Easement, (ii) the performance of such work and the use and occupancy of Grantor's Property contemplated by such work in Grantor's judgment will interfere with Grantor's Operations or any other then existing uses of Grantor's Property, or (iii) Grantor and Grantee have failed to enter into such supplemental agreements as Grantor deems necessary or advisable regarding the performance of such work. Grantor retains the right to suspend or stop all such work if in Grantor's sole judgment the ongoing performance of such work endangers Grantor's facilities or threatens to interfere with Grantor's Operations, and Grantor shall incur no liability for any additional cost or expense incurred by Grantee or any third parties in connection with such work stoppage.

(h) All work shall be performed in a good and workmanlike manner and in accordance with all applicable laws, statutes, building codes and regulations of applicable governmental authorities. Without limiting the generality of the foregoing, Grantee shall cause all work and the placement of the Easement Premises and the Facilities to meet the applicable requirements of 83 Ill. Admin. Code Part 305, as amended from time to time, and shall cause all workers performing any work on behalf of Grantee, its contractors and subcontractors, to be equipped for and conform to OSHA safety regulations. Upon completion of the work, Grantee shall (i) provide waivers of liens from each contractor and such other evidence of lien-free completion of the work as Landlord may require and (ii) restore all adjacent and other affected areas of Grantor's Property to their original condition preceding the commencement of such work.

(i) Grantee shall promptly notify Grantor of any damage caused to Grantor's facilities arising out of or related to the performance of such work, including without limitation damage to crops, fences, pasture land or livestock, landscaping and the like and Grantee will reimburse Grantor on demand for the cost of any such repairs and other expenses incurred by Grantor as a result of such damage. The formula described in Section 15(b) shall be used to determine the amount due Grantor as reimbursement for the cost of such repairs. No vehicles, equipment or anything else (including, but not limited to, any equipment attached to vehicles or equipment such as antennas) having a height which exceeds the maximum allowable height

under applicable OSHA height standards in effect from time to time, shall be driven, moved or transported on the Easement Premises without Grantor's prior written consent.

(j) There shall be no impairment of any natural or installed drainage facilities occasioned by any work related to the Easement Premises and/or the Facilities and Grantee at its cost shall repair and replace all drainage tiles damaged or destroyed during the performance of such work.

(k) The following additional specific requirements shall apply to the performance of the work related to the Easement Premises and/or the Facilities:

(i) Grantee agrees that the Facilities will be installed in strict conformity with the Plat of Easement attached hereto as Exhibit B.

(ii) Should any proposed changes to the Easement Premises and/or the Facilities be required, either before or after installation, Grantee, or its successors, shall first submit such changes to Grantor, in the form of revised plans for Grantor's review and approval.

(iii) Where the Facilities cross Grantor's fiber optic cable (TBON), Grantor may require that split plastic duct shall be installed and secured around Grantor's underground fiber optic cables in order to protect the fiber optic cable from any damage during any backfilling operation, all of which shall be performed at Grantee's sole cost and expense.

(v) Grantee agrees, upon completion of the installation of the Facilities, Grantee will replace all backfilling material in a neat, clean and workmanlike manner, with the topsoil on the surface of Grantor's Property, together with the removal of all excess soils, including any rocks, debris or unsuitable fill from Grantor's Property that has been displaced by the placement of the Facilities. At Grantor's sole election, Grantor may permit Grantee to evenly spread any portion of the remaining topsoil over the Easement Premises so long as Grantee shall not cause or permit the existing ground grade on the Easement Premises to be increased or decreased (vi) Grantee agrees that all of Grantor's Property as affected by the construction of the Facilities shall be leveled, dressed and the area re-seeded using grass over and along Grantee's entire construction project site, except for those areas that are either tenant occupied for agricultural purposes and/or those areas that involve in wetland construction, where governmental wetland restoration requirements shall take precedence. Grantee shall manage the re-seeding process until a firm grass growth has been established on Grantor's Property. Grantee agrees to leave Grantor's Property in a neat, clean and orderly condition and to the satisfaction of Grantor, including, but not limited to, the re-seeding of Grantor's Property as required.

(vii) Grantee covenants and agrees that, in the event that Grantee installs (or is required (by Grantor or otherwise) to install) any fencing and/or gates in connection with Grantee's work at the Easement Premises (or its use or occupancy of the Easement Premises), Grantee will install, maintain and operate such fences and/or gates in strict compliance with any and all fencing and locking rules, regulations and guidelines which Grantor may deliver to Grantee from time to time

(viii) Grantee acknowledges and confirms that, in connection with Grantor's review and/or approval of the plans and specifications for Grantee's work at the Easement Premises (as provided in Subsection 8(a) above), Grantor may require that barricades ("Barricades") be installed on the Easement Premises in order to protect Grantor's Operations and/or other equipment, improvements and facilities of Grantor and other users and occupants of the Easement Premises. Any such Barricades shall be installed either (at Grantor's sole option): (i) by Grantee, at Grantee's sole cost and expense, in a manner satisfactory to Grantor, or (ii) by Grantor, in which event Grantee shall pay to Grantor, prior to such installation, Grantor's reasonable estimate of the cost of such installation of the Barricades.

9. Covenants of Grantee. Grantee hereby covenants and agrees as follows (which covenants shall survive the expiration or termination of this Easement and Grantee's rights and privileges under this Easement):

(a) Grantee shall obtain and maintain all rights, licenses, consents and approvals required from any governmental authorities or third parties with respect to the installation, use or operation of the Easement Premises and/or the Facilities on Grantor's Property and, at Grantor's request, Grantee shall provide Grantor with evidence thereof. Grantee shall cause the underground Facilities to be maintained at all times in good repair and in accordance with all requirements of applicable law, and Grantee shall not permit any nuisances or other unsafe or hazardous conditions to exist in, on or under Grantor's Property in connection with the Easement Premises and/or the Facilities or Grantee's use or occupancy of Grantor's Property. If the underground Facilities cause a need for maintenance of the above ground Easement Premises, Grantee shall perform the same. In the event Grantee fails to fully and faithfully perform all such repair and maintenance obligations, Grantor shall have right (but not the obligation) after thirty (30) days' written notice to Grantee, to cause such repairs and maintenance to be performed and charge the cost thereof to Grantor. In the event Grantor elects to perform such repair and maintenance, the amount due Grantor from Grantee as reimbursement shall be determined using the formula described in Section 15(b) hereof.

(b) Grantee shall install the Facilities and use and occupy the Easement Premises in a manner that avoids any interference with Grantor's Operations. Within fifteen (15) days after Grantor's demand therefor, Grantee shall reimburse Grantor for all costs incurred by Grantor as a result of injury or damage to persons, property or business, including without limitation the cost of repairing any damage to Grantor's equipment or facilities or costs arising from electrical outages, caused by the use and occupancy of the Easement Premises by Grantee, its representatives, employees, agents, contractors, subcontractors and invitees.

(c) Grantee hereby covenants and agrees that it will not cause or permit any lien (including, without limitation, any mechanic's lien) or claim for lien to be asserted against the Easement Premises or any interest therein, whether such lien or claim for lien results from or arises out of any act or omission of Grantee or its employees, agents, consultants, representatives, contractors, subcontractors or materialmen, or otherwise. In the event any such lien or claim for lien is filed, Grantee will immediately pay and release the same. In the event such lien or claim of lien is not released and removed within five (5) days after notice from Grantor, Grantor, at its sole option and in addition to any of its other rights and remedies, may take any and all action necessary to release and remove such lien or claim of lien (it being agreed by Grantee that Grantor shall have no duty to investigate the validity thereof), and Grantee shall promptly upon notice thereof reimburse Grantor for all sums, costs and expenses, including court costs and reasonable attorneys' fees and expenses, incurred by Grantor in connection with such lien or claim of lien. Grantee hereby agrees to indemnify, defend and hold harmless Grantor from and against any and all liens or claims for lien arising out of or in any way connected with Grantee's use and occupancy of the Easement Premises.

(d) In addition to, and not in lieu of, the other payments which Grantee is required to make under this Easement, Grantee shall pay the following amounts to Grantor in respect of real estate taxes and assessments, in each case no later than thirty (30) days after Grantor's written demand therefor:

(i) All real estate taxes and other assessments which are allocable to any improvements, structures or fixtures constructed, installed, or placed by Grantee at the Easement Premises for all periods during which this Easement is in effect, plus

(ii) Any increase in the real estate taxes and other assessments payable with respect to the Easement Premises (or any tax parcel of which the Easement Premises is a part) which is allocable to this Easement, Grantee's use or occupancy of the Easement Premises, or any improvements, structures or fixtures constructed, installed or placed by Grantee at the Easement Premises (but without duplication of any amount payable pursuant to clause (a) above), for all periods during which this Easement is in effect.

For purposes of this Easement real estate taxes or assessments "for" or "with respect to" any particular period (or portion thereof) shall mean the real estate taxes or assessments which accrue with respect to such period, irrespective of the fact that such taxes or assessments may be due and payable within a different period.

(e) Grantee shall notify Grantor in writing within thirty (30) days after the date Grantee ceases to use the Easement Premises and/or the Facilities and shall provide Grantor with a properly executed release of this Easement.

10. General Indemnity. To the maximum extent permitted under applicable law, Grantee agrees to protect, indemnify, defend (with counsel acceptable to Grantor) and hold harmless Grantor and Exelon Corporation, and their respective parents, subsidiaries and affiliates, and their respective officers, directors, shareholders, employees, representatives, agents, contractors, licensees, lessees, guests, invitees, successors and assigns (collectively, the "Indemnified Parties") from and against any and all losses, costs, damages, liabilities, expenses (including, without limitation, reasonable attorneys' fees) and/or injuries (including, without limitation, damage to property and/or personal injuries) suffered or incurred by any of the Indemnified Parties (regardless of whether contingent, direct, consequential, liquidated or unliquidated) (collectively, "Losses"), and any and all claims, demands, suits and causes of action brought or raised against any of the Indemnified Parties (collectively, "Claims"), arising out of, resulting from, relating to or connected with: (i) any act or omission of Grantee or its officers, directors, shareholders, employees, representatives, agents, contractors, licensees, lessees, guests, invitees, successors and assigns ("Grantee Parties") at, on or about Grantor's Property, and/or (ii) any breach or violation of this Easement on the part of Grantee, and notwithstanding anything to the contrary in this Easement, such obligation to indemnify and hold harmless the Indemnified Parties shall survive any termination of this Easement. This indemnification shall include, but not be limited to, claims made under any workman's compensation law or under any plan for employee's disability and death benefits (including without limitation claims and demands that may be asserted by employees, agents, contractors and subcontractors).

11. Waiver. Any entry onto Grantor's Property by Grantee Parties shall be at such parties' sole risk, and Grantor makes (and has heretofore made) no representations or warranties of any kind whatsoever regarding Grantor's Property or the condition of Grantor's Property (including, without limitation, the environmental condition thereof). To the fullest extent permitted under applicable law, each of Grantee Parties hereby waives any and all claims, demands, suits and causes of action against the Indemnified Parties, and fully and forever release the Indemnified Parties, for any loss, cost, damage, liability or expense (including, without limitation attorneys' fees) suffered or incurred by such Grantee Parties in connection with any entry onto Grantor's Property pursuant to this Easement. This Section will survive termination of this Easement.

12. Insurance.

Grantee agrees to require its contractors, before commencing any work on the Leased Premises to purchase and maintain, or at the option of Grantee to itself purchase and maintain, at the cost of Grantee or its contractors, a policy or policies of insurance issued by insurance companies authorized to do business

in the State of Illinois, having ratings of A-/VII or better in the Best's Key Rating Insurance Guide (latest edition in effect at the latest date stated in the Certificates of Insurance) and in a form satisfactory to Grantor as follows:

COVERAGE #1

Workers' Compensation Insurance with statutory limits, as required by the state in which the work is to be performed, –and Employers' Liability Insurance with limits not less than One Million dollars (\$1,000,000.00) each accident/occurrence

COVERAGE #2

Commercial General Liability (CGL) Policy or Policies (with coverage consistent with ISO CG 0001 (12 04)) covering all contractors, subcontractors and all their subcontractors with limits not less than Four Million dollars (\$4,000,000.00) per occurrence covering liability for bodily injury and property damage arising from premises, operations, independent contractors, personal injury/advertising injury, blanket contractual liability and products/completed operations for not less than three (3) years from the date the work is accepted. (CGL insurance includes, but is not limited to coverage for claims against Grantor for injuries to employees of Grantee and its contractors or any subcontractors) Grantor shall be added as an Additional Insured providing coverage consistent with ISO Form CG 20 26 11 85 or the combination of ISO Form CG 20 10 10 01 and CG 20 37 10 01.

COVERAGE #3

Automobile Liability in an amount of not less than one million dollars (\$1,000,000) per accident for bodily injury and property damage, covering all owned, leased, rented or non-owned vehicles, which shall include automobile contractual liability coverage.

Policies covering contractors may substitute lower limits for any of the policies listed above, provided that Contractors maintains an umbrella or excess liability policy or policies which provide a total minimum limit of four million dollars (\$4,000,000) per occurrence for general liability and one million dollars (\$1,000,000) for automobile liability, and that all other requirements of this insurance clause are satisfied by such umbrella or excess policy or policies.

Grantee will, in any event, purchase and maintain during the term hereof;

COVERAGE #4

Commercial General Liability (CGL) Insurance (with coverage consistent with ISO CG 00 01 12 04) with a limit of not less than four million dollars (\$4,000,000) per occurrence covering liability for bodily injury and property damage, arising from premises, operations, independent contractors, personal injury/advertising injury, blanket contractual liability and products/completed operations (CGL insurance includes, but is not

limited to coverage for claims against Grantor for injuries to employees of Grantee and its contractors or any subcontractors). Grantor shall be added as an Additional Insured providing coverage consistent with ISO Form CG 20 11 10 01

COVERAGE #5

Workers' Compensation Insurance with statutory limits, as required by the state in which the work is to be performed, –and Employers' Liability Insurance with limits not less than One Million dollars (\$1,000,000.00) each accident/occurrence

Grantee may substitute lower limits for any of the policies listed above, provided that Grantee maintains an umbrella or excess liability policy or policies which provide a total minimum limit of \$4,000,000.00 per occurrence for general liability, and that all other requirements of this insurance clause are satisfied by such umbrella or excess policy or policies.

If any work on the Leased Premises involves or includes Contractor handling, transporting, disposing, or performing work or operations with hazardous substances, contaminants, waste, toxic materials, or any potential pollutants, Grantee and/or contractors shall purchase and maintain pollution legal liability applicable to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims; all in connection with any loss arising from the Leased Premises. Coverage shall be maintained in an amount of at least two million dollars (\$2,000,000) per loss and aggregate. Coverage shall apply to sudden and non-sudden pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, waste materials, or other irritants, contaminants, or pollutants. Grantor shall be included as an additional insured and the policy shall be primary with respect to Grantor as the additional insured.

There shall be furnished to Grantor, prior to commencing the work above described a certificate of insurance showing the issuance of insurance policies pursuant to the requirements contained in Coverages #1, #2, and #3 of this paragraph and shall be delivered to Grantor upon written request. Insurance coverage as required herein shall be kept in force until all work has been completed. All policies shall contain a provision that coverages afforded under the policies will not be canceled or material change until at least thirty (30) days prior written notice (ten (10) days in the case of nonpayment of premium) has been given to Exelon.

Grantee shall provide evidence of the required insurance coverage under Coverage #4 and #5, which shall be delivered to Grantor upon execution of this document. The insurance under Coverage #4 and #5 shall be kept in force through the term hereof through the above-referred policy, or such subsequent or substitute policy or policies as Grantee may, at its discretion, obtain.

Insurance coverage provided by Grantee and its contractors shall not include any of the following; any claims made insurance policies; any self-insured retention or deductible amount greater than two hundred fifty thousand dollars (\$250,000) unless approved in writing by

Grantor; any endorsement limiting coverage available to Grantor which is otherwise required by this Article; and any policy or endorsement language that (i) negates coverage to Grantor for Grantor's own negligence, (ii) limits the duty to defend Grantor under the policy, (iii) provides coverage to Grantor only if Grantee or its contractors are negligent, (iv) permits recovery of defense costs from any additional insured, or (v) limits the scope of coverage for liability assumed under a contract.

To the extent permitted by applicable Laws, all above-mentioned insurance policies shall provide the following:

- (1) Be primary and non-contributory to any other insurance carried by Grantor
- (2) Contain cross-liability coverage as provided under standard ISO Forms' separation of insureds clause; and
- (3) Provide for a waiver of all rights of subrogation which Grantee's, or its Contractors' insurance carrier might exercise against Grantor; and
- (4) Any Excess or Umbrella liability coverage will not require contribution before it will apply

Grantor hereby reserves the right to amend, correct and change from time-to-time the limits, coverages and forms of policies as may be required from Grantee and/or its contractors.

WAIVER OF SUBROGATION

Grantee and its contractors shall waive all rights of subrogation against Grantor under those policies procured in accordance with this Easement.

13. Environmental Protection.

(a) Grantee covenants and agrees that Grantee shall conduct its operations on the Easement Premises in compliance with all applicable Environmental Laws (as hereinafter defined) and further covenants that neither Grantee, nor any of Grantee Parties, shall use, bring upon, transport, store, keep or cause or allow the discharge, spill or release (or allow a threatened release) in each case of any Hazardous Substances (as hereinafter defined) in, on, under or from the Easement Premises. Without limiting any other indemnification obligations of Grantee contained herein, Grantee hereby agrees to protect, indemnify, defend (with counsel acceptable to Grantor) and hold harmless the Indemnified Parties from and against any and all Losses and Claims (including, without limitation, (i) reasonable attorneys' fees, (ii) liability to third parties for toxic torts and/or personal injury claims, (iii) fines, penalties and/or assessments levied, assessed or asserted by any governmental authority or court, and (iv) assessment, remediation and mitigation costs and expenses and natural resource damage claims) arising out of, resulting from or connected with any Hazardous Substances used, brought upon, transported, stored, kept, discharged, spilled or released by any Grantee Parties or any other person or entity (except for any person or entity which is an Indemnified Party) in, on, under or from the Easement Premises. For purposes of this Easement, the term "Hazardous Substances" shall mean all toxic or hazardous substances, materials or waste, petroleum or petroleum products, petroleum additives or constituents or any other waste, contaminant or pollutant

regulated under or for which liability may be imposed by any Environmental Law. "Environmental Laws" shall mean all federal, provincial, state and local environmental laws (including common law) regulating or imposing standards of care with respect to the handling, storage, use, emitting, discharge, disposal or other release of Hazardous Substances, including, but not limited to, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901, et seq., the Clean Air Act, 42 U.S.C. §§7401, et seq., the Federal Water Pollution Control Act, 33 U.S.C. §§1251, et seq., the Emergency Planning and Community Right to Know Act, 42 U.S.C. §§ 1101, et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601, et seq., the Toxic Substances Control Act, 15 U.S.C. §§2601, et seq., the Oil Pollution Control Act, 33 U.S.C. §§2701, et seq., any successor statutes to the foregoing, or any other comparable local, state or federal statute, ordinance or common law pertaining to protection of human health, the environment or natural resources, including without limitation the preservation of wetlands, and all regulations pertaining thereto, as well as applicable judicial or administrative decrees, orders or decisions, authorizations or permits.

(b) If there are wetlands on the Easement Premises, or if wetlands should develop on the Easement Premises during the term of this Easement, Grantee shall strictly comply with and observe all applicable Environmental Laws. At Grantor's request, Grantee, at its cost, shall furnish Grantor with a survey of the Easement Premises delineating any wetland areas located on the Easement Premises. Under no circumstances shall Grantee change the physical characteristics of any wetland areas located on the Easement Premises or any adjoining land or place any fill material on any portion of the Easement Premises or adjoining land, without in each instance obtaining Grantor's prior written consent (which may be granted or withheld in Grantor's sole discretion), and only then in compliance with applicable Environmental Laws.

(c) Grantee shall provide Grantor with prompt written notice upon Grantee's obtaining knowledge of any potential or known release or threat of release of any Hazardous Substances affecting the Easement Premises.

(d) This Section shall survive the expiration or other termination of the Easement.

14. Defaults. The occurrence of any of the following shall constitute an event of default ("Event of Default") under this Easement:

(a) Grantee shall fail to pay when due any amount payable to Grantee hereunder and such failure continues for a period of ten (10) days after notice thereof from Grantor; or

(b) Grantee shall breach or violate any of its duties or obligations set forth in Section 9(c) or Section 12 of this Easement; or

(c) Grantee shall at any time be in default in any other covenants and conditions of this Easement to be kept, observed and performed by Grantee and such default continue for more than thirty (30) days (or such shorter time period as may specifically set forth in this Easement) after notice from Grantor; or

(d) A receiver, assignee or trustee shall be appointed for Grantee or if the Grantee shall file bankruptcy, or if involuntary bankruptcy proceedings shall be filed against Grantee; or

(e) Grant shall fail to complete construction of the Facilities on or before 12 months after the date of this Easement or shall fail to operate or maintain the Facilities for a period of twelve (12) consecutive months.

15. Remedies. Upon the occurrence of an Event of Default, Grantor may exercise any one or more of the following remedies (which remedies shall survive the expiration or termination of this Easement and Grantee's rights and privileges under this Easement):

(a) terminate this Easement and all rights and privileges of Grantee under this Easement by written notice to Grantee; or

(b) take any and all corrective actions Grantor deems necessary or appropriate to cure such default and charge the cost thereof to Grantee, together with (i) interest thereon at the rate of nine (9%) percent and (ii) an administrative charge in an amount equal to ten percent (10%) of the cost of the corrective action to defray part of the administrative expense incurred by Grantor in administering such cure, such payment to be made by Grantee upon Grantor's presentment of demand therefor; or

(c) any other remedy available at law or in equity to Grantor, including without limitation specific performance of Grantee's obligations hereunder. Grantee shall be liable for and shall reimburse Grantor upon demand for all reasonable attorney's fees and costs incurred by Grantor in enforcing Grantee's obligations under this Easement, whether or not Grantor files legal proceedings in connection therewith. No delay or omission of Grantor to exercise any right or power arising from any default shall impair any such right or power or be construed to be a waiver of any such default or any acquiescence therein. No waiver of any breach of any of the covenants of this Easement shall be construed, taken or held to be a waiver of any other breach, or as a waiver, acquiescence in or consent to any further or succeeding breach of the same covenant. The acceptance of payment by Grantor of any of the fees or charges set forth in this Easement shall not constitute a waiver of any breach or violation of the terms or conditions of this Easement.

16. Notices. Whenever notice is required to be given pursuant to this Easement, the same shall be in writing, and either personally delivered, sent by a nationally recognized overnight delivery service, postage prepaid, or sent via United States certified mail, return receipt requested, postage prepaid, and addressed to the parties at their respective addresses as follows:

If to Grantor:

Commonwealth Edison Company
P.O. Box 767
Chicago, Illinois 60690-0767
Attn: Director of Real Estate Services

with a copy to:

Exelon Business Services Company
Law Department
P.O. Box 805379
Chicago, Illinois 60680-5379
Attn: Assistant General Counsel – Real Estate

If to Grantee:
City of Rock Falls

603 West 10th Street
Rock Falls, Illinois 61071
Attn: City Administrator
With copy to:
Superintendent of Electric Utilities
1109 Industrial Park Drive
Rock Falls, IL 61071

or at such other addresses as any party, by written notice in the manner specified above to the other party hereto, may designate from time to time. Unless otherwise specified to the contrary in this Easement, all notices shall be deemed to have been given upon receipt (or refusal of receipt) thereof.

17. No Assignment by Grantee. This Easement and the rights and obligations of the parties hereto shall be binding upon and inure to the benefit of the parties and their respective successors, personal representatives and assigns and the owners of Grantor's Property, from time to time; provided, however, that Grantee shall have no right to assign all or any portion of its right, title, interest or obligation in this Easement or under this Easement without the prior written consent of Grantor, which consent may be granted or withheld by Grantor in its sole and exclusive discretion. Any attempt by Grantee to assign all or any portion of its interest hereunder in violation of the foregoing shall be void and of no force and effect. The terms "Grantor" and "Grantee" as used herein are intended to include the parties and their respective legal representatives, successors and assigns (as to Grantee such assigns being limited to its permitted assigns), and the owners of Grantor's Property, from time to time. For purposes of this Easement, any transfer, directly, indirectly or by operation of law, of a "controlling" interest in Grantee shall constitute an assignment of this Easement, and shall be subject to the terms and provisions of this Section 17. For purposes hereof, a "controlling" interest in Grantee shall mean: (a) the ownership, directly or indirectly, of a majority of the outstanding voting stock or interests of Grantee, or (b) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of Grantee, whether through the ownership of voting securities or other ownership interests, by statute, or by contract.

18. Entire Agreement. This Easement, the exhibits and addenda, if any, contain the entire agreement between Grantor and Grantee regarding the subject matter hereof, and fully supersede all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

19. Transfer by Grantor. Upon any transfer or conveyance of the Easement Premises by Grantor, the transferor shall be released from any liability under this Easement, and the transferee shall be bound by and deemed to have assumed the obligations of Grantor arising after the date of such transfer or conveyance.

20. No Oral Change. This Easement cannot be changed orally or by course of conduct, and no executory agreement, oral agreement or course of conduct shall be effective to waive, change, modify or discharge it in whole or in part unless the same is in writing and is signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

21. Further Assurances. Each party agrees that it will execute and deliver such other documents and take such other action as may be reasonably requested by the other party to effectuate the purposes and intention of this Easement.

22. Governing Law, Venue. The terms and provisions of this Easement shall be governed by and construed in accordance with the laws of the State of Illinois. With respect to any suit, action or proceeding relating to this Easement (each a "Proceeding"), the parties hereto each irrevocably: (a) agree that any such Proceeding shall be commenced, brought, tried, litigated and consummated in the courts of

the State of Illinois located in the County of Whiteside or (as applicable) the United States District Court for the Northern District of Illinois, (b) submit to the exclusive jurisdiction of the courts of the State of Illinois located in the County of Whiteside and the United States District Court for the Northern District of Illinois, and (c) waive any objection which they may have at any time to the laying of venue of any Proceeding brought in any such court, waive any claim that any Proceeding brought in any such court has been brought in an inconvenient forum, and further waive the right to object, with respect to such Proceeding, that any such court does not have jurisdiction over such party.

23. Time is of the Essence. Time is of the essence of each and every provision of this Easement.

24. Severability. In the event that any governmental or regulatory body or any court of competent jurisdiction determines that any covenant, term or condition of this Easement as applied to any particular facts or circumstances is wholly or partially invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect such covenant, term or condition as applied to other facts or circumstances (unless the effect of such determination precludes the application of such covenant, term or condition to other facts or circumstances) or the validity, legality or enforceability of the other covenants, terms and conditions of this Easement. In the event any provision of this Easement is held to be invalid, illegal or unenforceable, the parties shall promptly and in good faith negotiate new provisions in substitution therefor to restore this Easement to its original intent and effect.

25. No Reinstatement. No receipt of money by Grantor from Grantee, after the expiration or termination of this Easement shall renew, reinstate, continue or extend the term of this Easement.

26. Non-Affiliated. By signing this Easement, Grantee affirms and states that it is not an employee of Commonwealth Edison Company nor Exelon Corporation, and their respective parents, subsidiaries and affiliates, nor has any affiliated interest in the Commonwealth Edison Company or Exelon Corporation, and their respective parents, subsidiaries and affiliates.

27. Counterparts. This Easement may be executed by the parties in counterparts. Each such counterpart shall be deemed an original and all such counterparts, taken together, shall constitute one and the same agreement.

28. No Assessment. By signing this Easement Grantee agrees that Grantor or its public utility successor shall not be assessed for any improvements to be constructed pursuant hereto as a local improvement project or otherwise charged for the cost of such improvements.

29. No Third Party Beneficiaries. Grantor and Grantee agree and acknowledge that, except as expressly set forth herein, there are no intended third party beneficiaries of this Easement nor any of the rights and privileges conferred herein.

30. Illinois Commerce Commission Approval. Grantor and Grantee acknowledge that Grantor is a public utility regulated by the Illinois Commerce Commission (“Commission”) and other governmental authorities, and this Easement and the obligations of the parties hereto are subject to all legal requirements applicable to Grantor as a public utility. Although it is not expected that the Commission’s or other governmental authority’s approval will be required for this Easement, the rights and obligations of the parties hereunder are conditioned upon the Commission’s and any other applicable governmental authority’s approval of this Easement, under any circumstances in which such approval is required. It is further agreed and understood that this Easement may be terminated by Grantor immediately at any time in the event that Grantor is required to do so by the Commission or some other governmental authority.

31. Labor Relations. Neither Grantee nor any of Grantee's authorized agents shall, at any time, directly or indirectly, employ, or permit the employment of, any contractor, mechanic or laborer in the Easement Premises, or permit any materials to be delivered to or used in the Easement Premises, if, in Grantor's sole judgment, such employment, delivery or use will interfere or cause any conflict with other contractors, mechanics or laborers engaged in the construction, maintenance or operation of Grantor's Property (or any other property) by Grantor, Grantee or others, or the use and enjoyment of Grantor's Property by Grantor or other lessees or occupants of Grantor's Property. In the event of such interference or conflict, upon Grantor's request, Grantee shall cause all contractors, mechanics or laborers causing such interference or conflict to leave Grantor's Property immediately.

32. Independent System Operator. In the event responsibility for management or operation of all or any portion of Grantor's electrical transmission facilities located in or on the Grantor's Property is transferred or assigned by Grantor to an independent system operator ("ISO") or another third party, then Grantee agrees to recognize the right of such ISO or third party to exercise all or any part of Grantor's rights under this instrument.

33. Additional Requirements. The Grantee shall follow adhere to the Additional Requirements listed in Exhibit C.

IN WITNESS WHEREOF, the parties hereto have caused this Easement to be executed by their proper officers thereunto duly authorized as of the day and year first hereinabove written.

COMMONWEALTH EDISON COMPANY

By: _____
Kendall C. Hodge
Director of Real Estate and Facilities

CITY OF ROCK FALLS,

By: _____
Name: _____
Title: _____

SCHEDULE OF EXHIBITS

- A Legal description of Grantor's Property
- B Easement Premises
- C Additional Requirements

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I _____, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Kendal C. Hodge, personally known to me to be the Director of Real Estate and Facilities of COMMONWEALTH EDISON COMPANY, is the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that, as such Director, he signed and delivered such instrument, as his/her free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 20__.

Notary Public

Commission expires: _____

STATE OF _____)
) SS
COUNTY OF _____)

I, _____, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ of _____, a _____, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such _____, (s)he signed and delivered such instrument pursuant to authority given by the _____ of such _____, as his/her free and voluntary act and deed, and as the free and voluntary act and deed of such _____, for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 20__.

Notary Public

Commission expires: _____

EXHIBIT A TO EASEMENT AGREEMENT

LEGAL DESCRIPTION OF GRANTOR'S PROPERTY

A PART OF THE NORTHEAST QUARTER OF SECTION THREE (3), TOWNSHIP TWENTY (20) NORTH, RANGE SEVEN (7) EAST OF THE FOURTH PRINCIPLE MERIDIAN, WHITESIDE COUNTY ILLINOIS.

PIN #:17-03-200-002.

EXHIBIT B TO EASEMENT AGREEMENT

EASEMENT PREMISES

See attached.

EXHIBIT C TO EASEMENT AGREEMENT

ADDITIONAL REQUIREMENTS

Transmission

1. A single point of contact during the duration of the construction period will be Tina Kowalczyk at 1+224-244-1826. A minimum of 48 hours prior to the start and upon completion of the project.
2. Bulk material storage (i.e. gravel, dirt, mulch) is not allowed on the Grantor property.
3. The Grantee and/or its contractor cannot change grade within the right-of-way. The Grantee shall ensure that the existing drainage is not affected, storm water does not pool on the ROW or adjacent properties and Grantor NESC safety clearances are not violated. Any spreading of leftover excavation spoils on the Grantor Right of Way shall be reviewed and approved by Grantor Engineering.
4. Subsurface utility installations and excavations shall be a minimum of fifteen (15) feet away from any transmission structure. In addition, equipment and materials should not enter into the fifteen foot buffer area.
5. Any damage to Grantor's property caused by the Grantee will be repaired at the Grantee's expense.
6. The Grantee should not leave trenches open overnight. Also, the Grantee cannot place obstructions on Grantor property that will restrict our ability to access, operate and maintain existing and future transmission and distribution facilities.
7. The Grantee's facilities should be designed for HS20 axle loading per AASHTO highway specifications in order to withstand Grantor construction traffic.
8. The Grantee and/or its contractor are advised that if heavy snow, rains and/or a large amount of water enters the excavation site and/or pooling occurs within the excavation site. The Grantee and/or its contractor must immediately backfill the excavation area and the Overhead Transmission engineering department must be contacted for further instructions.
9. The Grantee equipment cannot exceed fourteen (14) feet in height on the right-of-way.
10. The Grantee cannot leave construction equipment and materials on Grantor Property when there is no work activity.
11. The Grantee is responsible for their own investigation and implementation of any cathodic protection required to mitigate induced voltage on any buried pipeline facilities.
 12. When working in the vicinity of Grantor's electric transmission lines during the installation, OSHA requirements must be followed.
Under no circumstances, should truck beds be raised underneath Grantor transmission lines. This note should be added to any construction drawings.
13. The Grantee must be made aware that the Company does use heavy equipment and Cannot be responsible for any damage to the Grantor's facilities that may occur due to the Company's right to access our property to operate and maintain new and existing transmission and distribution facilities.
14. Upon completion of Grantee's project, the Grantee shall remove any equipment, construction

debris and material from the right-of-way and restore right of way to its preconstruction condition.

Environmental:

Note: The items in red must be submitted to ESD (Grantor) for review and approval as indicated. Grantee is responsible for all costs associated with any of the noted requirements (consulting, permitting, clean-up, sampling, audit, etc.).

Easement Requirements

1. **Any revision to the plans must be submitted to GRANTOR for review and approval.**
2. No hazardous materials, including petroleum products, may be stored, used, or transferred On Grantor property.
3. Grantee is not permitted to change the grading of the property without prior authorization from Grantor. This includes activities of adding gravel or other fill-in activities to the surface of Grantor property.
4. Grantee is responsible for all potential drainage impacts within the easement area for the duration of the easement.
5. **Grantee shall provide a kmz file of the newly installed electric conduit on Grantor owned property.**

Construction Project Requirements

6. All construction equipment must be free of leaks and any leaks of oils or chemicals that occur must be cleaned up and reported to the appropriate agencies as needed.
7. **Daily equipment inspections must be conducted to verify proper working condition before equipment use on Grantor property. Written records of equipment inspections must be available to Grantor upon request.**
8. No demolition, construction, or equipment staging is permitted on Grantor during construction activities.
9. Concrete washout activities are not permitted on Grantee property.
10. A spill kit of appropriate size must be present and accessible at all times during construction activities on Grantee property.
11. In the event that drain tiles are damaged, Grantee shall repair or replace, as appropriate, the damaged drain tiles and accept responsibility for any adverse drainage issues and related damages that may arise.

Excavation, Spoils and Materials

12. **If the project requires removal of soil or waste from Grantee property, this must be managed by a Grantor Environmental Contractor of Choice (ECOC) and taken to a Grantee approved landfill. Clean construction or demolition debris (CCDD) disposal is not permitted.**
13. **Grading of excess soil is not permitted on Grantor property.**
14. If the project requires additional soil and gravel, only certified “clean” fill shall be used. The source of the clean fill must be approved by Grantor.
15. No construction debris, soil, fill material, or spoils may be stored on Grantor property during or post construction.
16. **Environmental sampling is not permitted on Grantor property.**

Environmental Regulations and Permits

17. All applicable regulations must be followed including implementation of a Storm Water Pollution Prevention Plan (SWPPP) and a Soil Erosion and Sediment Control Plan (SESC) to minimize sediment pollution in storm water runoff as well as any other required practices. This SESC must be provided to Grantor.

18. All applicable environmental permits must be obtained including Wetlands and NPDES stormwater permits, as required under the Clean Water Act as well as any other applicable environmental permits.
19. Grantee must submit copies of any required environmental permits and plans to Grantor prior to project start.
20. Requirements of all permits must be followed which could include site monitoring, reporting and restoration extending well beyond the construction time period.
21. Grantee must follow all applicable environmental laws and regulations including those not specifically mentioned herein.

Wetlands Requirements

22. Based on a review of Grantor resources, construction activities will be conducted adjacent to wetlands on Grantee property. **Construction activities cannot in any way impact wetlands on Grantee property.**
23. **A Frac-Out Containment plan must be submitted to Grantor prior to the start of construction activities.**
24. **If a Frac-Out occurs during the course of project, Grantor must be notified immediately. Grantee should call the Tenant Hotline and ask that the on-duty Environmental person be contacted.**
25. Grantor recommends the use of timber or composite matting over wetland areas that will be crossed during construction and maintenance activities.
26. Grantee must follow all federal, state, and local wetlands requirements, including United States Army Corps of Engineers and Whiteside County regulations and guidelines.

Condition of Property

27. **Grantee must provide documentation of current property conditions before improvements are started (e.g. Phase I, topographic maps, surveys, photographs).**
28. Any damage to Grantee's property caused by the Grantee will be repaired at the Grantee's expense.
29. Grantee must provide full restoration of the site to the original condition when the project is Grantee including seeding as necessary.
30. **Grantee must provide documentation (including photographs) that the property is returned to its original condition after completion of the project and restoration.**

Should Grantee request additional information in the future, Grantee shall provide the following information to Grantor (please reference Project Code SR 4722268 in any communications with Grantee):

31. A letter that summarizes the results of their analysis of what types of environmental permits, plans, and controls are required (e.g. wetlands, SWPPP, SESCO, and endangered species impacts).
32. A copy of the environmental permit applications for the project.
33. A copy of any environmental reports required by the permits.
34. Copies of certificates of clean fill.
35. Inspection records.

Please contact **Courtney Crenshaw** Environmental Services with any questions. Phone: 630-576-6379



CITY OF ROCK FALLS, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2018



SIKICH.COM

CITY OF ROCK FALLS, ILLINOIS
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Rockford, IL 61101
815.282.6565

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of Rock Falls, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Rock Falls, Illinois (the City) as of and for the year ended April 30, 2018, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rock Falls, Illinois, as of April 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Other Information

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

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Sikich LLP

Rockford, Illinois
October 11, 2018

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

CITY OF ROCK FALLS, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 4,555,130	\$ 11,892,153	\$ 16,447,283
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	1,720,559	-	1,720,559
Accounts	63,896	833,011	896,907
Unbilled	14,431	511,961	526,392
Accrued interest	1,665	12,341	14,006
Other	46,854	69	46,923
Inventory	-	933,030	933,030
Due from other governments	657,485	-	657,485
Internal balances	(561,961)	561,961	-
Restricted assets			
Restricted cash and investments	90,887	3,483,664	3,574,551
Land held for resale	3,314,849	-	3,314,849
Net pension asset	155,567	326,240	481,807
Capital assets			
Not depreciated	725,520	1,794,631	2,520,151
Depreciated (net of accumulated depreciation)	7,857,072	48,490,422	56,347,494
Total assets	18,641,954	68,839,483	87,481,437
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	173,676	364,213	537,889
Pension items - Police Pension	1,439,660	-	1,439,660
Pension items - Firefighters' Pension	1,077,966	-	1,077,966
Total deferred outflows of resources	2,691,302	364,213	3,055,515
Total assets and deferred outflows of resources	21,333,256	69,203,696	90,536,952

(This statement is continued on the following page.)

CITY OF ROCK FALLS, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2018

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 299,999	\$ 1,010,848	\$ 1,310,847
Accrued payroll	32,370	43,361	75,731
Accrued interest payable	33,945	18,319	52,264
Refundable customer deposits	-	312,738	312,738
Unearned revenue	90,850	-	90,850
Net pension liability - Police Pension	7,585,682	-	7,585,682
Net pension liability - Firefighters' Pension	5,024,295	-	5,024,295
Long-term liabilities			
Due within one year	317,298	722,797	1,040,095
Due in more than one year	5,167,350	18,257,101	23,424,451
Total liabilities	18,551,789	20,365,164	38,916,953
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	1,720,559	-	1,720,559
Pension items - IMRF	631,918	1,325,186	1,957,104
Pension items - Police Pension	103,429	-	103,429
Pension items - Firefighters' Pension	79,836	-	79,836
Total deferred inflows of resources	2,535,742	1,325,186	3,860,928
Total liabilities and deferred inflows of resources	21,087,531	21,690,350	42,777,881
NET POSITION			
Net investment in capital assets	6,116,394	35,126,142	41,242,536
Restricted for			
Maintenance of streets	350,230	-	350,230
Tourism	862,508	-	862,508
Economic development	84,139	-	84,139
Public safety	52,888	-	52,888
Retirement	309,376	-	309,376
Workers' compensation	244,913	-	244,913
Debt service	90,887	-	90,887
Unrestricted (deficit)	(7,865,610)	12,387,204	4,521,594
TOTAL NET POSITION	\$ 245,725	\$ 47,513,346	\$ 47,759,071

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,385,774	\$ 925,409	\$ 95,856	\$ -
Public safety	5,492,300	405,807	13,427	-
Street and highways	1,166,439	27,729	270,010	-
Public property division	531,630	-	-	-
Development	327,793	-	-	-
Interest	137,752	-	-	-
Total governmental activities	9,041,688	1,358,945	379,293	-
Business-Type Activities				
Water	1,531,741	1,573,594	-	-
Electric	9,690,374	10,317,986	-	-
Sewer	2,376,986	2,940,867	-	-
Garbage	420,804	593,223	-	-
Municipal broadband	72,883	8,940	-	-
Fiber optic broadband	355,239	-	-	-
Total business-type activities	14,448,027	15,434,610	-	-
TOTAL PRIMARY GOVERNMENT	\$ 23,489,715	\$ 16,793,555	\$ 379,293	\$ -

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
	\$ (364,509)	\$ -	\$ (364,509)
	(5,073,066)	-	(5,073,066)
	(868,700)	-	(868,700)
	(531,630)	-	(531,630)
	(327,793)	-	(327,793)
	(137,752)	-	(137,752)
	(7,303,450)	-	(7,303,450)
	-	41,853	41,853
	-	627,612	627,612
	-	563,881	563,881
	-	172,419	172,419
	-	(63,943)	(63,943)
	-	(355,239)	(355,239)
	-	986,583	986,583
	(7,303,450)	986,583	(6,316,867)
General Revenues			
Taxes			
Property	1,694,293	-	1,694,293
Replacement	48,694	-	48,694
Sales and use	2,172,395	-	2,172,395
Telecommunications	149,795	-	149,795
Hotel/motel	247,350	-	247,350
Video gaming	214,357	-	214,357
Utility	118,932	-	118,932
Shared income tax	840,258	-	840,258
Investment income	23,549	112,020	135,569
Miscellaneous	273,324	95,963	369,287
Transfers in (out)	642,161	(642,161)	-
Total	6,425,108	(434,178)	5,990,930
CHANGE IN NET POSITION	(878,342)	552,405	(325,937)
NET POSITION, MAY 1	1,124,067	46,821,119	47,945,186
Prior period adjustment	-	139,822	139,822
NET POSITION, MAY 1, AS RESTATED	1,124,067	46,960,941	48,085,008
NET POSITION, APRIL 30	\$ 245,725	\$ 47,513,346	\$ 47,759,071

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2018

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 2,189,763	\$ 1,873,280	\$ 4,063,043
Restricted cash	-	90,887	90,887
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	1,151,656	568,903	1,720,559
Accounts	43,488	20,408	63,896
Unbilled	14,431	-	14,431
Accrued interest	544	1,121	1,665
Other	46,724	-	46,724
Due from other governments	631,524	25,961	657,485
Due from other funds	88,547	-	88,547
Land held for resale	3,314,849	-	3,314,849
TOTAL ASSETS	\$ 7,481,526	\$ 2,580,560	\$ 10,062,086
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 268,237	\$ 14,701	\$ 282,938
Accrued payroll	30,054	2,316	32,370
Due from other funds	-	88,547	88,547
Advances from other funds	561,961	-	561,961
Unearned revenue	90,850	-	90,850
Total liabilities	951,102	105,564	1,056,666
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	1,151,656	568,903	1,720,559
Total deferred inflows of resources	1,151,656	568,903	1,720,559
Total liabilities and deferred inflows of resources	2,102,758	674,467	2,777,225
FUND BALANCES			
Nonspendable	3,314,849	-	3,314,849
Restricted for maintenance of streets	-	350,230	350,230
Restricted for tourism	-	862,508	862,508
Restricted for economic development	-	84,139	84,139
Restricted for public safety	-	52,888	52,888
Restricted for retirement	-	309,376	309,376
Restricted for worker's compensation	-	244,913	244,913
Restricted for debt service	-	90,887	90,887
Unrestricted			
Assigned			
Assigned for future expenditures	531,100	-	531,100
Unassigned	1,532,819	(88,848)	1,443,971
Total fund balances	5,378,768	1,906,093	7,284,861
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,481,526	\$ 2,580,560	\$ 10,062,086

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

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

April 30, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 7,284,861
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds, net of accumulated depreciation of \$10,083,446</p>	8,582,592
<p>Differences between expected and actual experiences, assumption changes and net difference between projected and actual earnings for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position</p>	
IMRF	(458,242)
Police Pension	1,336,231
Firefighters' Pension	998,130
<p>Net pension assets (liabilities) are not financial resources and, therefore, are not reported in the fund financial statements</p>	
IMRF	155,567
Police Pension	(7,585,682)
Firefighters' Pension	(5,024,295)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds</p>	
General obligation bonds payable	(2,035,000)
Debt certificates	(2,593,000)
Capital leases	(124,899)
Accrued interest payable	(33,945)
Unamortized bond premium	(140,299)
Compensated absences payable	(410,283)
Other postemployment benefit payable	(181,167)
<p>The net position of the internal service fund are included in the governmental activities in the statement of net position</p>	<u>475,156</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 245,725</u></u>

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 4,476,167	\$ 826,133	\$ 5,302,300
Licenses and permits	132,075	-	132,075
Intergovernmental	179,172	317,418	496,590
Charges for services	840,405	-	840,405
Fines and fees	423,736	36,139	459,875
Investment income	13,756	9,793	23,549
Reimbursements	160,749	-	160,749
Miscellaneous	28,093	77,549	105,642
 Total revenues	 6,254,153	 1,267,032	 7,521,185
EXPENDITURES			
Current			
General government	987,552	159,256	1,146,808
Public safety	4,276,273	36,622	4,312,895
Street and highways	1,143,435	100,396	1,243,831
Public property division	526,759	-	526,759
Development	-	327,793	327,793
Capital outlay	136,190	99,649	235,839
Debt service			
Principal	176,769	110,000	286,769
Interest and fiscal charges	73,216	102,421	175,637
 Total expenditures	 7,320,194	 936,137	 8,256,331
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (1,066,041)	 330,895	 (735,146)
OTHER FINANCING SOURCES (USES)			
Transfers in	583,465	195,728	779,193
Transfers (out)	-	(4,902,734)	(4,902,734)
 Total other financing sources (uses)	 583,465	 (4,707,006)	 (4,123,541)
 NET CHANGE IN FUND BALANCES	 (482,576)	 (4,376,111)	 (4,858,687)
 FUND BALANCES, MAY 1	 5,861,344	 6,282,204	 12,143,548
 FUND BALANCES, APRIL 30	 \$ 5,378,768	 \$ 1,906,093	 \$ 7,284,861

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

**NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS** **\$ (4,858,687)**

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

Governmental funds report capital outlay as expenditures; however,
they are capitalized and depreciated in the statement of activities 767,044

Depreciation expense does not require the use of current financial resources
and, therefore, is not reported as an expenditure in governmental funds (786,527)

The change in the Illinois Municipal Retirement Fund net pension liability and
deferred outflows of resources is not a source or use of a financial resource 17,699

The change in the Police Pension Fund net pension liability and deferred
outflows/inflows of resources is not a source or use of financial resources (540,406)

The change in the Firefighters' Pension Fund net pension liability and deferred
outflows of resources is not a source or use of a financial resource (539,549)

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

Change in compensated absences (10,461)
Change in other postemployment benefit obligation (36,240)

The increase in interest payable is reported as a decrease of expense on the
statement of activities 30,091

Governmental funds report the effects of premium when the debt is issued;
however, these amounts are deferred and amortized in the statement of activities 7,794

The repayment of long-term debt is reported as an expenditure when due
in governmental funds but as a reduction of principal on the government-wide
financial statements 286,769

The transfer of long-term debt to business-type activities 4,765,702

The addition in net position of certain activities of internal service funds is
included in governmental funds 18,429

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (878,342)**

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2018

	Business-Type Activities						Governmental	
	Municipal Water	Municipal Electric	Municipal Sanitary Sewerage	Municipal Garbage	Municipal Broadband	Fiber Optic Broadband	Internal Service	
CURRENT ASSETS								
Cash and investments	\$ 1,178,419	\$ 5,269,960	\$ 4,824,454	\$ 619,320	\$ -	\$ -	\$ 11,892,153	\$ 492,087
Restricted cash	-	-	-	-	-	3,483,664	3,483,664	-
Receivables								
Accounts	91,893	519,331	185,141	36,406	240	-	833,011	-
Unbilled	52,929	333,412	106,912	18,708	-	-	511,961	-
Accrued interest	1,520	8,396	2,271	154	-	-	12,341	130
Other	-	69	-	-	-	-	69	-
Due from other funds	-	299,296	-	-	-	-	299,296	-
Inventory	46,154	886,876	-	-	-	-	933,030	-
Total current assets	1,370,915	7,317,340	5,118,778	674,588	240	3,483,664	17,965,525	492,217
NONCURRENT ASSETS								
Net pension asset	66,979	192,629	66,580	52	-	-	326,240	-
Advance to other funds	30,000	558,499	36,050	10,000	-	-	634,549	-
Total noncurrent assets	96,979	751,128	102,630	10,052	-	-	960,789	-
CAPITAL ASSETS								
Nondepreciable	55,578	-	993,458	-	-	745,595	1,794,631	-
Depreciable	11,606,868	37,907,598	42,045,025	-	686,839	482,154	92,728,484	-
Accumulated depreciation	(6,503,739)	(24,345,984)	(13,173,010)	-	(206,052)	(9,277)	(44,238,062)	-
Net capital assets	5,158,707	13,561,614	29,865,473	-	480,787	1,218,472	50,285,053	-
Total assets	6,626,601	21,630,082	35,086,881	684,640	481,027	4,702,136	69,211,367	492,217
DEFERRED OUTFLOWS OF RESOURCES								
Pension items - IMRF	74,774	215,052	74,328	59	-	-	364,213	-
Total deferred outflows of resources	74,774	215,052	74,328	59	-	-	364,213	-
Total assets and deferred outflows of resources	6,701,375	21,845,134	35,161,209	684,699	481,027	4,702,136	69,575,580	492,217

	Business-Type Activities						Governmental	
	Municipal Water	Municipal Electric	Municipal Sanitary Sewerage	Municipal Garbage	Municipal Broadband	Fiber Optic Broadband	Internal Service	
CURRENT LIABILITIES								
Accounts payable	\$ 48,106	\$ 459,122	\$ 80,620	\$ 33,913	\$ -	\$ 389,087	\$ 1,010,848	\$ 17,061
Accrued payroll	7,707	25,307	9,512	69	-	766	43,361	-
Accrued interest payable	846	-	3,858	-	-	13,615	18,319	-
Compensated absences, current	7,631	18,826	5,105	25	-	2,104	33,691	-
Loan payable, current	114,696	-	574,410	-	-	-	689,106	-
Due to other funds	-	-	-	-	299,296	-	299,296	-
Total current liabilities	178,986	503,255	673,505	34,007	299,296	405,572	2,094,621	17,061
LONG-TERM LIABILITIES								
Refundable customer deposits	40,131	135,684	129,871	7,052	-	-	312,738	-
Advance from other funds	36,050	-	-	-	36,538	-	72,588	-
Compensated absences, noncurrent	43,240	106,682	28,931	139	-	11,925	190,917	-
Net other postemployment benefit obligation	24,042	64,249	24,277	147	-	-	112,715	-
Capital lease, noncurrent	-	93,367	-	-	-	-	93,367	-
Loan payable, noncurrent	622,298	-	12,472,850	-	-	-	13,095,148	-
Bonds payable, noncurrent	-	-	-	-	-	4,764,954	4,764,954	-
Total long-term liabilities	765,761	399,982	12,655,929	7,338	36,538	4,776,879	18,642,427	-
Total liabilities	944,747	903,237	13,329,434	41,345	335,834	5,182,451	20,737,048	17,061
DEFERRED INFLOWS OF RESOURCES								
Pension items - IMRF	272,067	782,459	270,447	213	-	-	1,325,186	-
Total deferred inflows of resources	272,067	782,459	270,447	213	-	-	1,325,186	-
Total liabilities and deferred inflows of resources	1,216,814	1,685,696	13,599,881	41,558	335,834	5,182,451	22,062,234	17,061
NET POSITION (DEFICIT)								
Net investment in capital assets	4,421,713	13,468,247	16,818,213	-	480,787	(62,818)	35,126,142	-
Unrestricted (deficit)	1,062,848	6,691,191	4,743,115	643,141	(335,594)	(417,497)	12,387,204	475,156
TOTAL NET POSITION (DEFICIT)	\$ 5,484,561	\$ 20,159,438	\$ 21,561,328	\$ 643,141	\$ 145,193	\$ (480,315)	\$ 47,513,346	\$ 475,156

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	Business-Type Activities		
	Municipal Water	Municipal Electric	Municipal Sanitary Sewerage
OPERATING REVENUES			
Billed services	\$ 1,563,980	\$ 9,891,671	\$ 2,867,625
Utility taxes	-	219,614	-
Penalties collected	-	-	31,680
Connection fees	-	32,978	950
Other fees	9,614	173,723	40,612
Total operating revenues	<u>1,573,594</u>	<u>10,317,986</u>	<u>2,940,867</u>
OPERATING EXPENSES			
Personnel			
Salaries	401,269	1,068,036	405,382
Payroll taxes	29,195	78,650	29,538
Payroll benefits	143,680	267,793	138,649
Total personnel	<u>574,144</u>	<u>1,414,479</u>	<u>573,569</u>
Utility expense	78,988	5,266,708	236,857
Commodities	349,663	1,215,532	431,031
Contractual services	13,582	220,620	46,621
Miscellaneous	110,887	329,246	65,530
Depreciation and amortization	368,759	1,235,349	984,247
Total operating expenses	<u>1,496,023</u>	<u>9,681,934</u>	<u>2,337,855</u>
OPERATING INCOME (LOSS)	<u>77,571</u>	<u>636,052</u>	<u>603,012</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	10,112	32,837	35,884
Reimbursements	19,491	30,340	17,448
Other miscellaneous revenue	-	-	-
Interest expense	(35,718)	(8,440)	(39,131)
Total non-operating revenues (expenses)	<u>(6,115)</u>	<u>54,737</u>	<u>14,201</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>71,456</u>	<u>690,789</u>	<u>617,213</u>
Transfers in	-	18,300	-
Transfers (out)	(56,616)	(157,362)	(56,598)
CHANGE IN NET POSITION	<u>14,840</u>	<u>551,727</u>	<u>560,615</u>
NET POSITION, MAY 1	5,469,721	19,607,711	21,000,713
Prior period adjustment	-	-	-
NET POSITION, MAY 1, AS RESTATED	<u>5,469,721</u>	<u>19,607,711</u>	<u>21,000,713</u>
NET POSITION (DEFICIT), APRIL 30	<u>\$ 5,484,561</u>	<u>\$ 20,159,438</u>	<u>\$ 21,561,328</u>

				Governmental	
				Activities	
Municipal	Municipal	Fiber Optic			Internal
Garbage	Broadband	Broadband	Total	Service	
\$ 593,066	\$ -	\$ -	\$ 14,916,342	\$ 1,281,155	
-	-	-	219,614	-	
-	-	-	31,680	-	
-	-	-	33,928	-	
157	8,940	-	233,046	10,000	
593,223	8,940	-	15,434,610	1,291,155	
2,417	-	82,568	1,959,672	-	
173	-	13,216	150,772	-	
967	-	430	551,519	1,275,319	
3,557	-	96,214	2,661,963	1,275,319	
-	-	-	5,582,553	-	
410,050	-	33,215	2,439,491	-	
3,309	4,199	19,797	308,128	-	
3,888	-	32,291	541,842	-	
-	68,684	9,277	2,666,316	-	
420,804	72,883	190,794	14,200,293	1,275,319	
172,419	(63,943)	(190,794)	1,234,317	15,836	
2,035	-	31,152	112,020	2,593	
128	-	3,258	70,665	-	
190	9,459	15,649	25,298	-	
-	-	(164,445)	(247,734)	-	
2,353	9,459	(114,386)	(39,751)	2,593	
174,772	(54,484)	(305,180)	1,194,566	18,429	
-	-	4,469,045	4,487,345	-	
(74,928)	-	(4,784,002)	(5,129,506)	-	
99,844	(54,484)	(620,137)	552,405	18,429	
543,297	199,677	-	46,821,119	456,727	
-	-	139,822	139,822	-	
543,297	199,677	139,822	46,960,941	456,727	
\$ 643,141	\$ 145,193	\$ (480,315)	\$ 47,513,346	\$ 475,156	

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2018

	Business-Type Activities		
	Municipal Water	Municipal Electric	Municipal Sanitary Sewerage
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,591,683	\$ 10,259,530	\$ 2,953,098
Receipts from interfund services transactions	-	-	-
Payments for interfund services transactions	(112,732)	(109,210)	(24,932)
Payments to suppliers	(424,474)	(6,746,199)	(762,921)
Payments to employees	(576,625)	(1,426,383)	(570,657)
Net cash from operating activities	<u>477,852</u>	<u>1,977,738</u>	<u>1,594,588</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipt of loans from other funds	-	-	-
Repayment of loans from other funds	(18,000)	-	-
Repayment of loans made to other funds	-	64,871	18,000
Loans made to other funds	-	(299,296)	-
Transfers in	-	18,300	-
Transfers (out)	(56,616)	(157,362)	(56,598)
Receipt of other miscellaneous revenue	19,491	30,340	17,448
Net cash from noncapital financing activities	<u>(55,125)</u>	<u>(343,147)</u>	<u>(21,150)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	(439,080)	(277,453)	(153,537)
Capital contributions	13,358	-	-
Principal payments on long-term debt	(139,884)	(333,498)	(1,004,117)
Interest payments on long-term debt	(22,795)	(11,012)	(41,394)
Net cash from capital and related financing activities	<u>(588,401)</u>	<u>(621,963)</u>	<u>(1,199,048)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	8,592	27,518	33,915
Net cash from investing activities	<u>8,592</u>	<u>27,518</u>	<u>33,915</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(157,082)	1,040,146	408,305
CASH AND CASH EQUIVALENTS, MAY 1	<u>1,335,501</u>	<u>4,229,814</u>	<u>4,416,149</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 1,178,419</u>	<u>\$ 5,269,960</u>	<u>\$ 4,824,454</u>

				Governmental Activities
Municipal Garbage	Municipal Broadband	Fiber Optic Broadband	Total	Internal Service
\$ 604,374	\$ 8,700	\$ -	\$ 15,417,385	\$ -
-	-	-	-	1,291,155
(745)	-	-	(247,619)	-
(415,665)	(5,191)	(78,078)	(8,432,528)	(1,258,258)
(3,496)	-	(81,419)	(2,658,580)	-
184,468	3,509	(159,497)	4,078,658	32,897
-	1,900	-	1,900	-
-	(14,868)	-	(32,868)	-
-	-	-	82,871	-
-	-	-	(299,296)	-
-	-	4,469,045	4,487,345	-
(74,928)	-	(18,300)	(363,804)	-
394	9,459	18,907	96,039	-
(74,534)	(3,509)	4,469,652	3,972,187	-
-	-	(706,065)	(1,576,135)	-
-	-	-	13,358	-
-	-	-	(1,477,499)	-
-	-	(151,578)	(226,779)	-
-	-	(857,643)	(3,267,055)	-
1,883	-	31,152	103,060	2,629
1,883	-	31,152	103,060	2,629
111,817	-	3,483,664	4,886,850	35,526
507,503	-	-	10,488,967	456,561
\$ 619,320	\$ -	\$ 3,483,664	\$ 15,375,817	\$ 492,087

(This statement is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended April 30, 2018

	Business-Type Activities		
	Municipal Water	Municipal Electric	Municipal Sanitary Sewerage
RECONCILIATION OF OPERATING INCOME (LOSS)			
TO NET CASH FLOWS FROM			
OPERATING ACTIVITIES			
Operating income (loss)	\$ 77,571	\$ 636,052	\$ 603,012
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization	368,759	1,235,349	984,247
Changes in assets and liabilities			
Accounts receivable	11,856	(96,665)	12,409
Other receivables	-	30,994	-
Prepaid expenses	-	117,506	-
Inventory	1,064	24,991	-
Deferred outflows - pension items - IMRF	28,875	83,041	28,704
Accounts payable	15,103	34,200	(7,814)
Accrued payroll	1,198	6,430	2,494
Refundable customer deposits	6,233	7,215	(178)
Compensated absences	(1,687)	(6,324)	2,595
Net pension obligation	(252,218)	(725,372)	(250,716)
Net other postemployment benefit obligation	5,375	9,907	5,397
Deferred inflows - pension items - IMRF	215,723	620,414	214,438
NET CASH FROM OPERATING ACTIVITIES	\$ 477,852	\$ 1,977,738	\$ 1,594,588
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	\$ 1,178,419	\$ 5,269,960	\$ 4,824,454
Restricted cash and investment	-	-	-
TOTAL CASH AND CASH EQUIVALENTS	\$ 1,178,419	\$ 5,269,960	\$ 4,824,454
SCHEDULE OF NONCASH TRANSACTIONS			
Long-term debt transferred from governmental activities	\$ -	\$ -	\$ -
TOTAL NONCASH TRANSACTIONS	\$ -	\$ -	\$ -

				Governmental Activities	
Municipal Garbage	Municipal Broadband	Fiber Optic Broadband	Total	Internal Service	
\$ 172,419	\$ (63,943)	\$ (190,794)	\$ 1,234,317	\$	15,836
-	68,684	9,277	2,666,316	-	-
6,818	(240)	-	(65,822)	-	-
-	-	-	30,994	-	-
-	-	-	117,506	-	-
-	-	-	26,055	-	-
70	-	-	140,690	-	-
837	(992)	7,225	48,559	17,061	-
41	-	766	10,929	-	-
4,333	-	-	17,603	-	-
26	-	14,029	8,639	-	-
(197)	-	-	(1,228,503)	-	-
-	-	-	20,679	-	-
121	-	-	1,050,696	-	-
<u>\$ 184,468</u>	<u>\$ 3,509</u>	<u>\$ (159,497)</u>	<u>\$ 4,078,658</u>	<u>\$</u>	<u>32,897</u>
\$ 619,320	\$ -	\$ -	\$ 11,892,153	\$	492,087
-	-	3,483,664	3,483,664	-	-
<u>\$ 619,320</u>	<u>\$ -</u>	<u>\$ 3,483,664</u>	<u>\$ 15,375,817</u>	<u>\$</u>	<u>492,087</u>
\$ -	\$ -	\$ (4,765,701)	\$ -	\$	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,765,701)</u>	<u>\$ -</u>	<u>\$</u>	<u>-</u>

See accompanying notes to financial statements.

CITY OF ROCK FALLS, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

April 30, 2018

ASSETS	
Cash and short-term investments	\$ 692,576
Investments	
U.S. agency obligations	277,652
U.S. Treasuries	3,018,689
Common stock	2,282,045
Mutual funds	3,639,139
Corporate bonds	1,683,899
Municipal bonds	215,037
Mortgage pools	48,592
Annuities	592,928
Negotiable certificates of deposit	1,713,446
Receivables	
Accrued interest	45,707
Prepaid expenses	4,382
	<hr/>
Total assets	14,214,092
	<hr/>
LIABILITIES	
Accounts payable	3,458
	<hr/>
Total liabilities	3,458
	<hr/>
NET POSITION RESTRICTED FOR PENSIONS	
	\$ 14,210,634
	<hr/> <hr/>

CITY OF ROCK FALLS, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended April 30, 2018

ADDITIONS

Contributions	
Employer contributions	\$ 755,359
Employee contributions	<u>194,647</u>
Total contributions	<u>950,006</u>
Investment income	
Net appreciation in fair value of investments	576,211
Interest	<u>184,457</u>
Total investment income	760,668
Less investment expense	<u>(37,785)</u>
Net investment income	<u>722,883</u>
Total additions	<u>1,672,889</u>

DEDUCTIONS

Benefits and refunds	1,271,046
Administrative expenses	<u>47,354</u>
Total deductions	<u>1,318,400</u>

NET INCREASE 354,489

**NET POSITION RESTRICTED
FOR PENSIONS**

May 1	<u>13,856,145</u>
April 30	<u><u>\$ 14,210,634</u></u>

CITY OF ROCK FALLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The City is a municipal corporation governed by an elected council under the mayor/council form of government. The City is considered to be a primary government as defined by GASB Statement No. 14, *The Financial Reporting Entity, as Amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units*, and GASB Statement No 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statement No. 14 and 34*, since its council is separately elected and fiscally independent. In accordance with these pronouncements, the basic financial statements include all funds for which the City is financially accountable. No other government is a component unit of the City based on GASB Statement Nos. 14, 39 and 61.

Pension Trust Funds

The City's financial statements include the Police Pension Fund and the Firefighters' Pension Fund as pension trust funds. The City's sworn police and firefighter employees participate in these pension trust funds which function for the benefit of those employees and are governed by a five-member Pension Board of Trustees. Two members appointed by the Mayor, one elected pension beneficiary and two elected police officers constitute the Pension Boards. The City and the pension plan participants are obligated to fund all pension plan costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of the contribution levels. The pension plans are reported as pension trust funds because of the City's fiduciary responsibility. Separate financial statements are not available for the Police Pension Plan and Firefighters' Pension Plan.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting

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

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

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in some other fund.

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

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The City utilizes pension trust funds which are generally used to account for assets that the City holds in a fiduciary capacity.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental fund:

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

The City reports the following major proprietary funds:

The Municipal Water Fund accounts for the costs related to operations associated with water service. Funding is provided by user fees.

The Municipal Electric Fund accounts for the costs related to operations associated with electric service. Funding is provided by user fees.

The Municipal Sanitary Sewer Fund accounts for the costs related to operations associated with sewer service. Funding is provided by user fees.

The Municipal Garbage Fund accounts for the costs related to operations associated with garbage service. Funding is provided by user fees. Management has elected to report this as a major fund.

The Municipal Broadband Fund accounts for the costs related to operations associated with broadband internet service. Funding is provided by user fees. Management has elected to report this as a major fund.

The Fiber Optic Broadband Fund accounts for the costs related to operations associated with fiber infrastructure. Funding is provided by user fees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following proprietary fund type:

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis. These are reported as part of the governmental activities on the government-wide financial statements as they provide services to the City's governmental funds/activities. The City reports two internal service funds: The Health Insurance Fund and the GIS IT Fund.

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due, unless due the first day of the following fiscal year.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The City reports unearned revenue and deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet the availability criteria for recognition in the current period, under the modified accrual basis of accounting. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the City before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability or deferred inflows of resource for unearned and deferred/unavailable revenue are removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City's proprietary funds consider cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agent, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Property Taxes

Property taxes for 2017 are levied in December 2017 and attach as an enforceable lien on the property on January 1, 2017. Tax bills are prepared by the County and issued on or about May 1, 2018 and August 1, 2018, and are due and collectible on or about June 1, 2018 and September 1, 2018. The County collects the taxes and remits them periodically to the City. Those 2017 taxes are intended to finance the 2019 fiscal year and are not considered available or earned for current operations and, therefore, are reported as deferred/unavailable revenue. The 2018 tax levy has not been recorded as a receivable at April 30, 2018, as the tax attached as a lien on property as of January 1, 2018; however, the tax will not be levied until December 2018 and, accordingly, is not measurable at April 30, 2018.

g. Inventory

Inventory is valued at average cost on a first-in/first-out (FIFO) method.

h. Restricted Assets

Certain cash and investments in the MFT Bond Fund and Fiber Optic Broadband Fund are restricted in accordance with the ordinances authorizing the issuance of the alternate revenue source bonds. These assets are reflected as restricted cash and investments and restrictions of net position.

i. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses and are accounted for using the consumption method.

j. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, storm water and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$2,500 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets (Continued)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings, infrastructure and improvements	20-50
Vehicles and other equipment	5-20

k. Compensated Absences

City employees are granted sick leave and vacation days. Vacation days vary by employee and accumulation of vacation days is ordinarily not allowed. However, vacation days are earned in the year prior to their eligibility for use. Upon termination of employment, city employees are paid for any earned, unused vacation days and any accumulated unused sick leave at the rate of two days pay for each ten accumulated unused sick days. The employees receive ten sick days per calendar year. Police employees are allowed to accumulate a maximum of 1,200 hours of sick leave. Upon retirement, the City agrees to provide continued health insurance coverage on behalf of the retired employee equal to the cash value of the accumulated unused sick leave then held by the employee. Firefighter employees are allowed to accumulate a maximum of 1,680 hours of sick leave. Upon retirement, the City agrees to provide continued health insurance coverage on behalf of the retired employee equal to the cash value of the accumulated unused sick leave then held by the employee.

Vested or accumulated vacation related to employees that have retired or terminated at year end but have not yet been paid is reported as an expenditure and a fund liability of the governmental fund that will pay it.

Vested and accumulated vacation of governmental activities and proprietary funds is recorded as an expense and liability as the benefits accrue to employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Interfund Transactions

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

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

m. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

n. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as any gains/losses on refunding are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Deferred Outflows/Inflows of Resources

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

p. Fund Balance/Net Position

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

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned funds and then unassigned funds.

The City has a policy to maintain a minimum unassigned fund balance in the General Fund equal to 45 days of General Fund operating expenditures as determined from year-to-year based upon the fiscal year budget approved by the City Council.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the City's net position is restricted as a result of enabling legislation adopted by the City Council. Net investment in capital assets, represents the City's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. Use of Estimates

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

2. CASH AND INVESTMENTS

The City and pension funds categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." The deposits and investments of the pension trust funds are held separately from those of other funds. The investments are governed by three separate investment policies: one policy for the City adopted by the City Council and one policy each for the Police Pension Fund and the Firefighters' Pension Fund approved by their respective boards.

The City's investment policy authorizes the City to make deposits in the commercial banks and savings and loan institutions and to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements and The Illinois Funds.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

2. CASH AND INVESTMENTS (Continued)

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

City Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank’s failure, the City’s deposits may not be returned to it. The City’s investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance, evidenced by a written collateral agreement with the collateral held by an independent third party safekeeping agent of the City in the City’s name.

City Investments

The City categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. There are no investments subject to fair value measurement since all of the City’s investments are in non-negotiable certificates of deposit.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. The City’s investment policy limits investments to a two-year maturity.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment in securities allowed under the investment policy. The City’s investment policy does not address credit risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in the possession of an outside party. To limit its exposure, the City’s investment policy requires all security transactions that are exposed to custodial credit risk to be processed with the underlying investments held by a third party custodian and held in the City’s name.

2. CASH AND INVESTMENTS (Continued)

Concentration of the credit risk is the risk that the City has a high percentage of their investments invested in one investment. The City's investment policy requires diversification of investments to avoid unreasonable risk by limiting deposits in one institution to 50% of the City's deposits unless fully collateralized.

3. RECEIVABLES

The following receivables are included in due from other governments on the statement of net position at April 30, 2018:

GOVERNMENTAL ACTIVITIES

General Fund

Telecommunications tax	\$ 38,790
Use tax	60,481
Sales tax	277,237
Video gaming tax	42,996
Non-home rule sales tax	197,377
Fines	5,510
Grants	<u>9,133</u>

Total General Fund 631,524

Nonmajor Governmental Funds

Motor fuel tax	21,213
Grants	<u>4,748</u>

Total Nonmajor Governmental Funds 25,961

TOTAL GOVERNMENTAL ACTIVITIES \$ 657,485

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2018 was as follows:

	Beginning Balances, As Restated	Increases	Decreases	Transfers	Ending Balances
GOVERNMENTAL ACTIVITIES					
Capital assets not being depreciated					
Land	\$ 725,520	\$ -	\$ -	\$ -	\$ 725,520
Total capital assets not being depreciated	<u>725,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>725,520</u>
Capital assets being depreciated					
Land improvements	2,728,354	181,022	-	-	2,909,376
Buildings	2,531,288	-	-	-	2,531,288
Equipment	4,267,198	58,218	17,433	-	4,307,983
Infrastructure	8,433,161	527,804	-	-	8,960,965
Total capital assets being depreciated	<u>17,960,001</u>	<u>767,044</u>	<u>17,433</u>	<u>-</u>	<u>18,709,612</u>
Less accumulated depreciation for					
Land improvements	140,339	169,968	-	-	310,307
Buildings	1,666,852	79,712	-	-	1,746,564
Equipment	3,630,151	189,352	17,433	-	3,802,070
Infrastructure	4,646,104	347,495	-	-	4,993,599
Total accumulated depreciation	<u>10,083,446</u>	<u>786,527</u>	<u>17,433</u>	<u>-</u>	<u>10,852,540</u>
Total capital assets being depreciated, net	<u>7,876,555</u>	<u>(19,483)</u>	<u>-</u>	<u>-</u>	<u>7,857,072</u>
GOVERNMENTAL ACTIVITIES					
CAPITAL ASSETS, NET					
	<u>\$ 8,602,075</u>	<u>\$ (19,483)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,582,592</u>

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 256,150
Public safety	103,373
Streets and highways	422,133
Public property division	<u>4,871</u>
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u>\$ 786,527</u>

4. CAPITAL ASSETS (Continued)

	Beginning Balances, As Restated	Increases	Decreases	Transfers	Ending Balances
BUSINESS-TYPE ACTIVITIES					
Capital assets not being depreciated					
Land	\$ 980,000	\$ -	\$ -	\$ -	\$ 980,000
Construction in progress	775,178	814,630	-	(775,177)	814,631
Total capital assets not being depreciated	1,755,178	814,630	-	(775,177)	1,794,631
Capital assets being depreciated					
Buildings and infrastructure	72,607,533	845,863	-	775,177	74,228,573
Improvements other than buildings	13,264,949	157,286	-	-	13,422,235
Equipment	4,955,644	140,218	18,186	-	5,077,676
Total capital assets being depreciated	90,828,126	1,143,367	18,186	775,177	92,728,484
Less accumulated depreciation for					
Buildings and infrastructure	29,311,924	2,053,286	-	-	31,365,210
Improvements other than buildings	7,987,478	446,453	-	-	8,433,931
Equipment	4,290,530	166,577	18,186	-	4,438,921
Total accumulated depreciation	41,589,932	2,666,316	18,186	-	44,238,062
Total capital assets being depreciated, net	49,238,194	(1,522,949)	-	775,177	48,490,422
BUSINESS-TYPE ACTIVITIES					
CAPITAL ASSETS, NET	\$ 50,993,372	\$ (708,319)	\$ -	\$ -	\$ 50,285,053

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

BUSINESS-TYPE ACTIVITIES	
Municipal water	\$ 368,759
Municipal electric	1,235,349
Municipal sanitary sewerage	984,247
Municipal broadband (electric)	68,684
Municipal broadband	9,277
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	\$ 2,666,316

5. LONG-TERM DEBT

a. Long-Term Debt - Governmental Funds

Long-term liability activity for the year ended April 30, 2018 was as follows:

	May 1	Additions	Reductions/ Refundings	Transfers	April 30	Current Portion
GOVERNMENTAL ACTIVITIES						
General obligation alternate revenue source bonds**, ***	\$ 6,895,000	\$ -	\$ 110,000	\$ (4,750,000)	\$ 2,035,000	\$ 195,000
Bond premium***	163,795	-	7,794	(15,702)	140,299	7,794
Debt certificates*	2,617,000	-	24,000	-	2,593,000	26,000
Capital leases*	277,668	-	152,769	-	124,899	26,962
Compensated absences*	399,822	410,283	399,822	-	410,283	61,542
Net other postemployment benefit obligation*	144,927	36,240	-	-	181,167	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 10,498,212	\$ 446,523	\$ 694,385	\$ (4,765,702)	\$ 5,484,648	\$ 317,298

*These liabilities are primarily retired by the General Fund.

** These liabilities are primarily retired by the Debt Service Funds.

***The 2017A and 2017B General Obligation Bonds were transferred into the business-type activities as of April 30, 2018.

Long-term liabilities payable from governmental activities at April 30, 2018 comprise the following:

	Total	Current Portion
General Obligation Bonds		
\$720,000 - General Obligation Refunding Bonds, Series 2012 Motor Fuel Tax (alternative revenue sources); due in annual installments of \$105,000 to \$110,000 through January 1, 2019; interest at 2.60%, payable semiannually in January and July.	\$ 110,000	\$ 110,000
\$1,925,000 - General Obligation Refunding Bonds, Series 2016 (alternative revenue sources); due in annual installments of \$85,000 to \$145,000 starting October 1, 2018 through October 1, 2035; interest at 2% to 4%, payable semiannually in April and October.	1,925,000	85,000

5. LONG-TERM DEBT (Continued)

a. Long-Term Debt - Governmental Funds (Continued)

	Total	Current Portion
	<hr/>	<hr/>
Debt Certificates		
\$280,000 Debt Certificates, Series 2012; due in annual installments of \$22,000 to \$30,000 through November 1, 2023; interest at 3.50% to 3.75% payable semiannually in May and November.	\$ 166,000	\$ 26,000
\$2,427,000 Debt Certificates, Series 2016; due March 16, 2022; interest at 2.28% through March 2019, 3-year Treasury Constant Rate plus 1.50% from March 2019 through March 2022 payable semiannually in March and September.	2,427,000	-
Capital Leases		
\$178,243 capital lease for 2013 Elgin Pelican NP Street Sweeper; due in installments of \$27,768 through April 2019; interest at 2.99%.	26,962	26,962
\$241,551 capital lease for two International 7300 trucks with Plows; due in annual installments of \$51,102 through May 2020; interest at 2.89%.	97,937	-
Bond premium	140,299	7,794
Compensated absences	410,283	61,542
Net other postemployment benefit obligation	181,167	-
	<hr/>	<hr/>
TOTAL	<u>\$ 5,484,648</u>	<u>\$ 317,298</u>

5. LONG-TERM DEBT (Continued)

b. Debt Service to Maturity

The annual requirements to amortize all debt outstanding as of April 30, 2018, are as follows:

Fiscal Year Ending April 30,	Governmental Activities			
	General Obligation Debt		Debt Certificates	
	Principal	Interest	Principal	Interest
2019	\$ 195,000	\$ 64,510	\$ 26,000	\$ 61,208
2020	85,000	59,950	27,000	60,298
2021	90,000	58,200	28,000	59,353
2022	90,000	56,400	2,457,000	58,373
2023	90,000	54,600	30,000	1,988
2024-2028	490,000	240,450	25,000	938
2029-2033	585,000	141,900	-	-
2034-2038	410,000	25,200	-	-
TOTAL	\$ 2,035,000	\$ 701,210	\$ 2,593,000	\$ 242,158

c. Capital Leases

The City has capital lease obligations, with total annual payments ranging from \$27,768 to \$51,102, at interest rates of 2.99% to 3.99%. Future minimum lease payments under the capital leases at April 30, 2018 are as follows:

Fiscal Year Ending April 30,	
2019	\$ 27,768
2020	51,102
2021	51,102
Subtotal	129,972
Less amount representing interest	5,073
TOTAL	\$ 124,899

The cost of such equipment acquired through capital leases was \$489,764 with an accumulated depreciation of \$218,278 at April 30, 2018.

5. LONG-TERM DEBT (Continued)

d. Pledged Revenue Debt

The City has outstanding bonds with remaining pledges of revenue outstanding. The schedule of pledged revenue is detailed below:

Debt Issue	Pledge Source	Pledge Remaining	Commitment End Date	Pledged Revenue	Principal and Interest Paid	Percent of Pledged Revenue
2012 GO Alternate Revenue Source	Motor Fuel Tax Allotments	\$ 112,860	January 1, 2019	\$ 237,000	\$ 115,720	49%
2016 GO Alternate Revenue Source	TIF Property Taxes	2,623,350	October 1, 2035	269,397	96,701	36%

e. Long-Term Debt - Business-Type Activities

Long-term liability activity for business-type activities for the year ended April 30, 2018 was as follows:

	May 1	Additions	Reductions	Transfers	April 30	Current Portion
BUSINESS-TYPE ACTIVITIES						
General obligation bonds	\$ 240,000	\$ -	\$ 240,000	\$ 4,750,000	\$ 4,750,000	\$ -
Bond premium	-	-	748	15,702	14,954	-
Capital leases	222,876	-	129,509	-	93,367	-
IEPA revolving loans	15,276,859	-	1,492,605	-	13,784,254	689,106
Net other postemployment benefit obligation	91,960	20,755	-	-	112,715	-
Compensated absences	215,969	224,608	215,969	-	224,608	33,691
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 16,047,664	\$ 245,363	\$ 2,078,831	\$ 4,765,702	\$ 18,979,898	\$ 722,797

5. LONG-TERM DEBT (Continued)

e. Long-Term Debt - Business-Type Activities (Continued)

Long-term liabilities payable from business-type activities at April 30, 2018 comprise the following:

	Total	Current Portion
	<hr/>	<hr/>
General Obligation Bonds		
\$2,105,000 - General Obligation Refunding Bonds, Series 2017A (alternative revenue sources); due in annual installments of \$240,000 to \$340,000 starting October 1, 2031 through October 1, 2037; interest at 3.25% to 4.00%, payable semiannually in April and October.	\$ 2,105,000	\$ -
\$2,645,000 - General Obligation Refunding Bonds, Series 2017B (alternative revenue sources); due in annual installments of \$30,000 to \$260,000 starting October 1, 2024 through October 1, 2031; interest at 3.25% to 4.00%, payable semiannually in April and October.	2,645,000	-
IEPA Loans		
\$1,621,986 Illinois Environmental Protection Agency (IEPA) loan payable - water; due in semiannual installments of \$53,749, including interest at 2.905% through April 4, 2022.	403,197	96,481
\$20,000,000 IEPA wastewater treatment works loan payable; due in semiannual installments of \$394,615, no interest through May 1, 2031.	10,000,000	384,615
\$5,481,335 IEPA wastewater treatment facility and watermain/liftstation loan of which \$4,334,740 is required to be repaid; due in semiannual installments of \$105,806, including interest at 1.25% through March 19, 2032.	2,710,096	178,292
\$654,443 IEPA liftstation and sewer rehabilitation loan payable of which \$490,832 is required to be repaid; due in semiannual installments of \$13,610 including interest of 1.25% through November 19, 2031.	337,165	11,503
\$536,590 IEPA drinking water loan payable of which \$379,942 is required to be repaid; due in semiannual installments of \$21,319 including interest of 1.86% through November 19, 2026.	333,796	18,215

5. LONG-TERM DEBT (Continued)

e. Long-Term Debt - Business-Type Activities (Continued)

	Total	Current Portion
Capital Leases		
\$186,865 capital lease for Altec Capital Bucket truck; due in annual installments of \$49,375 through May 2020, including interest at 3.82%.	\$ 93,367	\$ -
Compensated absences	224,608	33,691
Bond premium	14,954	-
Net other postemployment benefit obligation	112,715	-
TOTAL	\$ 18,979,898	\$ 722,797

Fiscal Year Ending April 30,	Business-Type Activities			
	GO Alternate Revenue Source Bonds		Illinois IEPA Loans	
	Principal	Interest	Principal	Interest
2019	\$ -	\$ 163,378	\$ 689,106	\$ 43,341
2020	185,000	161,389	1,109,223	37,579
2021	190,000	157,120	1,115,374	32,809
2022	195,000	152,305	1,121,655	27,634
2023	200,000	146,970	1,019,790	23,734
2024-2028	1,095,000	634,545	5,107,787	89,238
2029-2033	1,300,000	419,640	3,621,319	26,318
2034-2038	1,585,000	151,075	-	-
TOTAL	\$ 4,750,000	\$ 1,986,422	\$ 13,784,254	\$ 280,653

5. LONG-TERM DEBT (Continued)

f. Capital Leases (Continued)

The City has a capital lease obligation, with total annual of \$49,375, with an interest rate of 3.82%. Future minimum lease payments under the capital leases at April 30, 2018 are as follows:

<u>Year Ending June 30,</u>	
2019	\$ -
2020	49,375
2021	<u>49,375</u>
Subtotal	98,750
Less amount representing interest	<u>5,383</u>
TOTAL	<u>\$ 93,367</u>

The cost of such equipment acquired through capital lease was \$186,865 with an accumulated depreciation of \$28,920 at April 30, 2018.

g. Pledged Revenue Debt

The City has outstanding bonds with remaining pledges of revenue outstanding. The schedule of pledged revenue is detailed below:

Debt Issue	Pledge Source	Pledge Remaining	Commitment End Date	Pledged Revenue	Principal and Interest Paid	Percent of Pledged Revenue
2010 GO Alternate Revenue Source	Electric Revenues	\$ -	January 1, 2018	\$ 9,888,069	\$ 245,760	2%
Illinois EPA Loan - Drinking Water	Water Revenues	429,695	April 4, 2022	1,555,805	107,499	7%
Illinois EPA Loan - Drinking Water	Water Revenues	362,425	November 19, 2026	1,555,805	54,942	4%
Illinois EPA Loan - Treatment Plant	Sanitary Sewer Revenues	10,000,000	May 1, 2031	2,828,446	1,153,846	41%
Illinois EPA Loan - Treatment Plant	Sanitary Sewer Revenues	2,962,581	March 19, 2032	2,828,446	211,613	7%

5. LONG-TERM DEBT (Continued)

g. Pledged Revenue Debt (Continued)

Debt Issue	Pledge Source	Pledge Remaining	Commitment End Date	Pledged Revenue	Principal and Interest Paid	Percent of Pledged Revenue
Illinois EPA Loan - Lift Station Rehabilitation	Sanitary Sewer Revenues	\$ 367,461	November 19, 2031	\$ 2,828,446	\$ 27,219	1%
2017A GO Alternate Revenue Source	Broadband System Revenues	3,400,825	October 1, 2037	-	71,810	0%
2017B GO Alternate Revenue Source	Broadband System Revenues	3,335,596	October 1, 2031	-	79,768	0%

6. DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters’ Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained at www.imrf.org. The Police Pension Plan and Firefighters’ Pension Plan do not issue separate reports.

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

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

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

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2017 (the measurement date), IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	57
Inactive employees entitled to but not yet receiving benefits	26
Active employees	<u>44</u>
 TOTAL	 <u><u>127</u></u>

Benefits Provided

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

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar years ended 2017 and 2018 was 9.79% and 9.55%, respectively, of covered payroll.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustment	3.00%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2017	\$ 16,019,729	\$ 14,687,218	\$ 1,332,511
Changes for the period			
Service cost	294,864	-	294,864
Interest	1,180,963	-	1,180,963
Difference between expected and actual experience	(122,986)	-	(122,986)
Changes in assumptions	(518,345)	-	(518,345)
Employer contributions	-	264,612	(264,612)
Employee contributions	-	121,630	(121,630)
Net investment income	-	2,604,966	(2,604,966)
Benefit payments and refunds	(841,981)	(841,981)	-
Other	-	(342,393)	342,393
Net changes	(7,485)	1,806,834	(1,814,319)
BALANCES AT DECEMBER 31, 2017	\$ 16,012,244	\$ 16,494,052	\$ (481,808)

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset) (Continued)

Net pension liability (asset) was reported as follows in the statement of net position:

Governmental activities	\$ (155,568)
Business-type activities (proprietary fund)	<u>(326,240)</u>
TOTAL NET PENSION LIABILITY	<u>\$ (481,808)</u>

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

For the year ended April 30, 2018, the City recognized pension expense of \$210,964.

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow of Resources
Difference between expected and actual experience	\$ -	\$ 324,037	\$ (324,037)
Changes in assumption	4,448	406,383	(401,935)
Net difference between projected and actual earnings on pension plan investments	438,777	1,226,684	(787,907)
Contributions after measurement date	94,664	-	94,664
TOTAL	<u>\$ 537,889</u>	<u>\$ 1,957,104</u>	<u>\$(1,419,215)</u>

Net deferred outflows of resources was reported as follows in the statement of net position:

Governmental activities	\$ (458,242)
Business-type activities (proprietary fund)	<u>(960,973)</u>
NET DEFERRED OUTFLOWS OF RESOURCES	<u>\$ (1,419,215)</u>

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

\$94,664 reported as deferred outflows of resources related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2018	\$ (403,644)
2019	(319,538)
2020	(445,155)
2021	<u>(345,542)</u>
 TOTAL	 <u><u>\$ (1,513,879)</u></u>

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.50% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 1,576,081	\$ (481,808)	\$ (2,177,747)

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

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

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

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

Plan Membership

At April 30, 2018, the measurement date, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	18
Inactive plan members entitled to benefits but not yet receiving them	3
Current employees	<u>21</u>
TOTAL	<u><u>42</u></u>

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 100% of the past service cost for the Police Pension Plan. For the year ended April 30, 2018, the City's contribution was 40.96% of covered payroll. The City's policy is to fund 100% of the actuarially determined contribution.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts.

The Fund's investment manager establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	30%	5.70%
Mid Cap Domestic Equity	5%	8.10%
Small Cap Domestic Equity	5%	9.30%
Real Estate	2%	6.40%
International Equity	5%	3.00%
Fixed Income	53%	2.30%

The long-term expected real rates of return are net of a 2% factor for inflation. ILCS limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

The long-term expected rate of return was developed using the Dimensional Matrix Book 2017 Historical Returns Data.

Investment Concentrations

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

Investment Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.76%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 367,680	\$ -	\$ 162,552	\$ 173,868	\$ 31,260
U.S. agency obligations	47,143	-	-	8,731	38,412
Municipal bonds	215,037	215,037	-	-	-
Corporate bonds	1,185,514	-	1,110,765	74,749	-
Negotiable certificates of deposit	1,713,446	798,567	914,879	-	-
TOTAL	\$ 3,528,820	\$ 1,013,604	\$ 2,188,196	\$ 257,348	\$ 69,672

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk (Continued)

The Fund has the following recurring fair value measurements as of April 30, 2018: The common stock and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. Treasury obligations, U.S. agency obligations, negotiable certificates of deposits, corporate bonds and municipal bonds are valued using quoted matrix pricing models (Level 2 inputs). The annuities valuation methodology is unobservable and significant to the fair value measurement (Level 3 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment in securities allowed under the investment policy. The Fund's investment policy does not address credit risk. The Fund's investment in municipal bonds are rated at A by Standard and Poor's. The Fund's investment in corporate bonds are rated at BB+ to AA by Standard and Poor's.

Custodial Credit Risk

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

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2017	\$ 13,604,441	\$ 7,065,013	\$ 6,539,428
Changes for the period			
Service cost	324,172	-	324,172
Interest	923,645	-	923,645
Difference between expected and actual experience	139,752	-	139,752
Changes in assumptions	618,890	-	618,890
Employer contributions	-	487,114	(487,114)
Employee contributions	-	118,679	(118,679)
Net investment income	-	336,053	(336,053)
Benefit payments and refunds	(756,029)	(756,029)	-
Other	(48,872)	-	(48,872)
Administrative expense	-	(30,513)	30,513
Net changes	1,201,558	155,304	1,046,254
BALANCES AT APRIL 30, 2018	\$ 14,805,999	\$ 7,220,317	\$ 7,585,682

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2018 using the following actuarial methods and assumptions.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions (Continued)

Actuarial valuation date	April 30, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.75%
Interest rate	7.00%, net of investment expenses
Cost of living adjustments	Tier 1 - 3.00%, compounded Tier 2 - 2.00%, simple
Asset valuation method	Market

Mortality rates were based on the RP-2014 Mortality with Blue Collar Adjustment Table (CHBCA).

Discount Rate

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

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

For the year ended April 30, 2018, the City recognized pension expense of \$1,023,520.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 223,977	\$ 103,429
Changes in assumptions	875,109	-
Net difference between projected and actual earnings on pension plan investments	340,574	-
TOTAL	\$ 1,439,660	\$ 103,429

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

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

Fiscal Year Ending April 30,	
2019	\$ 384,440
2020	384,438
2021	268,490
2022	175,601
2023	123,262
Thereafter	-
TOTAL	\$ 1,336,231

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

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

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 9,594,035	\$ 7,585,682	\$ 5,934,066

Firefighters’ Pension Plan

Plan Administration

Fire sworn personnel are covered by the Firefighters’ Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

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

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

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Plan Membership

At April 30, 2018, the measurement date, the Firefighters' Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	19
Inactive plan members entitled to benefits but not yet receiving them	1
Current employees	<u>14</u>
TOTAL	<u><u>34</u></u>

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to ½ of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

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

Contributions

Covered employees are required by ILCS to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 100% of the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2018, the City's contribution was 33.10% of covered payroll. The City's policy is to fund 100% of the actuarially determined contribution.

Investment Policy

Permitted Deposits and Investments - Statutes and the Firefighter's Pension Fund's (the Fund) investment policy authorize the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy (Continued)

The Fund's investment manager establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Equity	25%-45%	4.85%
Fixed Income	45%-100%	2.55%
Cash and Cash Equivalents	0%-5%	0.00%

The long-term expected real rates of return are net of a 2.10% factor for inflation. ILCS limits the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

Investment Concentrations

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investment.

Investment Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.61%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 2,651,009	\$ 354,449	\$ 1,687,316	\$ 609,244	\$ -
U.S. agency obligations	230,509	141,857	88,652	-	-
Corporate bonds	498,385	176,887	321,498	-	-
Mortgage pools	48,592	154	1,084	5,545	41,809
TOTAL	\$ 3,428,495	\$ 673,347	\$ 2,098,550	\$ 614,789	\$ 41,809

The Fund has the following recurring fair value measurements as of April 30, 2018: the common stock and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, U.S. Treasury obligations, mortgage pools and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment in securities allowed under the investment policy. The Fund's investment policy allows investment in corporate bonds rated as investment grade by one of the two largest rating services at the time of purchase. The Fund's investment in corporate bonds are rated at or above BBB+ by Standard and Poor's. The Fund's investment in agency securities are rated at AA+ by Standard and Poor's.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The Fund's investment policy requires investments to be held by a third party custodian in a custodian trust account designated by the Treasurer or authorized depository. All individual security transactions are required to be conducted on a delivery versus payment (DVP) basis.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2017	\$ 10,726,642	\$ 6,791,132	\$ 3,935,510
Changes for the period			
Service cost	319,389	-	319,389
Interest	626,860	-	626,860
Difference between expected and actual experience	208,429	-	208,429
Changes in assumptions	684,577	-	684,577
Employer contributions	-	268,245	(268,245)
Employee contributions	-	75,968	(75,968)
Net investment income	-	386,831	(386,831)
Benefit payments and refunds	(515,017)	(515,017)	-
Other	(36,267)	-	(36,267)
Administrative expense	-	(16,841)	16,841
Net changes	1,287,971	199,187	1,088,785
BALANCES AT APRIL 30, 2018	\$ 12,014,613	\$ 6,990,318	\$ 5,024,295

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2018 using the following actuarial methods and assumptions.

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2018 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	5.00%
Interest rate	6.00%
Cost of living adjustments	Tier 1 - 3.00%, compounded Tier 2 - 2.00%, simple
Asset valuation method	Market

Mortality rates were based on the RP-2014 with Blue Collar Adjustment Mortality Table project to 2018 with scale MP2017. There is no margin for future mortality improvement beyond the valuation date.

Discount Rate

The discount rate used to measure the total pension liability was 6%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the year ended April 30, 2018, the City recognized pension expense of \$807,793.

At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the Firefighters' Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 371,354	\$ 12,035
Assumption changes	543,564	-
Net difference between projected and actual earnings on pension plan investments	163,048	67,801
TOTAL	<u>\$ 1,077,966</u>	<u>\$ 79,836</u>

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

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

Fiscal Year Ending April 30,	
2019	\$ 338,819
2020	338,817
2021	164,274
2022	156,222
2023	(2)
Thereafter	-
TOTAL	<u>\$ 998,130</u>

6. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate of 6% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5%) or 1 percentage point higher (7%) than the current rate:

	1% Decrease (5%)	Current Discount Rate (6%)	1% Increase (7%)
Net pension liability	\$ 6,714,942	\$ 5,024,295	\$ 3,644,313

b. Pension Segment Information

Plan Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash	\$ 262,175	\$ 430,401	\$ 692,576
Investments			
U.S. agency obligations	47,143	230,509	277,652
U.S. Treasuries	367,680	2,651,009	3,018,689
Common stock	1,645,212	636,833	2,282,045
Mutual funds	1,166,956	2,472,183	3,639,139
Corporate bonds	1,185,514	498,385	1,683,899
Negotiable certificates of deposit	1,713,446	-	1,713,446
Municipal bonds	215,037	-	215,037
Mortgage pools	-	48,592	48,592
Annuities	592,928	-	592,928
Accrued interest receivable	22,567	23,140	45,707
Prepaid items	3,690	692	4,382
Total assets	7,222,348	6,991,744	14,214,092

6. DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Segment Information (Continued)

Plan Net Position (Continued)

	Police Pension	Firefighters' Pension	Total
LIABILITIES			
Accounts payable	\$ 2,032	\$ 1,426	\$ 3,458
Total liabilities	2,032	1,426	3,458
NET POSITION RESTRICTED FOR PENSIONS			
	<u>\$ 7,220,316</u>	<u>\$ 6,990,318</u>	<u>\$ 14,210,634</u>

Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer contributions	\$ 487,114	\$ 268,245	\$ 755,359
Employee contributions	118,679	75,968	194,647
Total contributions	605,793	344,213	950,006
Investment income			
Net depreciation in fair value investments	271,714	304,497	576,211
Interest	82,697	101,760	184,457
Total investment income	354,411	406,257	760,668
Less investment expense	(18,359)	(19,426)	(37,785)
Net investment income	336,052	386,831	722,883
Total additions	941,845	731,044	1,672,889

6. DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Segment Information (Continued)

Changes in Plan Net Position (Continued)

	Police Pension	Firefighters' Pension	Total
DEDUCTIONS			
Benefits and refunds	\$ 756,029	\$ 515,017	\$ 1,271,046
Other	30,513	16,841	47,354
Total deductions	786,542	531,858	1,318,400
NET INCREASE	155,303	199,186	354,489
NET POSITION RESTRICTED FOR PENSIONS			
May 1	7,065,013	6,791,132	13,856,145
April 30	\$ 7,220,316	\$ 6,990,318	\$ 14,210,634

7. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters.

Intergovernmental Personnel Benefit Cooperative

The City participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental and nonprofit public service entities.

IPBC receives, processes and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Benefit Administrator and a Treasurer. The City does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

7. RISK MANAGEMENT (Continued)

Municipal Insurance Cooperative Agency

The City participates in the Municipal Insurance Cooperative Agency (MICA). MICA is a public entity risk pool whose members are Illinois municipalities. MICA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims of its members. MICA provides \$1,800,000 of coverage after a \$1,000 deductible. The City's payments to MICA are displayed on the financial statements as expenditures/expenses in appropriate funds.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are three officers, a Risk Manager and a Treasurer. The City does not exercise any control over activities of MICA beyond its representation on the Board of Directors. MICA functions solely as an administrative agent for each member.

8. CONTRACTS, COMMITMENTS AND CONTINGENCIES

a. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

b. Grants

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

9. TAX ABATEMENTS

The City rebates property taxes to recruit, retain or improve local business facilities or their supporting public infrastructure under certain circumstances and as an annexation inducement. The terms of these rebate arrangements are specified within written agreements with the individuals and businesses concerned.

For the fiscal year ended April 30, 2018, the City rebated its share of property taxes paid by a local business to induce the investment of private capital and reverse the economic and physical decline of the area. This agreement ended effective December 18, 2017. The City's share of the abatement granted amounted to \$17,729 for the year ended April 30, 2018.

10. INDIVIDUAL FUND DISCLOSURES

a. Due From/To Other Funds

Due from/to other funds at April 30, 2018 consisted of the following:

	Due From	Due To
General Fund	\$ 88,547	\$ -
Nonmajor Governmental Electric Fund	-	88,547
Municipal Broadband	299,296	-
	-	299,296
TOTAL	\$ 387,843	\$ 387,843

All due from/to balances are to fund temporary cash shortfalls.

b. Advances To/From

Advances to/from other funds at April 30, 2018 consisted of the following:

	Advance To	Advance From
General Fund	\$ 561,961	\$ -
Municipal Water Fund	36,050	30,000
Municipal Electric Fund	-	558,499
Municipal Sewer Fund	-	36,050
Municipal Garbage	-	10,000
Municipal Broadband	36,538	-
TOTAL	\$ 634,549	\$ 634,549

The purposes of significant advances to/from other funds are as follows:

\$199,976 was advanced from the Municipal Electric Fund to the General Fund to fund the East 2nd Street road along the riverfront. Repayment is not expected within one year.

\$36,050 was advanced from the Municipal Sewer Fund to the Municipal Water Fund to fund the costs of the watermain extension. Repayment is not expected within one year.

\$42,500 was advanced from the Municipal Electric Fund to the General Fund to fund the costs to hire a new City Administrator. Repayment is not expected within one year.

10. INDIVIDUAL FUND DISCLOSURES (Continued)

b. Advances To/From (Continued)

\$36,539 was advanced from the Municipal Electric Fund to the Municipal Broadband Fund to fund the start-up costs of this fund. Repayment is not expected within one year.

\$30,000 was advanced from the Municipal Water Fund to the General Fund to fund cash flow shortages. Repayment is not expected within one year.

\$10,000 was advanced from the Municipal Garbage Fund to the General Fund to fund cash flow shortages in this fund. Repayment is not expected within one year.

\$279,484 was advanced from the Municipal Electric Fund to the General Fund to fund the purchase of the Hallman property.

c. Interfund Transfers

Interfund transfers during the year ended April 30, 2018 consisted of the following:

	Transfer In	Transfer Out
Governmental Activities	\$ 4,765,702	\$ -
General Fund	583,465	\$ -
Nonmajor Governmental Funds	195,728	4,902,734
Municipal Water Fund	-	56,616
Municipal Electric Fund	18,300	157,362
Municipal Sewer Fund	-	56,598
Municipal Garbage Fund	-	74,928
Fiber Optic Broadband Fund	4,469,045	4,784,002
TOTAL	\$10,032,240	\$10,032,240

\$4,765,702 was transferred from the Fiber Optic Broadband Fund into the Governmental Activities to transfer the debt issued into business-type activities.

\$4,469,045 was transferred from Nonmajor Governmental Funds into the Fiber Optic Broadband Fund to reclassify the fund as an enterprise fund effective in fiscal year 2018.

Other significant transfers were used to (a) move revenues collected in special revenue, enterprise and internal service funds to fund the General Fund for expenditures; (b) move revenues to the debt service fund for debt service; and (c) transfer the residual balances of funds closed.

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

The City provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The activity of the plan is reported in the City's governmental activities, proprietary fund and business-type activities columns in the government-wide financial statements at April 30, 2018.

b. Benefits Provided

The City provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through IMRF.

The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

c. Membership

At April 30, 2018, membership consisted of:

Retirees and beneficiaries currently receiving benefits	8
Terminated employees entitled to benefits but not yet receiving them	1
Active employees	<u>80</u>
TOTAL	<u>89</u>
Participating employers	<u><u>1</u></u>

d. Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. Active employees do not contribute to the plan until retirement.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2016, 2017 and 2018 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 63,370	\$ 28,773	45.40%	\$ 201,662
2017	63,998	28,773	44.96%	236,887
2018	116,904	57,097	48.84%	293,911

The net OPEB obligation (NOPEBO) as April 30, 2018 was calculated as follows:

Annual required contribution	\$ 115,901
Interest on net OPEB obligation	9,364
Adjustment to annual required contribution	<u>(11,144)</u>
Annual OPEB cost	114,121
Contributions made	<u>57,097</u>
Increase in net OPEB obligation	57,024
Net OPEB obligation, beginning of year	<u>236,887</u>
NET OPEB OBLIGATION, END OF YEAR	<u><u>\$ 293,911</u></u>

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2018 was as follows:

Actuarial accrued liability (AAL)	\$ 1,578,432
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,578,432
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 4,458,447
UAAL as a percentage of covered payroll	35.40%

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2018 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included 4% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 8% reduced to an ultimate healthcare cost trend rate of 4.50%. Both rates include a 3% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30-year basis.

12. PRIOR PERIOD ADJUSTMENT

In 2018, the City has recorded a prior period adjustment for a correction of a prior year error.

The beginning net position reported for the City has been restated as follows:

	Increase (Decrease)
BUSINESS-TYPE ACTIVITIES	
Prior period adjustment	
Restatement - correction of an error	\$ 139,822
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 139,822</u>

13. SUBSEQUENT EVENT

On August 8, 2018, the City issued \$8,470,000 General Obligation Alternate Revenue Source Bonds to fund construction projects of the City.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	\$ 4,200,548	\$ 4,200,548	\$ 4,476,167	\$ 275,619
Licenses and permits	69,500	69,500	132,075	62,575
Intergovernmental	347,337	347,337	179,172	(168,165)
Fines and fees	503,320	503,320	423,736	(79,584)
Charges for services	832,886	832,886	840,405	7,519
Investment income	4,000	4,000	13,756	9,756
Reimbursements	-	-	160,749	160,749
Miscellaneous	57,000	57,000	28,093	(28,907)
Total revenues	6,014,591	6,014,591	6,254,153	239,562
EXPENDITURES				
Current				
General government	1,115,732	1,115,733	987,552	(128,181)
Public safety	4,238,234	4,238,235	4,276,273	38,038
Street and highways	1,201,012	1,201,012	1,143,435	(57,577)
Public property division	221,815	296,815	526,759	229,944
Capital outlay	159,675	159,675	136,190	(23,485)
Debt service				
Principal	103,769	103,769	176,769	73,000
Interest and fiscal charges	62,049	62,049	73,216	11,167
Total expenditures	7,102,286	7,177,288	7,320,194	142,906
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,087,695)	(1,162,697)	(1,066,041)	96,656
OTHER FINANCING SOURCES (USES)				
Transfers in	599,195	599,195	583,465	(15,730)
Transfers (out)	(42,500)	(42,500)	-	42,500
Total other financing sources (uses)	556,695	556,695	583,465	26,770
NET CHANGE IN FUND BALANCE	\$ (531,000)	\$ (606,002)	(482,576)	\$ 123,426
FUND BALANCES, MAY 1			5,861,344	
FUND BALANCE, APRIL 30			\$ 5,378,768	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2018

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2013	\$ -	\$ 531,227	0.00%	\$ 531,227	\$ 4,333,183	12.26%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	673,794	0.00%	673,794	4,292,077	15.70%
2017	N/A	N/A	N/A	N/A	N/A	N/A
2018	-	1,578,432	0.00%	1,578,432	4,458,447	35.40%

N/A - Not available - actuarial valuation not performed

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018
Actuarially determined contribution	\$ 291,340	\$ 291,216	\$ 266,688
Contributions in relation to the actuarially determined contribution	291,340	291,216	266,688
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 2,654,803	\$ 2,736,280	\$ 2,739,117
Contributions as a percentage of covered-employee payroll	10.97%	10.64%	9.74%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 26 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

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

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018
Actuarially determined contribution	\$ 267,066	\$ 272,414	\$ 348,352	\$ 477,809
Contributions in relation to the actuarially determined contribution	308,239	290,412	353,782	487,114
CONTRIBUTION DEFICIENCY (Excess)	\$ (41,173)	\$ (17,998)	\$ (5,430)	\$ (9,305)
Covered-employee payroll	\$ 1,102,613	\$ 1,064,782	\$ 1,104,186	\$ 1,189,107
Contributions as a percentage of covered-employee payroll	27.96%	27.27%	32.04%	40.96%

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry age normal; the amortization method was level percent of pay, closed and the amortization period was 23 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 7.00% annually, projected salary increase assumption of 4.75% annually and postretirement benefit increases of 2.50% compounded annually.

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

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018
Actuarially determined contribution	\$ 95,127	\$ 128,854	\$ 273,915	\$ 379,803
Contributions in relation to the actuarially determined contribution	114,533	138,388	280,059	268,245
CONTRIBUTION DEFICIENCY (Excess)	\$ (19,406)	\$ (9,534)	\$ (6,144)	\$ 111,558
Covered-employee payroll	\$ 762,207	\$ 752,088	\$ 765,539	\$ 810,351
Contributions as a percentage of covered-employee payroll	15.03%	18.40%	36.58%	33.10%

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry age normal; the amortization method was level percent of pay, closed and the amortization period was 23 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return of 6.00% annually, projected salary increase assumption of 5.00% annually and postretirement benefit increases of 2.50% compounded annually.

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

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2018

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2013	\$ 18,973	\$ 26,182	72.47%
2014	18,973	26,182	72.47%
2015	5,541	42,980	12.89%
2016	28,773	63,370	45.40%
2017	28,773	63,370	45.40%
2018	57,097	115,901	49.26%

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

Last Three Calendar Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service cost	\$ 279,863	\$ 279,969	\$ 294,864
Interest	1,136,096	1,156,943	1,180,963
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(350,021)	(310,072)	(122,986)
Changes of assumptions	19,649	(20,106)	(518,345)
Benefit payments, including refunds of member contributions	(787,185)	(787,019)	(841,981)
Net change in total pension liability	298,402	319,715	(7,485)
Total pension liability - beginning	15,401,612	15,700,014	16,019,729
TOTAL PENSION LIABILITY - ENDING	\$ 15,700,014	\$ 16,019,729	\$ 16,012,244
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 279,323	\$ 297,091	\$ 264,612
Contributions - member	115,831	120,442	121,630
Net investment income	71,834	987,473	2,604,966
Benefit payments, including refunds of member contributions	(787,185)	(787,019)	(841,981)
Other (net transfer)	7,758	(181,091)	(342,393)
Net change in plan fiduciary net position	(312,439)	436,896	1,806,834
Plan fiduciary net position - beginning	14,562,761	14,250,322	14,687,218
PLAN FIDUCIARY NET POSITION - ENDING	\$ 14,250,322	\$ 14,687,218	\$ 16,494,052
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 1,449,692	\$ 1,332,511	\$ (481,808)
Plan fiduciary net position as a percentage of the total pension liability	90.77%	91.68%	103.01%
Covered-employee payroll	\$ 2,560,252	\$ 2,676,502	\$ 2,702,890
Employer's net pension liability (asset) as a percentage of covered-employee payroll	56.62%	49.79%	(17.83%)

Notes to Required Supplementary Information:

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

Changes in assumptions related to inflation rates, salary rates and mortality were made in 2017.

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

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

Last Four Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018
TOTAL PENSION LIABILITY				
Service cost	\$ 216,465	\$ 274,906	\$ 317,509	\$ 324,172
Interest	769,429	872,412	880,069	923,645
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	369,331	(207,901)	160,355	139,752
Changes of assumptions	700,021	723,408	-	618,890
Benefit payments, including refunds of member contributions	(557,596)	(744,632)	(634,475)	(756,029)
Other	-	(33,159)	(39,547)	(48,872)
Net change in total pension liability	1,497,650	885,034	683,911	1,201,558
Total pension liability - beginning	10,537,846	12,035,496	12,920,530	13,604,441
TOTAL PENSION LIABILITY - ENDING	\$ 12,035,496	\$ 12,920,530	\$ 13,604,441	\$ 14,805,999
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 308,239	\$ 292,074	\$ 353,782	\$ 487,114
Contributions - member	104,929	111,587	107,338	118,679
Net investment income	381,236	(52,930)	440,037	336,052
Benefit payments, including refunds of member contributions	(557,595)	(744,632)	(634,475)	(756,029)
Administrative expense	(34,233)	(20,016)	(21,877)	(30,513)
Net change in plan fiduciary net position	202,576	(413,917)	244,805	155,303
Plan fiduciary net position - beginning	7,031,548	7,234,125	6,820,208	7,065,013
PLAN FIDUCIARY NET POSITION - ENDING	\$ 7,234,124	\$ 6,820,208	\$ 7,065,013	\$ 7,220,316
EMPLOYER'S NET PENSION LIABILITY	\$ 4,801,372	\$ 6,100,322	\$ 6,539,428	\$ 7,585,683
Plan fiduciary net position as a percentage of the total pension liability	60.11%	52.79%	51.93%	48.77%
Covered-employee payroll	\$ 1,102,613	\$ 1,064,782	\$ 1,104,186	\$ 1,189,107
Employer's net pension liability as a percentage of covered-employee payroll	435.45%	572.92%	592.24%	637.93%

2015 - There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to future interest rates, mortality rates, disability rates, turnover rates and retirement rates.

2016 - There was a change with respect to actuarial assumptions from the prior year with respect to the discount rate.

2018 - There was a change with respect to actuarial assumptions from the prior year with respect to mortality rates.

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

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

Last Four Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018
TOTAL PENSION LIABILITY				
Service cost	\$ 167,256	\$ 291,703	\$ 333,605	\$ 319,389
Interest	434,427	554,370	604,643	626,860
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	74,024	504,859	(21,802)	208,429
Changes of assumptions	1,781,627	-	-	684,577
Benefit payments, including refunds of member contributions	(426,303)	(452,555)	(482,662)	(515,017)
Administrative expense	-	(42,515)	(47,634)	(36,267)
Net change in total pension liability	2,031,031	855,862	386,150	1,287,971
Total pension liability - beginning	7,453,599	9,484,630	10,340,492	10,726,642
TOTAL PENSION LIABILITY - ENDING	\$ 9,484,630	\$ 10,340,492	\$ 10,726,642	\$ 12,014,613
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 114,533	\$ 138,388	\$ 280,059	\$ 268,245
Contributions - member	71,025	70,592	71,527	75,968
Net investment income	371,945	(9,699)	470,151	386,831
Benefit payments, including refunds of member contributions	(426,303)	(452,555)	(482,662)	(515,017)
Administrative expense	(17,739)	(42,515)	(28,103)	(16,841)
Net change in plan fiduciary net position	113,461	(295,789)	310,972	199,186
Plan fiduciary net position - beginning	6,662,488	6,775,949	6,480,160	6,791,132
PLAN FIDUCIARY NET POSITION - ENDING	\$ 6,775,949	\$ 6,480,160	\$ 6,791,132	\$ 6,990,318
EMPLOYER'S NET PENSION LIABILITY	\$ 2,708,681	\$ 3,860,332	\$ 3,935,510	\$ 5,024,295
Plan fiduciary net position as a percentage of the total pension liability	71.44%	62.66%	60.41%	58.18%
Covered-employee payroll	\$ 762,207	\$ 752,088	\$ 765,539	\$ 810,351
Employer's net pension liability as a percentage of covered-employee payroll	355.37%	513.28%	514.08%	620.01%

2015 - There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to future interest rates, mortality rates, disability rates, turnover rates and retirement rates.

2018 - There was a change with respect to actuarial assumptions from the prior year with respect to mortality rates.

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

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018
Annual money-weighted rate of return, net of investment expense	5.75%	(1.06%)	4.87%	1.76%

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

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018
Annual money-weighted rate of return, net of investment expense	5.64%	(0.04%)	7.27%	5.61%

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

CITY OF ROCK FALLS, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2018

BUDGETS

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted for the General, Special Revenue and Enterprise Funds, except for the Motor Fuel Tax Bond Fund, Safe Passage Fund and Foreign Fire Insurance Fund. The appropriation ordinance represents the legal spending limits for the City. The budget is used to control those limits. The appropriation ordinance and budget was passed on June 20, 2017. All annual appropriations lapse at fiscal year end. One budget amendment was made for the current fiscal year.

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

The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted by the City to obtain taxpayer comments.

Subsequently, the budget is legally enacted through passage of an ordinance.

The legal level of budgetary control is at the fund level. The City Council can transfer budgeted amounts between line items; however, any revision altering both revenues and budgeted expenditures for any fund must be approved by a two-thirds council action.

Budgetary authority lapses at year end.

The Workers' Compensation Fund expenditures exceeded budgeted amounts by \$17,430.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2018

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Taxes			
Property taxes			
General	\$ 181,957	\$ 181,424	\$ (533)
Police protection	54,587	54,428	(159)
Fire protection	54,587	54,428	(159)
Police pension	477,809	479,758	1,949
Fire pension	-	260,888	260,888
Road and bridge	50,000	59,765	9,765
Emergency vehicle	24,712	24,819	107
Total property taxes	843,652	1,115,510	271,858
State income/use/photo tax	935,866	840,258	(95,608)
Non-home rule sales tax	818,000	812,292	(5,708)
State sales tax	1,090,000	1,114,972	24,972
State use tax	234,430	245,132	10,702
Personal property replacement tax	-	14,714	14,714
Video gaming	160,000	214,357	54,357
Utility	118,600	118,932	332
Total taxes	4,200,548	4,476,167	275,619
License and permits			
Liquor	38,000	91,300	53,300
Other	31,500	40,775	9,275
Total license and permits	69,500	132,075	62,575
Intergovernmental			
Police grant	-	415	415
Grant funds	262,500	93,921	(168,579)
Acting Chief Reimbursement	84,837	84,836	(1)
Total intergovernmental	347,337	179,172	(168,165)

(This schedule is continued on the following page.)

CITY OF ROCK FALLS, ILLINOIS

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2018

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)			
Fines and fees			
Circuit court	\$ 104,420	\$ 90,839	\$ (13,581)
Bail and warrant fees	13,000	8,402	(4,598)
Building permits	20,000	27,274	7,274
Nicor franchise fee	15,900	15,558	(342)
Telecommunication maintenance	225,000	149,795	(75,205)
Cablevision	125,000	131,868	6,868
Total fines and fees	<u>503,320</u>	<u>423,736</u>	<u>(79,584)</u>
Charges for services			
Street excavation/sidewalk repair	19,000	27,729	8,729
Rent	76,786	62,860	(13,926)
Capital cost recovery	490,000	479,617	(10,383)
Wireless tower rental	-	12,257	12,257
Administrative fees	8,100	16,202	8,102
Fire protection	239,000	241,740	2,740
Total charges for services	<u>832,886</u>	<u>840,405</u>	<u>7,519</u>
Investment income	4,000	13,756	9,756
Reimbursements	-	160,749	160,749
Miscellaneous	57,000	28,093	(28,907)
TOTAL REVENUES	<u><u>\$ 6,014,591</u></u>	<u><u>\$ 6,254,153</u></u>	<u><u>\$ 239,562</u></u>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT				
Legislative expense				
Elected officials salaries	\$ 44,400	\$ 44,400	\$ 48,000	\$ 3,600
Mayor's expenses	600	600	550	(50)
Codification or ordinances	5,000	5,000	6,879	1,879
Dues and subscriptions	1,284	1,284	1,771	487
Consultants fee	43,200	43,200	39,600	(3,600)
GIS/IT technician expense	5,471	5,471	6,362	891
Meetings and seminars	16,000	16,000	7,326	(8,674)
Telephone	600	600	921	321
Office expenses	1,200	1,200	3,768	2,568
Miscellaneous	1,900	1,900	5,543	3,643
Contingency	58,788	58,788	-	(58,788)
Total legislative expense	<u>178,443</u>	<u>178,443</u>	<u>120,720</u>	<u>(57,723)</u>
City Clerk				
Salaries	139,343	139,343	139,814	471
Elected officials' salaries	3,600	3,600	186	(3,414)
Insurance expense	35,000	35,000	41,866	6,866
Dues and subscriptions	1,865	1,865	1,983	118
Office expense	13,480	13,480	13,418	(62)
Meetings and seminars	5,200	5,200	4,099	(1,101)
Telephone	1,680	1,680	1,844	164
Miscellaneous charges	250	250	346	96
Contingency	20,041	20,041	-	(20,041)
Total City Clerk	<u>220,459</u>	<u>220,459</u>	<u>203,556</u>	<u>(16,903)</u>
City Administrator				
Salaries	77,250	77,250	77,794	544
Health insurance	15,500	15,500	18,987	3,487
Dues and subscriptions	205	205	405	200
Telephone	1,000	1,000	1,341	341
Meetings and seminars	1,000	1,000	83	(917)
Fellowship allowance	100	100	-	(100)
Vehicle allowance	1,200	1,200	1,200	-
Miscellaneous	250	250	50	(200)
Office supplies	2,000	2,000	1,005	(995)
Contingency	9,850	9,850	-	(9,850)
Total City Administrator	<u>108,355</u>	<u>108,355</u>	<u>100,865</u>	<u>(7,490)</u>
Planning Commission				
Printing/publishing ordinances	100	100	-	(100)
Dues and subscriptions	275	275	-	(275)
Postage and office supplies	500	500	20	(480)
Legal expenses	2,500	2,500	4,226	1,726
Meetings and seminars	450	450	-	(450)
Miscellaneous	50	50	-	(50)
Contingency	387	387	-	(387)
Total Planning Commission	<u>4,262</u>	<u>4,262</u>	<u>4,246</u>	<u>(16)</u>

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT (Continued)				
Building inspector				
Salary	\$ 134,675	\$ 134,675	\$ 126,464	\$ (8,211)
Insurance expense	30,511	30,511	33,152	2,641
Vehicle, gas, oil and maintenance	3,500	3,500	1,262	(2,238)
Dues and subscriptions	1,200	1,200	1,390	190
Postage and office supplies	-	-	465	465
Telephone expense	1,380	1,380	2,324	944
Office expense	8,000	8,000	4,702	(3,298)
Meetings and seminars	2,500	2,500	1,670	(830)
Legal expense	2,000	2,000	204	(1,796)
Public awareness	500	500	-	(500)
Emergency code enforcement	500	500	-	(500)
Miscellaneous	1,000	1,000	3,224	2,224
Contingency	18,575	18,576	-	(18,576)
Total building inspector	204,341	204,342	174,857	(29,485)
Code hearing				
Software	8,000	8,000	3,600	(4,400)
MSI commission	7,600	7,600	5,624	(1,976)
Meetings and seminars	500	500	-	(500)
Legal expenses	500	500	148	(352)
Professional expense	8,700	8,700	7,100	(1,600)
Office supplies	1,400	1,400	1,325	(75)
Miscellaneous	-	-	628	628
Contingency	2,780	2,780	-	(2,780)
Total code hearing	29,480	29,480	18,425	(11,055)
Other expenses				
Legal and professional	69,250	69,250	48,704	(20,546)
Auditing	27,000	27,000	22,825	(4,175)
Union drainage tax	5,000	5,000	-	(5,000)
Insurance (general liability)	208,642	208,642	208,859	217
Insurance (employee)	53,000	53,000	76,995	23,995
Chamber general office expense	6,000	6,000	6,000	-
Tax incentive expense	1,500	1,500	1,500	-
Total other expenses	370,392	370,392	364,883	(5,509)
Total general government	1,115,732	1,115,733	987,552	(128,181)
PUBLIC SAFETY				
Police department				
Salaries	1,378,460	1,378,460	1,402,477	24,017
Health insurance	265,028	265,028	287,878	22,850
ICMA contribution	5,927	5,927	6,744	817
Pension contribution	477,809	477,809	487,114	9,305
Temporary employment expense	-	-	46,695	46,695
Commissioners secretary	-	-	600	600
Commissioner expense	9,858	9,858	6,298	(3,560)
Uniform allowance	13,000	13,000	13,698	698
Postage	3,500	3,500	3,832	332

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY (Continued)				
Police department (Continued)				
Printing	\$ 1,000	\$ 1,000	\$ 996	\$ (4)
Photographic expense	500	500	-	(500)
Legal and professional expense	5,000	5,000	5,902	902
Legal expense	365,000	365,000	968	(364,032)
Repairs and maintenance	3,723	3,723	5,081	1,358
Telephone	14,437	14,437	9,919	(4,518)
Service contracts	24,039	24,039	16,453	(7,586)
Dues	4,380	4,380	3,493	(887)
Investigation	2,500	2,500	2,798	298
Training	9,400	9,400	44,347	34,947
Police supplies	600	600	713	113
Janitor supplies	800	800	881	81
Animal control	5,500	5,500	5,536	36
Radio expense	5,300	5,300	5,028	(272.0)
Electric expense	-	-	11,863	11,863
Physicals	600	600	392	(208)
Safety	2,000	2,000	1,115	(885)
Towing	200	200	-	(200)
Gas and oil	27,000	27,000	29,330	2,330
Vehicle operations and maintenance	14,000	14,000	24,478	10,478
Maintenance (building)	10,000	10,000	20,967	10,967
Heating gas	1,500	1,500	824	(676)
Community policing	500	500	502	2
Consolidated dispatch	-	-	319,350	319,350
Miscellaneous	11,200	11,200	17,468	6,268
Contingency	270,382	270,383	-	(270,383)
Total police department	2,933,143	2,933,144	2,783,740	(149,404)
Fire department				
Salaries	865,196	865,196	886,316	21,120
Health insurance	203,000	203,000	235,475	32,475
ICMA contributions	4,161	4,161	4,531	370
Pension contribution	-	-	268,245	268,245
Fire investigation	50	50	-	(50)
Dues and subscriptions	3,930	3,930	2,408	(1,522)
Postage and office supplies	1,140	1,140	638	(502)
Maintenance (building)	10,000	10,000	4,386	(5,614)
Maintenance (equipment)	11,000	11,000	12,442	1,442
Maintenance (vehicles)	24,000	24,000	13,096	(10,904)
Commissioner's secretary	-	-	600	600
Commissioner expense	2,488	2,488	3,112	624
Telephone	6,415	6,415	6,253	(162)
Meetings and seminars	8,000	8,000	6,102	(1,898)
Legal expense	2,500	2,500	1,205	(1,295)
Uniform allowance	4,100	4,100	3,524	(576)
Electric	-	-	11,863	11,863
Heating	5,000	5,000	2,436	(2,564)
Physicals	1,500	1,500	870	(630)
Supplies (equipment)	11,000	11,000	12,983	1,983
Radio expense	2,800	2,800	1,249	(1,551)
Safety expense	125	125	50	(75)
Operating supplies	2,500	2,500	1,039	(1,461)

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY (Continued)				
Fire department (Continued)				
Janitorial supplies	\$ 1,700	\$ 1,700	\$ 1,055	\$ (645)
Gas and oil	12,100	12,100	9,245	(2,855)
Miscellaneous	950	950	3,410	2,460
Contingency	121,436	121,436	-	(121,436)
Total fire department	1,305,091	1,305,091	1,492,533	187,442
Total public safety	4,238,234	4,238,235	4,276,273	38,038
PUBLIC WORKS				
Streets and highways				
Salaries	265,932	265,932	280,316	14,384
Health insurance	91,339	91,339	106,734	15,395
Maintenance (building)	16,000	16,000	21,991	5,991
Maintenance (streets)	7,000	7,000	6,620	(380)
Maintenance (snow removal)	500	500	347	(153)
Maintenance (service vehicles)	17,500	17,500	20,926	3,426
Information technology	750	750	-	(750)
Materials	1,000	1,000	-	(1,000)
Radio expense	1,500	1,500	-	(1,500)
Alarm expense	2,000	2,000	2,177	177
Vehicle gas and oil	13,500	13,500	11,726	(1,774)
Small tools and supplies	3,000	3,000	1,503	(1,497)
Equipment rental	1,000	1,000	83	(917)
Telephone	4,000	4,000	5,374	1,374
Vehicle operation and maintenance	18,000	18,000	21,745	3,745
Tree and stump removal	2,500	2,500	2,600	100
Sign material	7,000	7,000	4,373	(2,627)
Legal expenses	500	500	278	(222)
Uniform allowance	1,500	1,500	1,653	153
Janitor supplies	2,500	2,500	8,005	5,505
Physicals	375	375	-	(375)
Postage and office supplies	500	500	1,042	542
Engineering	10,000	10,000	72,258	62,258
RB&W Development	50,000	50,000	-	(50,000)
Barricade expose	1,000	1,000	870	(130)
Paint and painting supplies	15,000	15,000	12,354	(2,646)
Heating gas expense	4,500	4,500	5,153	653
Sales tax project - infrastructure	530,000	530,000	542,226	12,226
Meetings and seminars	500	500	-	(500)
Safety expense	1,500	1,500	2,169	669
Miscellaneous	3,500	3,500	10,912	7,412
Contingency	127,116	127,116	-	(127,116)
Total streets and highways	1,201,012	1,201,012	1,143,435	(57,577)
Public property division				
New equipment	500	500	443	(57)
Equipment rental	500	500	-	(500)
Maintenance (equipment)	1,000	1,000	475	(525)
Maintenance (grounds)	1,000	1,000	528	(472)
Maintenance (building)	18,000	18,000	66,190	48,190
Limestone building expenses	160,000	235,000	342,155	107,155

(This schedule is continued on the following page.)

CITY OF ROCK FALLS, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
PUBLIC WORKS (Continued)				
Public property division (Continued)				
Schmitt property expenses	\$ -	\$ -	\$ 26,197	\$ 26,197
Hallman property expenses	-	-	3,481	3,481
Janitor supplies	1,000	1,000	874	(126)
Miscellaneous	10,000	10,000	78,186	68,186
Lightning strike insurance	-	-	78	78
Heating and air conditioning repairs	5,000	5,000	570	(4,430)
Municipal signs	-	-	1,250	1,250
Equipment - gas and oil	150	150	14	(136)
Fire alarm service expense	2,500	2,500	4,240	1,740
Heating gas expense	2,000	2,000	1,741	(259)
Telephone expense	-	-	311	311
Economic development	-	-	26	26
Contingency	20,165	20,165	-	(20,165)
Total public property division	221,815	296,815	526,759	229,944
CAPITAL OUTLAY				
Building inspector				
New cars	-	-	13,750	13,750
Code hearing				
New equipment	1,100	1,100	-	(1,100)
Public works				
Sidewalk repairs	100,000	100,000	91,888	(8,112)
New equipment	17,500	17,500	23,430	5,930
Police department				
New cars	34,900	34,900	-	(34,900)
New equipment	6,175	6,175	7,122	947
Total capital outlay	159,675	159,675	136,190	(23,485)
DEBT SERVICE				
Principal	103,769	103,769	176,769	73,000
Interest	62,049	62,049	73,216	11,167
Total debt service	165,818	165,818	249,985	84,167
TOTAL EXPENDITURES	\$ 7,102,286	\$ 7,177,288	\$ 7,320,194	\$ 142,906

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ROCK FALLS, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2018

	Special Revenue		
	Tourism	Industrial Development	Centennial
ASSETS			
Cash and investments	\$ 850,246	\$ 8,218	\$ -
Restricted cash	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	-	-	-
Accounts	19,329	-	-
Accrued interest	449	-	-
Due from other governments	-	-	-
TOTAL ASSETS	\$ 870,024	\$ 8,218	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 7,516	\$ 570	\$ -
Accrued payroll	-	-	-
Due to other funds	-	-	3,793
Total liabilities	7,516	570	3,793
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	7,516	570	3,793
FUND BALANCES			
Restricted for maintenance of streets	-	-	-
Restricted for tourism	862,508	-	-
Restricted for economic development	-	7,648	-
Restricted for public safety	-	-	-
Restricted for retirement	-	-	-
Restricted for workers' compensation	-	-	-
Restricted for debt service	-	-	-
Unrestricted (deficit)			
Unassigned (deficit)	-	-	(3,793)
Total fund balances (deficit)	862,508	7,648	(3,793)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 870,024	\$ 8,218	\$ -

Special Revenue							
Motor Fuel Fuel Tax	IMRF	Downtown Redevelopment	Riverfront Redevelopment	DUI	Drug	Tobacco Grant	
\$ 328,657	\$ 311,380	\$ -	\$ 26,610	\$ 19,981	\$ 19,808	\$ -	
-	-	-	-	-	-	-	
-	181,269	143,483	36,106	-	-	-	
-	-	-	-	1,025	54	-	
360	312	-	-	-	-	-	
21,213	-	-	-	-	-	-	
\$ 350,230	\$ 492,961	\$ 143,483	\$ 62,716	\$ 21,006	\$ 19,862	\$ -	
\$ -	\$ -	\$ 301	\$ -	\$ -	\$ -	\$ -	
-	2,316	-	-	-	-	-	
-	-	84,710	-	-	-	-	44
-	2,316	85,011	-	-	-	-	44
-	181,269	143,483	36,106	-	-	-	
-	181,269	143,483	36,106	-	-	-	
-	183,585	228,494	36,106	-	-	-	44
350,230	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	26,610	-	-	-	-
-	-	-	-	21,006	19,862	-	-
-	309,376	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(85,011)	-	-	-	-	(44)
350,230	309,376	(85,011)	26,610	21,006	19,862		(44)
\$ 350,230	\$ 492,961	\$ 143,483	\$ 62,716	\$ 21,006	\$ 19,862	\$ -	

(This statement is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2018

	Special Revenue			
	Building Code Demolition	Foreign Fire Insurance	Workers' Compensation	Safe Passage
ASSETS				
Cash and investments	\$ 51,358	\$ 11,150	\$ 245,002	\$ 870
Restricted cash	-	-	-	-
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	-	-	208,045	-
Accounts	-	-	-	-
Interest	-	-	-	-
Due from other governments	4,748	-	-	-
TOTAL ASSETS	\$ 56,106	\$ 11,150	\$ 453,047	\$ 870
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 6,225	\$ -	\$ 89	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	6,225	-	89	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	-	-	208,045	-
Total deferred inflows of resources	-	-	208,045	-
Total liabilities and deferred inflows of resources	6,225	-	208,134	-
FUND BALANCES				
Restricted for maintenance of streets	-	-	-	-
Restricted for tourism	-	-	-	-
Restricted for economic development	49,881	-	-	-
Restricted for public safety	-	11,150	-	870
Restricted for retirement	-	-	-	-
Restricted for workers' compensation	-	-	244,913	-
Restricted for debt service	-	-	-	-
Unrestricted (deficit)	-	-	-	-
Total fund balances (deficit)	49,881	11,150	244,913	870
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 56,106	\$ 11,150	\$ 453,047	\$ 870

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Debt Service	Capital Projects	
MFT Bond	Fiber Optic Broadband	Total
<hr/>		
\$ -	\$ -	\$ 1,873,280
90,887	-	90,887
-	-	568,903
-	-	20,408
-	-	1,121
-	-	25,961
<hr/>		
\$ 90,887	\$ -	\$ 2,580,560
<hr/>		
\$ -	\$ -	\$ 14,701
-	-	2,316
-	-	88,547
<hr/>		
-	-	105,564
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-	-	568,903
<hr/>		
-	-	568,903
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-	-	674,467
<hr/>		
-	-	350,230
-	-	862,508
-	-	84,139
-	-	52,888
-	-	309,376
-	-	244,913
90,887	-	90,887
-	-	(88,848)
<hr/>		
90,887	-	1,906,093
<hr/>		
\$ 90,887	\$ -	\$ 2,580,560
<hr/>		

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	Special Revenue		
	Tourism	Industrial Development	Centennial
REVENUES			
Taxes	\$ 247,350	\$ -	\$ -
Intergovernmental	-	-	-
Fines and fees	-	-	-
Investment income	6,967	8	19
Miscellaneous	6,846	850	36,250
Total revenues	261,163	858	36,269
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Streets and highways	-	-	-
Development	184,134	58	61,461
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	184,134	58	61,461
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	77,029	800	(25,192)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	(504)	-
Total other financing sources (uses)	-	(504)	-
NET CHANGE IN FUND BALANCES	77,029	296	(25,192)
FUND BALANCES (DEFICIT), MAY 1	785,479	7,352	21,399
FUND BALANCES (DEFICIT), APRIL 30	\$ 862,508	\$ 7,648	\$ (3,793)

Special Revenue

Motor Fuel Tax	IMRF	Downtown Redevelopment	Riverfront Redevelopment	DUI	Drug	Tobacco Grant
\$ -	\$ 187,448	\$ 170,376	\$ 22,047	\$ -	\$ -	\$ -
236,589	33,981	-	-	-	-	-
-	-	-	-	5,298	30,841	-
411	423	1,470	28	-	-	-
-	-	19,156	-	-	501	-
237,000	221,852	191,002	22,075	5,298	31,342	-
-	96,630	-	-	-	-	2,510
-	-	-	-	254	20,571	-
35,976	64,420	-	-	-	-	-
-	-	63,210	18,930	-	-	-
-	-	99,649	-	-	-	-
-	-	-	-	-	-	-
-	-	96,701	-	-	-	-
35,976	161,050	259,560	18,930	254	20,571	2,510
201,024	60,802	(68,558)	3,145	5,044	10,771	(2,510)
-	-	80,000	-	-	-	-
(115,728)	-	(28,599)	(80,000)	-	-	-
(115,728)	-	51,401	(80,000)	-	-	-
85,296	60,802	(17,157)	(76,855)	5,044	10,771	(2,510)
264,934	248,574	(67,854)	103,465	15,962	9,091	2,466
\$ 350,230	\$ 309,376	\$ (85,011)	\$ 26,610	\$ 21,006	\$ 19,862	\$ (44)

(This statement is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	Special Revenue		
	Building Code Demolition	Foreign Fire Insurance	Workers' Compensation
REVENUES			
Taxes	\$ -	\$ -	\$ 198,912
Intergovernmental	33,421	13,427	-
Fines and fees	-	-	-
Investment income	286	72	73
Miscellaneous	10,852	-	-
Total revenues	44,559	13,499	198,985
EXPENDITURES			
Current			
General government	38,592	-	17,430
Public safety	-	15,797	-
Streets and highways	-	-	-
Development	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	38,592	15,797	17,430
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,967	(2,298)	181,555
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	-	(208,858)
Total other financing sources (uses)	-	-	(208,858)
NET CHANGE IN FUND BALANCES	5,967	(2,298)	(27,303)
FUND BALANCES (DEFICIT), MAY 1	43,914	13,448	272,216
FUND BALANCES (DEFICIT), APRIL 30	\$ 49,881	\$ 11,150	\$ 244,913

	Debt Service		Capital Projects	
	Safe Passage	MFT Bond	Fiber Optic Broadband	Total
\$	-	\$ -	\$ -	\$ 826,133
	-	-	-	317,418
	-	-	-	36,139
	-	36	-	9,793
	3,094	-	-	77,549
	3,094	36	-	1,267,032
	4,094	-	-	159,256
	-	-	-	36,622
	-	-	-	100,396
	-	-	-	327,793
	-	-	-	99,649
	-	110,000	-	110,000
	-	5,720	-	102,421
	4,094	115,720	-	936,137
	(1,000)	(115,684)	-	330,895
	-	115,728	-	195,728
	-	-	(4,469,045)	(4,902,734)
	-	115,728	(4,469,045)	(4,707,006)
	(1,000)	44	(4,469,045)	(4,376,111)
	1,870	90,843	4,469,045	6,282,204
\$	870	\$ 90,887	\$ -	\$ 1,906,093

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Hotel/motel taxes	\$ 180,000	\$ 247,350	\$ 67,350
Investment income	2,500	6,967	4,467
Miscellaneous	-	6,846	6,846
	<hr/>		
Total revenues	182,500	261,163	78,663
	<hr/>		
EXPENDITURES			
Current			
Development			
Salaries	52,849	52,779	(70)
Other services	96,740	108,126	11,386
Miscellaneous	28,000	23,229	(4,771)
Contingency	17,759	-	(17,759)
	<hr/>		
Total expenditures	195,348	184,134	(11,214)
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (12,848)</u>	77,029	<u>\$ 89,877</u>
FUND BALANCE, MAY 1		<u>785,479</u>	
FUND BALANCE, APRIL 30		<u><u>\$ 862,508</u></u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Investment income	\$ 20	\$ 8	\$ (12)
Miscellaneous	-	850	850
	<hr/>		
Total revenues	20	858	838
<hr/>			
EXPENDITURES			
Current			
Development			
Commodities	100	-	(100)
Other services	1,100	-	(1,100)
Miscellaneous	5,000	58	(4,942)
Contingency	670	-	(670)
	<hr/>		
Total expenditures	6,870	58	(6,812)
<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,850)	800	7,650
<hr/>			
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(500)	(504)	(4)
	<hr/>		
Total other financing sources (uses)	(500)	(504)	(4)
<hr/>			
NET CHANGE IN FUND BALANCE	<u>\$ (7,350)</u>	296	<u>\$ 7,646</u>
<hr/>			
FUND BALANCE, MAY 1		<u>7,352</u>	
<hr/>			
FUND BALANCE, APRIL 30		<u>\$ 7,648</u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Investment income	\$ 5	\$ 5	\$ 19	\$ 14
Miscellaneous	50,000	50,000	36,250	(13,750)
Total revenues	<u>50,005</u>	<u>50,005</u>	<u>36,269</u>	<u>(13,736)</u>
EXPENDITURES				
Current				
Development				
Commodities	-	-	5,635	5,635
Miscellaneous	50,000	65,000	55,826	(9,174)
Total expenditures	<u>50,000</u>	<u>65,000</u>	<u>61,461</u>	<u>(3,539)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>5</u>	<u>(14,995)</u>	<u>(25,192)</u>	<u>(10,197)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	15,000	-	(15,000)
Total other financing sources (uses)	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 5</u>	<u>\$ 5</u>	<u>(25,192)</u>	<u>\$ (25,197)</u>
FUND BALANCE, MAY 1			<u>21,399</u>	
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (3,793)</u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
Motor fuel tax allotments	\$ 235,661	\$ 235,661	\$ 236,589	\$ 928
Investment income	161	161	411	250
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	235,822	235,822	237,000	1,178
EXPENDITURES				
Current				
Streets and highways				
Contractual services	10,000	10,000	-	(10,000)
Maintenance	215,431	215,431	35,976	(179,455)
Contingency	34,115	34,115	-	(34,115)
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	259,546	259,546	35,976	(223,570)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<hr/>	<hr/>	<hr/>	<hr/>
	(23,724)	(23,724)	201,024	224,748
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<hr/>	<hr/>	<hr/>	<hr/>
	(115,720)	(115,720)	(115,728)	(8)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(115,720)	(115,720)	(115,728)	(8)
NET CHANGE IN FUND BALANCE				
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ (139,444)	\$ (139,444)	85,296	\$ 224,740
FUND BALANCE, MAY 1				
			<hr/>	
			264,934	
FUND BALANCE, APRIL 30				
			<hr/>	
			\$ 350,230	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND**

For the Year Ended April 30, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Taxes			
Property taxes	\$ 185,000	\$ 187,448	\$ 2,448
Replacement taxes	25,000	33,981	8,981
Investment income	100	423	323
	<hr/>	<hr/>	<hr/>
Total revenues	210,100	221,852	11,752
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
General government			
IMRF contributions	120,224	96,630	23,594
Streets and highways			
IMRF contributions	80,149	64,420	15,729
	<hr/>	<hr/>	<hr/>
Total expenditures	200,373	161,050	(39,323)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 9,727</u>	60,802	<u>\$ 51,075</u>
FUND BALANCE, MAY 1		<hr/> 248,574	
FUND BALANCE, APRIL 30		<u><u>\$ 309,376</u></u>	

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
Property taxes	\$ 225,000	\$ 225,000	\$ 170,376	\$ (54,624)
Intergovernmental	200,000	400,000	-	(400,000)
Investment income	-	-	1,470	1,470
Miscellaneous	15,000	15,000	19,156	4,156
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	440,000	640,000	191,002	(448,998)
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Current				
Development				
Commodities	-	-	18,642	18,642
Contractual services	132,702	132,702	41,788	(90,914)
Miscellaneous	-	-	2,780	2,780
Contingency	45,635	45,635	-	(45,635)
Capital outlay	304,000	554,000	99,649	(454,351)
Debt service				
Interest	-	-	96,701	96,701
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	482,337	732,337	259,560	(472,777)
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(42,337)	(92,337)	(68,558)	23,779
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	80,000	80,000
Transfer (out)	-	-	(28,599)	(28,599)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	51,401	51,401
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (42,337)</u>	<u>\$ (92,337)</u>	(17,157)	<u>\$ 75,180</u>
FUND BALANCE (DEFICIT), MAY 1			<u>(67,854)</u>	
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (85,011)</u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Taxes			
Property taxes	\$ 36,000	\$ 22,047	\$ (13,953)
Investment income	15	28	13
	<hr/>	<hr/>	<hr/>
Total revenues	36,015	22,075	(13,940)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Development			
Contractual services	1,600	851	(749)
Other services	18,050	18,079	29
	<hr/>	<hr/>	<hr/>
Total expenditures	19,650	18,930	(720)
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	16,365	3,145	(13,220)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	(80,000)	(80,000)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	(80,000)	(80,000)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 16,365</u>	<u>(76,855)</u>	<u>\$ (93,220)</u>
FUND BALANCE, MAY 1		<u>103,465</u>	
FUND BALANCE, APRIL 30		<u>\$ 26,610</u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current			
Public safety			
Other	1,000	-	(1,000)
Contingency	100	-	(100)
Total expenditures	<u>1,100</u>	<u>-</u>	<u>(1,100)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,100)</u>	<u>-</u>	<u>1,100</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,100)</u>	<u>-</u>	<u>\$ 1,100</u>
FUND BALANCE, MAY 1		<u>-</u>	
FUND BALANCE, APRIL 30		<u>\$ -</u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Fines and fees	\$ 6,900	\$ 5,298	\$ (1,602)
Total revenues	<u>6,900</u>	<u>5,298</u>	<u>(1,602)</u>
EXPENDITURES			
Current			
Public safety			
Other services	6,000	254	(5,746)
Contingency	600	-	(600)
Total expenditures	<u>6,600</u>	<u>254</u>	<u>(6,346)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 300</u>	5,044	<u>\$ 4,744</u>
FUND BALANCE, MAY 1		<u>15,962</u>	
FUND BALANCE, APRIL 30		<u><u>\$ 21,006</u></u>	

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Fines and fees	\$ 4,200	\$ 34,200	\$ 30,841	\$ (3,359)
Miscellaneous	-	-	501	501
	<hr/>			
Total revenues	4,200	34,200	31,342	(2,858)
<hr/>				
EXPENDITURES				
Current				
Public safety				
Other services	4,000	34,000	20,571	(13,429)
Contingency	400	400	-	(400)
	<hr/>			
Total expenditures	4,400	34,400	20,571	(13,829)
<hr/>				
NET CHANGE IN FUND BALANCE	<u>\$ (200)</u>	<u>\$ (200)</u>	10,771	<u>\$ 10,971</u>
FUND BALANCE, MAY 1			<u>9,091</u>	
FUND BALANCE, APRIL 30			<u>\$ 19,862</u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

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

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental	\$ 1,430	\$ 1,430	\$ -	\$ (1,430)
Total revenues	<u>1,430</u>	<u>1,430</u>	<u>-</u>	<u>(1,430)</u>
EXPENDITURES				
Current				
General government	1,430	3,430	2,510	(920)
Total expenditures	<u>1,430</u>	<u>3,430</u>	<u>2,510</u>	<u>(920)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (2,000)</u>	<u>(2,510)</u>	<u>\$ (510)</u>
FUND BALANCE, MAY 1			<u>2,466</u>	
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (44)</u>	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUILDING CODE DEMOLITION FUND**

For the Year Ended April 30, 2018

	<u>Original and</u>		<u>Variance</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
REVENUES			
Intergovernmental	\$ 71,000	\$ 33,421	\$ (37,579)
Investment income	60	286	226
Miscellaneous income	5,000	10,852	5,852
	<hr/>	<hr/>	<hr/>
Total revenues	76,060	44,559	(31,501)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
General Government			
Contractual services	62,000	23,879	(38,121)
Other services	11,000	14,713	3,713
Contingency	7,300	-	(7,300)
	<hr/>	<hr/>	<hr/>
Total expenditures	80,300	38,592	(41,708)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (4,240)</u>	5,967	<u>\$ 10,207</u>
		<hr/>	
FUND BALANCE, MAY 1		43,914	
		<hr/>	
FUND BALANCE, APRIL 30		<u>\$ 49,881</u>	

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKERS' COMPENSATION FUND**

For the Year Ended April 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Property taxes	\$ 198,000	\$ 198,000	\$ 198,912	\$ 912
Investment income	250	250	73	(177)
Total revenues	198,250	198,250	198,985	735
EXPENDITURES				
Current				
General government				
Contractual services	-	-	17,430	17,430
Total expenditures	-	-	17,430	17,430
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	198,250	198,250	181,555	(16,695)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(208,642)	(258,642)	(208,858)	49,784
Total other financing sources (uses)	(208,642)	(258,642)	(208,858)	49,784
NET CHANGE IN FUND BALANCE	\$ (10,392)	\$ (60,392)	(27,303)	\$ 33,089
FUND BALANCE, MAY 1			272,216	
FUND BALANCE, APRIL 30			\$ 244,913	

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN NET FUND BALANCE
FIBER OPTIC BROADBAND SUB FUNDS**

For the Year Ended April 30, 2018

	Taxable Fiber Optic Broadband	Non-Taxable Fiber Optic Broadband	Total
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(2,416,434)	(2,052,611)	(4,469,045)
Total other financing sources (uses)	(2,416,434)	(2,052,611)	(4,469,045)
NET CHANGE IN FUND BALANCE	(2,416,434)	(2,052,611)	(4,469,045)
FUND BALANCE, MAY 1	2,416,434	2,052,611	4,469,045
FUND BALANCE, APRIL 30	\$ -	\$ -	\$ -

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

CITY OF ROCK FALLS, ILLINOIS

COMBINING STATEMENT OF NET POSITION
FIBER OPTIC BROADBAND SUB FUNDS

April 30, 2018

	Taxable Fiber Optic Broadband	Non-Taxable Fiber Optic Broadband	Eliminations	Total
CURRENT ASSETS				
Restricted cash	\$ 2,386,133	\$ 1,097,531	\$ -	\$ 3,483,664
Total current assets	2,386,133	1,097,531	-	3,483,664
CAPITAL ASSETS				
Nondepreciable	-	745,595	-	745,595
Depreciable	-	482,154	-	482,154
Accumulated depreciation	-	(9,277)	-	(9,277)
Net capital assets	-	1,218,472	-	1,218,472
Total assets	2,386,133	2,316,003	-	4,702,136
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	2,386,133	2,316,003	-	4,702,136

CITY OF ROCK FALLS, ILLINOIS

COMBINING STATEMENT OF NET POSITION (Continued)
FIBER OPTIC BROADBAND SUB FUNDS

April 30, 2018

	Taxable Fiber Optic Broadband	Non-Taxable Fiber Optic Broadband	Eliminations	Total
CURRENT LIABILITIES				
Accounts payable	\$ 5,698	\$ 383,389	\$ -	\$ 389,087
Accrued payroll	766	-	-	766
Accrued interest payable	7,165	6,450	-	13,615
Compensated absences, current	2,104	-	-	2,104
Total current liabilities	15,733	389,839	-	405,572
LONG-TERM LIABILITIES				
Compensated absences, noncurrent	11,925	-	-	11,925
Bonds payable, noncurrent	2,645,000	2,119,954	-	4,764,954
Total long-term liabilities	2,656,925	2,119,954	-	4,776,879
Total liabilities	2,672,658	2,509,793	-	5,182,451
DEFERRED INFLOWS OF RESOURCES				
None	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	2,672,658	2,509,793	-	5,182,451
NET POSITION				
Unrestricted (deficit)	(286,525)	(193,790)	-	(480,315)
TOTAL NET POSITION (DEFICIT)	\$ (286,525)	\$ (193,790)	\$ -	\$ (480,315)

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FIBER OPTIC BROADBAND SUB FUNDS

For the Year Ended April 30, 2018

	Taxable Fiber Optic Broadband	Non-Taxable Fiber Optic Broadband	Eliminations	Total
OPERATING REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-
OPERATING EXPENSES				
Personnel				
Salaries	82,568	-	-	82,568
Payroll taxes	13,216	-	-	13,216
Payroll benefits	430	-	-	430
Total personnel	96,214	-	-	96,214
Commodities	33,215	-	-	33,215
Contractual services	15,165	4,632	-	19,797
Miscellaneous	62	32,229	-	32,291
Depreciation and amortization	-	9,277	-	9,277
Total operating expenses	144,656	46,138	-	190,794
OPERATING INCOME (LOSS)	(144,656)	(46,138)	-	(190,794)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	18,078	13,074	-	31,152
Reimbursements	81	3,177	-	3,258
Other miscellaneous revenue	15,649	-	-	15,649
Interest expense	(86,933)	(77,512)	-	(164,445)
Total non-operating revenues (expenses)	(53,125)	(61,261)	-	(114,386)
NET INCOME (LOSS) BEFORE TRANSFERS	(197,781)	(107,399)	-	(305,180)
Transfers in	2,556,256	2,052,611	(139,822)	4,469,045
Transfers (out)	(2,645,000)	(2,278,824)	139,822	(4,784,002)
Total transfers in (out)	(88,744)	(226,213)	-	(314,957)
CHANGE IN NET POSITION	(286,525)	(333,612)	-	(620,137)
NET POSITION, MAY 1	-	-	-	-
Prior period adjustment	-	139,822	-	139,822
NET POSITION, MAY 1, RESTATED	-	139,822	-	139,822
NET POSITION (DEFICIT), APRIL 30	\$ (286,525)	\$ (193,790)	\$ -	\$ (480,315)

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
FIBER OPTIC BROADBAND SUB FUNDS

For the Year Ended April 30, 2018

	Taxable Fiber Optic Broadband	Non-Taxable Fiber Optic Broadband	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments to suppliers	\$ (42,744)	\$ (35,334)	\$ -	\$ (78,078)
Payments to employees	(81,419)	-	-	(81,419)
Net cash from operating activities	(124,163)	(35,334)	-	(159,497)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	2,556,256	2,052,611	(139,822)	4,469,045
Transfers (out)	-	(158,122)	139,822	(18,300)
Receipt of other miscellaneous revenue	15,730	3,177	-	18,907
Net cash from noncapital financing activities	2,571,986	1,897,666	-	4,469,652
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	-	(706,065)	-	(706,065)
Interest payments on long-term debt	(79,768)	(71,810)	-	(151,578)
Net cash from capital and related financing activities	(79,768)	(777,875)	-	(857,643)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	18,078	13,074	-	31,152
Net cash from investing activities	18,078	13,074	-	31,152
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,386,133	1,097,531	-	3,483,664
CASH AND CASH EQUIVALENTS, MAY 1	-	-	-	-
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 2,386,133	\$ 1,097,531	\$ -	\$ 3,483,664

(This statement is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)
FIBER OPTIC BROADBAND SUB FUNDS

For the Year Ended April 30, 2018

	Taxable Fiber Optic Broadband	Non-Taxable Fiber Optic Broadband	Eliminations	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (144,656)	\$ (46,138)	\$ -	\$ (190,794)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation and amortization	-	9,277	-	9,277
Changes in assets and liabilities				
Accounts payable	5,698	1,527	-	7,225
Accrued payroll	766	-	-	766
Compensated absences	14,029	-	-	14,029
NET CASH FROM OPERATING ACTIVITIES	\$ (124,163)	\$ (35,334)	\$ -	\$ (159,497)
CASH AND CASH EQUIVALENTS				
Restricted cash and cash equivalents	\$ 2,386,133	\$ 1,097,531	\$ -	\$ 3,483,664
TOTAL CASH AND CASH EQUIVALENTS	\$ 2,386,133	\$ 1,097,531	\$ -	\$ 3,483,664
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Cost of capital assets included in accounts payable	\$ -	\$ 381,862	\$ -	\$ 381,862

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

CITY OF ROCK FALLS, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

April 30, 2018

	Health Insurance	GIS IT	Total
CURRENT ASSETS			
Cash and investments	\$ 298,935	\$ 193,152	\$ 492,087
Receivables			
Accrued interest	130	-	130
Total current assets	299,065	193,152	492,217
Total assets	299,065	193,152	492,217
CURRENT LIABILITIES			
Accounts payable	34	17,027	17,061
Total liabilities	34	17,027	17,061
NET POSITION			
Unrestricted	299,031	176,125	475,156
TOTAL NET POSITION	\$ 299,031	\$ 176,125	\$ 475,156

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS**

For the Year Ended April 30, 2018

	Health Insurance	GIS IT	Total
OPERATING REVENUES			
Charges for services			
Contributions	\$ 1,244,675	\$ 36,480	\$ 1,281,155
Other	10,000	-	10,000
	<hr/>	<hr/>	<hr/>
Total operating revenues	1,254,675	36,480	1,291,155
OPERATING EXPENSES			
Administration			
Personnel			
Employee benefits	1,253,164	-	1,253,164
Contractual services	-	4,983	4,983
Other	-	17,172	17,172
	<hr/>	<hr/>	<hr/>
Total operating expenses	1,253,164	22,155	1,275,319
OPERATING INCOME	<hr/>	<hr/>	<hr/>
	1,511	14,325	15,836
NON-OPERATING REVENUES (EXPENSES)			
Investment income	2,593	-	2,593
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	2,593	-	2,593
CHANGE IN NET POSITION	<hr/>	<hr/>	<hr/>
	4,104	14,325	18,429
NET POSITION, MAY 1	<hr/>	<hr/>	<hr/>
	294,927	161,800	456,727
NET POSITION, APRIL 30	<hr/>	<hr/>	<hr/>
	\$ 299,031	\$ 176,125	\$ 475,156

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

For the Year Ended April 30, 2018

	Health Insurance	GIS IT	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from employer contributions	\$ 1,222,886	\$ 36,480	\$ 1,259,366
Receipts from other contributions	31,789	-	31,789
Payments to suppliers	(1,253,130)	(5,128)	(1,258,258)
Net cash from operating activities	1,545	31,352	32,897
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
None	-	-	-
Net cash from noncapital financing activities	-	-	-
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
None	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	2,629	-	2,629
Net cash from investing activities	2,629	-	2,629
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,174	31,352	35,526
CASH AND CASH EQUIVALENTS, MAY 1	294,761	161,800	456,561
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 298,935	\$ 193,152	\$ 492,087
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 1,511	\$ 14,325	\$ 15,836
Adjustments to reconcile operating income to net cash from operating activities			
Changes in assets and liabilities			
Accounts payable	34	17,027	17,061
NET CASH FROM OPERATING ACTIVITIES	\$ 1,545	\$ 31,352	\$ 32,897
CASH AND INVESTMENTS			
Cash and cash equivalents	\$ 298,935	\$ 193,152	\$ 492,087
TOTAL CASH AND INVESTMENTS	\$ 298,935	\$ 193,152	\$ 492,087

(See independent auditor's report.)

FIDUCIARY FUNDS

CITY OF ROCK FALLS, ILLINOIS

**COMBINING STATEMENT OF PLAN NET POSITION
PENSION TRUST FUNDS**

April 30, 2018

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and short-term investments	\$ 262,175	\$ 430,401	\$ 692,576
Investments			
U.S. agency obligations	47,143	230,509	277,652
U.S. Treasury obligations	367,680	2,651,009	3,018,689
Common stock	1,645,212	636,833	2,282,045
Mutual funds	1,166,956	2,472,183	3,639,139
Corporate bonds	1,185,514	498,385	1,683,899
Municipal bonds	215,037	-	215,037
Mortgage pools	-	48,592	48,592
Annuities	592,928	-	592,928
Negotiable certificates of deposit	1,713,446	-	1,713,446
Receivables			
Accrued interest	22,567	23,140	45,707
Prepaid items	3,690	692	4,382
 Total assets	 <u>7,222,348</u>	 <u>6,991,744</u>	 <u>14,214,092</u>
LIABILITIES			
Accounts payable	2,032	1,426	3,458
 Total liabilities	 <u>2,032</u>	 <u>1,426</u>	 <u>3,458</u>
NET POSITION RESTRICTED FOR PENSIONS			
	<u>\$ 7,220,316</u>	<u>\$ 6,990,318</u>	<u>\$ 14,210,634</u>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS**

For the Year Ended April 30, 2018

	<u>Pension Trust</u>		<u>Total</u>
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	
ADDITIONS			
Contributions			
Employer contributions	\$ 487,114	\$ 268,245	\$ 755,359
Employee contributions	118,679	75,968	194,647
Total contributions	605,793	344,213	950,006
Investment income			
Net appreciation in fair value of investments	271,714	304,497	576,211
Interest	82,697	101,760	184,457
Total investment income	354,411	406,257	760,668
Less investment expense	(18,359)	(19,426)	(37,785)
Net investment income	336,052	386,831	722,883
Total additions	941,845	731,044	1,672,889
DEDUCTIONS			
Benefits and refunds	756,029	515,017	1,271,046
Administrative expenses	30,513	16,841	47,354
Total deductions	786,542	531,858	1,318,400
NET INCREASE	155,303	199,186	354,489
NET POSITION RESTRICTED FOR PENSIONS			
May 1	7,065,013	6,791,132	13,856,145
April 30	\$ 7,220,316	\$ 6,990,318	\$ 14,210,634

(See independent auditor's report.)

SUPPLEMENTAL INFORMATION

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF CAPITAL ASSETS
MUNICIPAL WATER FUND**

For the Year Ended April 30, 2018

Construction in progress	\$ 55,578
Water plant and system improvements	10,867,956
Equipment	<u>738,912</u>
Total capital assets	11,662,446
Less accumulated depreciation	<u>6,503,739</u>
CAPITAL ASSETS	<u><u>\$ 5,158,707</u></u>

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF CAPITAL ASSETS
MUNICIPAL ELECTRIC FUND**

For the Year Ended April 30, 2018

Land and buildings	
Buildings and substations	\$ 7,110,161
Hydro plant	14,604,492
	<hr/>
Total land and buildings	21,714,653
	<hr/>
Improvements, other than buildings	
South 14th generators	3,302,388
New services/metering	565,234
Underground/conductors/fixtures	2,427,574
Poles, cross arms and fixtures	6,105,092
Route 30 project	19,042
Riverside trailer court project	4,962
GIS mapping	141,022
Generator upgrades	396,186
Centennial Park risers	53,360
Telecomm engineering	109,376
Telecomm legal	2,604
Telecommunications maintenance	6,589
Telecomm project	289,830
	<hr/>
Total improvements, other than buildings	13,423,259
	<hr/>
Equipment	
Utility office computer	57,053
Equipment	2,616,714
Computer software	81,077
Computer software - labor	14,842
	<hr/>
Total equipment	2,769,686
	<hr/>
Total capital assets	37,907,598
	<hr/>
Less accumulated depreciation	24,345,984
	<hr/>
CAPITAL ASSETS	\$ 13,561,614
	<hr/> <hr/>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF CAPITAL ASSETS
MUNICIPAL SANITARY SEWERAGE FUND**

For the Year Ended April 30, 2018

Construction in progress	\$ 13,458
New sewer plant	26,197,166
Disposal plant	11,594,348
Sewer extensions	3,664,432
Equipment	<u>1,569,079</u>
Total capital assets	43,038,483
Less accumulated depreciation	<u>13,173,010</u>
CAPITAL ASSETS	<u><u>\$ 29,865,473</u></u>

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF CAPITAL ASSETS
FIBER OPTIC BROADBAND FUND**

For the Year Ended April 30, 2018

Construction in progress	\$ 745,595
Buildout engineering	441,717
Building improvements	<u>40,437</u>
Total capital assets	1,227,749
Less accumulated depreciation	<u>9,277</u>
CAPITAL ASSETS	<u><u>\$ 1,218,472</u></u>

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012
(MOTOR FUEL TAX ALTERNATIVE REVENUE SOURCE)**

For the Year Ended April 30, 2018

Date of Issue	October 1, 2012
Authorized Issue	\$ 720,000
Interest Rates	2.60%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year April 30,	Principal Due Serially January 1	Interest January 1 and July 1	Total
2019	\$ 110,000	\$ 2,860	\$ 112,860
	<u>\$ 110,000</u>	<u>\$ 2,860</u>	<u>\$ 112,860</u>

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT
DEBT CERTIFICATES, SERIES 2012**

For the Year Ended April 30, 2018

Date of Issue	October 1, 2012
Authorized Issue	\$ 280,000
Interest Rates	3.50%
Interest Dates	November 1 and May 1
Principal Maturity Date	January 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	
April 30,	Due Serially	November 1	Total
	November 1	and May 1	
2019	\$ 26,000	\$ 5,872	\$ 31,872
2020	27,000	4,963	31,963
2021	28,000	4,018	32,018
2022	30,000	3,038	33,038
2023	30,000	1,988	31,988
2024	25,000	938	25,938
	<u>\$ 166,000</u>	<u>\$ 20,817</u>	<u>\$ 186,817</u>

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT
DEBT CERTIFICATES, SERIES 2016**

For the Year Ended April 30, 2018

Date of Issue	March 17, 2016
Authorized Issue	\$ 2,427,000
Interest Rates	2.28% through March 16, 2016, after 3-year Treasury Constant Maturity plus 1.50%
Interest Dates	March 1 and September 1
Principal Maturity Date	March 16, 2022

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	
April 30,	March 16	March 1 and	Total
		September 1	
2019	\$ -	\$ 55,336	\$ 55,336
2020	-	55,336	55,336
2021	-	55,336	55,336
2022	2,427,000	55,334	2,482,334
	<u>\$ 2,427,000</u>	<u>\$ 221,342</u>	<u>\$ 2,648,342</u>

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF LONG-TERM DEBT
GENERAL OBLIGATION BONDS, SERIES 2016
(ALTERNATE REVENUE SOURCE)**

For the Year Ended April 30, 2018

Date of Issue	September 14, 2016
Authorized Issue	\$ 1,925,000
Interest Rates	2% to 4%
Interest Dates	April 1 and October 1
Principal Maturity Date	October 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year April 30,	Principal Due Serially October 1	Interest April 1 and October 1	Total
2019	\$ 85,000	\$ 61,650	\$ 146,650
2020	85,000	59,950	144,950
2021	90,000	58,200	148,200
2022	90,000	56,400	146,400
2023	90,000	54,600	144,600
After 2023	1,485,000	407,550	1,892,550
	<u>\$ 1,925,000</u>	<u>\$ 698,350</u>	<u>\$ 2,623,350</u>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING
UTILITY FUNDS**

For the Year Ended April 30, 2018

Date of Issue	August 4, 2009
Authorized Issue	\$ 15,000,000
Interest Rates	0%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1 and November 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

**Loans Payable
Illinois EPA - Treatment Plant Loan**

Fiscal Year April 30,	Principal May 1 and November 1	Interest May 1 and November 1	Total
2019	\$ 384,615	\$ -	\$ 384,615
2020	769,231	-	769,231
2021	769,231	-	769,231
2022	769,231	-	769,231
2023	769,231	-	769,231
After 2023	6,538,461	-	6,538,461
	<u>\$ 10,000,000</u>	<u>\$ -</u>	<u>\$ 10,000,000</u>

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2018

Date of Issue	August 10, 2011
Authorized Issue	\$ 4,111,016
Interest Rates	1.25%
Interest Dates	March 19 and September 19
Principal Maturity Date	March 19 and September 19

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

**Loans Payable
Illinois EPA - Treatment Plant Loan**

Fiscal Year April 30,	Principal March 19 and September 19	Interest March 19 and September 19	Total
2019	\$ 178,292	\$ 33,321	\$ 211,613
2020	180,528	31,085	211,613
2021	182,791	28,822	211,613
2022	185,083	26,529	211,612
2023	187,404	24,209	211,613
After 2023	1,795,998	108,519	1,904,517
	\$ 2,710,096	\$ 252,485	\$ 2,962,581

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2018

Date of Issue	October 3, 2000
Authorized Issue	\$ 1,621,986
Interest Rates	2.905%
Interest Dates	April 4 and October 4
Principal Maturity Date	April 4 and October 4

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

**Loans Payable
Illinois EPA - Drinking Water Loan**

Fiscal Year April 30,	Principal April 4 and October 4	Interest April 4 and October 4	Total
2019	\$ 96,481	\$ 11,018	\$ 107,499
2020	99,305	8,194	107,499
2021	102,210	5,288	107,498
2022	105,201	1,998	107,199
	<u>\$ 403,197</u>	<u>\$ 26,498</u>	<u>\$ 429,695</u>

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2018

Date of Issue	April 5, 2014
Authorized Issue	\$ 654,443
Interest Rates	1.25%
Interest Dates	May 19 and November 19
Principal Maturity Date	May 19 and November 19

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

**Loans Payable
Illinois EPA - Lift Station Rehabilitation Loan**

Fiscal Year April 30,	Principal May 19 and November 19	Interest May 19 and November 19	Total
2019	\$ 11,503	\$ 2,107	\$ 13,610
2020	23,221	3,998	27,219
2021	23,512	3,707	27,219
2022	23,807	3,412	27,219
2023	24,105	3,114	27,219
After 2023	231,017	13,960	244,977
	\$ 337,165	\$ 30,298	\$ 367,463

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2018

Date of Issue	November 19, 2016
Authorized Issue	\$ 535,517
Interest Rates	1.86%
Interest Dates	May 19 and November 19
Principal Maturity Date	May 19 and November 19

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

**Loans Payable
Illinois EPA - Drinking Water Loan**

Fiscal Year April 30,	Principal May 19 and November 19	Interest May 19 and November 19	Total
2019	\$ 18,215	\$ 3,104	\$ 21,319
2020	36,939	5,699	42,638
2021	37,630	5,009	42,639
2022	38,333	4,305	42,638
2023	39,049	3,589	42,638
After 2023	163,631	6,922	170,553
	\$ 333,797	\$ 28,628	\$ 362,425

(This schedule is continued on the following pages.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2018

Date of Issue	April 27, 2017
Authorized Issue	\$ 2,105,000
Interest Rates	2% to 4%
Interest Dates	April 1 and October 1
Principal Maturity Date	October 1, 2031 through October 1, 2037

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

**General Obligation Bonds Series 2017A
(Alternate Revenue Source)**

Fiscal Year April 30,	Principal Due Starting October 1, 2031	Interest April 1 and October 1	Total
2019	\$ -	\$ 77,400	\$ 77,400
2020	-	77,400	77,400
2021	-	77,400	77,400
2022	-	77,400	77,400
2023	-	77,400	77,400
After 2023	2,105,000	908,825	908,825
	<u>\$ 2,105,000</u>	<u>\$ 1,295,825</u>	<u>\$ 1,295,825</u>

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF GENERAL OBLIGATION BONDS AND
LOANS PAYABLE OUTSTANDING (Continued)
UTILITY FUNDS**

For the Year Ended April 30, 2018

Date of Issue	April 27, 2017
Authorized Issue	\$ 2,645,000
Interest Rates	2.15% to 4.00%
Interest Dates	April 1 and October 1
Principal Maturity Date	October 1, 2019 through October 1, 2031

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

**General Obligation Bonds Series 2017B
(Alternate Revenue Source)**

Fiscal Year April 30,	Principal Due Starting October 1, 2019	Interest April 1 and October 1	Total
2019	\$ -	\$ 85,978	\$ 85,978
2020	185,000	83,989	268,989
2021	190,000	79,720	269,720
2022	195,000	74,905	269,905
2023	200,000	69,570	269,570
After 2023	1,875,000	296,435	2,171,435
	<u>\$ 2,645,000</u>	<u>\$ 690,597</u>	<u>\$ 3,335,597</u>

(See independent auditor's report.)

STATISTICAL SECTION

CITY OF ROCK FALLS, ILLINOIS

**SCHEDULE OF ASSESSED VALUATIONS, RATES, EXTENSIONS,
AND COLLECTIONS**

Last Five Levy Years
(Unaudited)

	2017 Levy			2016 Levy		
	Equalized Assessed Valuation - \$73,358,544			Equalized Assessed Valuation - \$72,276,388		
	Rate per \$100	Taxes Extended	Collections	Rate per \$100	Taxes Extended	Collections
General	0.2500	\$ 183,396	\$ -	0.2500	\$ 180,691	\$ 181,365
IMRF/Social Security	0.2471	181,269	-	0.2583	186,690	187,386
Road and bridge	-	60,521	-	-	59,628	59,765
Police protection	0.0750	55,019	-	0.0750	54,207	54,410
Fire protection	0.0750	55,019	-	0.0750	54,207	54,410
Police Pension	0.6240	457,757	-	0.6611	477,819	479,602
Firefighters' Pension	0.4634	339,943	-	0.3595	259,834	260,803
School crossing guard	-	-	-	-	-	-
ESDA	-	-	-	-	-	-
Audit	-	-	-	-	-	-
Liability insurance (tort)	0.2836	208,045	-	0.2741	198,109	198,847
Emergency vehicle	-	-	-	0.0342	24,719	24,811
	2.0181	\$ 1,540,969	\$ -	1.9872	\$ 1,495,904	\$ 1,501,399

2015 Levy			2014 Levy			2013 Levy		
Equalized Assessed Valuation - \$73,051,319			Equalized Assessed Valuation - \$73,498,310			Equalized Assessed Valuation - \$74,977,533		
Rate per \$100	Taxes Extended	Collections	Rate per \$100	Taxes Extended	Collections	Rate per \$100	Taxes Extended	Collections
0.2500	\$ 182,628	\$ 180,846	0.2500	\$ 183,746	\$ 183,515	0.2500	\$ 187,444	\$ 186,933
0.2191	160,056	158,491	0.2593	190,581	190,341	0.2400	179,946	179,454
-	59,391	58,878	-	57,696	57,612	-	55,258	55,086
0.0750	54,788	54,252	0.0750	55,124	55,054	0.0750	56,233	56,080
0.0750	54,788	54,252	0.0750	55,124	55,054	0.0750	56,233	56,080
0.4769	348,382	344,976	0.3825	281,131	280,777	0.3975	298,036	297,221
0.3750	273,942	271,264	0.1754	128,916	128,753	0.1345	100,845	100,570
-	-	-	0.0200	14,700	14,680	0.0200	14,996	14,955
-	-	-	0.0032	2,352	2,349	0.0031	2,324	2,318
0.0206	15,050	14,901	0.0338	24,842	24,811	0.0332	24,893	24,824
0.1843	134,634	133,317	0.2404	176,690	176,468	0.1864	139,758	139,376
0.0336	24,545	24,306.00	0.0331	24,328	24,297	0.0348	26,092	26,021
1.7095	\$ 1,308,204	\$ 1,295,483	1.5477	\$ 1,195,230	\$ 1,193,711	1.4495	\$ 1,142,058	\$ 1,138,918

CITY OF ROCK FALLS, ILLINOIS

**OPERATING STATISTICS
MUNICIPAL WATER FUND**

Last Seven Fiscal Years
(Unaudited)

The following is a schedule of gallons of water billed, pumped and meters connected to the system for the past seven fiscal years:

Fiscal Year Ending April 30,	Total Gallons (Thousands) Pumped	Total Gallons (Thousands) Billed	Meters Connected
2012	284,660	210,796	3,915
2013	296,290	210,589	3,877
2014	315,715	212,484	4,055
2015	287,607	206,196	4,067
2016	257,344	205,019	4,137
2017	260,393	203,010	4,143
2018	242,536	200,926	4,140

CITY OF ROCK FALLS, ILLINOIS

**OPERATING STATISTICS
MUNICIPAL ELECTRIC FUND**

Last Five Fiscal Years
(Unaudited)

Operating statistics for the last five fiscal years are as follows:

	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Meters in service	5,297	5,350	5,358	5,393	5,468
Kilowatt hours billed	72,660,413	71,186,871	69,447,832	71,185,046	74,593,147
Kilowatt hours purchased and generated	74,798,855	76,648,319	74,824,870	76,751,942	80,218,926
Percent of loss	2.86%	7.13%	7.19%	7.25%	7.01%

CITY OF ROCK FALLS, ILLINOIS
OPERATING STATISTICS
MUNICIPAL SANITARY SEWERAGE FUND

Last Five Fiscal Years
(Unaudited)

The number of customers served by the system for the last five fiscal years are as follows:

	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Residential	3,682	3,712	3,781	3,712	3,615
Commercial/industrial	358	354	350	343	347
	4,040	4,066	4,131	4,055	3,962



CITY OF ROCK FALLS, ILLINOIS

**AUDITOR'S COMMUNICATION TO THE
CITY COUNCIL**

For the Year Ended April 30, 2018

A decorative background image featuring a teal horizontal band at the top, a large abstract geometric pattern of overlapping translucent shapes in shades of gray and white in the middle, and an orange rectangular box at the bottom right containing the text 'SIKICH.COM'.

SIKICH.COM

CITY OF ROCK FALLS, ILLINOIS
AUDITOR’S COMMUNICATION TO THE CITY COUNCIL
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October 11, 2018

The Honorable Mayor
Members of the City Council
City of Rock Falls
603 West 10th Street
Rock Falls, Illinois 61071

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by auditing standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you on May 1, 2018.

In addition, auditing standards require the communication of internal control related matters to those charged with governance. Our communication of these matters as well as a listing of future pronouncements that may affect the City, is enclosed within this document.

This information is intended solely for the use of the Mayor, City Council and management of the City of Rock Falls and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Sikich LLP

Sikich LLP

By: Anthony M. Cervini, CPA
Partner

October 11, 2018

The Honorable Mayor
Members of the City Council
City of Rock Falls, Illinois

Ladies and Gentlemen:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rock Falls, Illinois (the City) for the year ended April 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 7, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City of Rock Falls, Illinois are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ending April 30, 2018. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. A sensitive estimate affecting the City's financial statements are the allowance for uncollectible accounts. Management's estimate of the liability under the retiree health plan and pension plans are based on plan provisions, plan participants, benefit payments and assumptions made by management about future events. The City retains an actuary to perform a valuation to determine the City's obligations and cost for the fiscal year. We evaluated the key factors and assumptions used by the actuary to develop the liability under the retiree health plan and pension plans in determining that it is reasonable in relation to the financial statements taken as a whole. We evaluated the key factors and assumptions used to develop these estimates in determining they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole, with the exception of entry numbers AJE-01, AJE-06, AJE-09, AJE-10, AJE-13, AJE-14, AJE-15, AJE-18, AJE-19, AJE-24, AJE-25, AJE-26, AJE-27, and AJE-28 on the attached schedule of adjusting journal entries.

Disagreement with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 11, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City of Rock Falls, Illinois' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Rock Falls, Illinois' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) as listed in the table of contents which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the individual and combining statements and schedules, which accompany the basic financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the statistical section, which accompany the basic financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City of Rock Falls, Illinois and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Sikich LLP

Sikich LLP

By: Anthony M. Cervini, CPA

Partner

CORF

Year End: April 30, 2018

Adjusting Journal Entries

Number	Date	Name	Account No	Debit	Credit
AJE-01	4/30/2018	CASH	20-20-00-1014 MEF-20	513,094.81	
AJE-01	4/30/2018	FUND BALANCE PRIOR	20-20-00-3800 MEF-20		-513,094.81
AJE-01	4/30/2018	FUND BALANCE PRIOR	20-20-00-3800 MEF-20		
AJE-01	4/30/2018	CASH	30-30-00-1010 MSSF-3		-206,964.13
AJE-01	4/30/2018	CASH	30-30-00-1010 MSSF-3	9,824.24	
AJE-01	4/30/2018	FUND BALANCE PRIOR	30-30-00-3800 MSSF-3		-9,824.24
AJE-01	4/30/2018	FUND BALANCE-PRIOR	30-38-00-3800 MSSF-3		
AJE-01	4/30/2018	FUND BALANCE-PRIOR	30-38-00-3800 MSSF-3	206,964.13	
AJE-01	4/30/2018	CASH	40-40-00-1010 MWF-40	34,515.71	
AJE-01	4/30/2018	CASH	40-40-00-1010 MWF-40		-300.42
AJE-01	4/30/2018	CASH	40-40-00-1010 MWF-40		-9,824.24
AJE-01	4/30/2018	FUND BALANCE PRIOR	40-40-00-3800 MWF-40		-34,515.71
AJE-01	4/30/2018	FUND BALANCE PRIOR	40-40-00-3800 MWF-40		
AJE-01	4/30/2018	FUND BALANCE PRIOR	40-40-00-3800 MWF-40	300.42	
AJE-01	4/30/2018	FUND BALANCE PRIOR	40-40-00-3800 MWF-40	9,824.24	
AJE-01	4/30/2018	CASH	50-50-00-1010 MGF-50	44,230.96	
AJE-01	4/30/2018	FUND BALANCE PRIOR	50-50-00-3800 MGF-50		
AJE-01	4/30/2018	FUND BALANCE PRIOR	50-50-00-3800 MGF-50		
AJE-01	4/30/2018	FUND BALANCE PRIOR	50-50-00-3800 MGF-50		-44,230.96
AJE-01	4/30/2018	CASH	51-51-00-1010 CSC-51		-134,629.29
AJE-01	4/30/2018	FUND BALANCE - PRIOR	51-51-00-3800 CSC-51	90,185.32	
AJE-01	4/30/2018	FUND BALANCE - PRIOR	51-51-00-3800 CSC-51	133,907.12	
AJE-01	4/30/2018	FUND BALANCE - CURRENT	51-51-00-3801 CSC-51		-89,463.15
AJE-01	4/30/2018	CASH	75-75-00-1010 CUD-75		-249,947.64
AJE-01	4/30/2018	FUND BALANCE PRIOR	75-75-00-3800 CUD-75	249,074.62	
AJE-01	4/30/2018	FUND BALANCE PRIOR	75-75-00-3800 CUD-75		-1,046.22
AJE-01	4/30/2018	FUND BALANCE-CURRENT	75-75-00-3801 CUD-75	1,919.24	

To allocate fund balanace into proper funds.

AJE-02	4/30/2018	FUND BALANCE PRIOR	20-20-00-3800 MEF-20	34,863.24	
AJE-02	4/30/2018	FUND BALANCE PRIOR	20-20-00-3800 MEF-20		-2,919.99
AJE-02	4/30/2018	MISCELLANEOUS INCOME	20-20-00-4800 MEF-20	2,919.99	
AJE-02	4/30/2018	BAD DEBT EXPENSE	20-20-00-5563 MEF-20		-34,863.24
AJE-02	4/30/2018	FUND BALANCE PRIOR	40-40-00-3800 MWF-40		-1,196.81
AJE-02	4/30/2018	MISCELLANEOUS INCOME	40-40-00-4800 MWF-40	1,196.81	

To adjust differences in fund balance. Sikich noted changes in bad debt allowances were recorded against fund balance accounts.

Number	Date	Name	Account No	Debit	Credit
AJE-03	4/30/2018	ACC REC - LIMESTONE GRANT	10-12-00-1556 GF-10	9,132.69	
AJE-03	4/30/2018	USEPA GRANT-LIMESTONE BUILDING	10-12-00-4700 GF-10		-9,132.69
To record current year A/R on USEPA grant.					
AJE-04	4/30/2018	BOND PREMIUM	90-90-00-2800 GLTDAG-90	8,542.06	
AJE-04	4/30/2018	BOND PREMIUM	90-90-00-7000 GLTDAG-90		-8,542.06
General Long Term Debt Account Group Journal Entries.					
AJE-06	4/30/2018	CASH HELD WITH PAYING AGENT	30-30-00-1035 MSSF-3		-384,615.38
AJE-06	4/30/2018	IEPA LOAN PAYABLE L17-2650	30-30-00-2400 MSSF-3	1,153,846.14	
AJE-06	4/30/2018	IEPA LOAN PAYABLE L17-4568	30-30-00-2401 MSSF-3	176,084.23	
AJE-06	4/30/2018	IEPA LOAN PAYABLE L17-3012	30-30-00-2402 MSSF-3	22,790.94	
AJE-06	4/30/2018	EPA LOAN PAYABLE	30-30-00-2405 MSSF-3		-39,957.13
AJE-06	4/30/2018	EPA LOAN PAYABLE	30-30-00-2406 MSSF-3		-968,105.93
AJE-06	4/30/2018	INTERST PAYABLE	30-38-00-2065 MSSF-3	2,262.88	
AJE-06	4/30/2018	INTERST PAYABLE	30-38-00-2065 MSSF-3		
AJE-06	4/30/2018	INTEREST EXPENSE - IEPA LOANS	30-38-00-5651 MSSF-3	49,125.99	
AJE-06	4/30/2018	INTEREST EXPENSE - IEPA LOANS	30-38-00-5651 MSSF-3	2,178.71	
AJE-06	4/30/2018	INTEREST EXPENSE - IEPA LOANS	30-38-00-5651 MSSF-3		-13,609.68
AJE-06	4/30/2018	INTEREST EXPENSE - IEPA LOANS	30-38-00-5651 MSSF-3		-0.77
AJE-06	4/30/2018	CASH HELD WITH PAYING AGENT	40-40-00-1035 MWF-40		-13,120.43
AJE-06	4/30/2018	CASH HELD WITH PAYING AGENT	40-40-00-1035 MWF-40		
AJE-06	4/30/2018	INTEREST PAYABLE	40-40-00-2060 MWF-40		-19,296.38
AJE-06	4/30/2018	INTEREST PAYABLE	40-40-00-2060 MWF-40		-845.93
AJE-06	4/30/2018	INTEREST PAYABLE	40-40-00-2060 MWF-40		
AJE-06	4/30/2018	EPA LOAN PAYABLE	40-40-00-2405 MWF-40		-35,242.36
AJE-06	4/30/2018	IEPA LOAN PAYABLE L175023	40-40-00-2406 MWF-40	41,456.77	
AJE-06	4/30/2018	IEPA LOAN PAYABLE L175023	40-40-00-2406 MWF-40	18,046.96	
AJE-06	4/30/2018	MUNICIPAL REVENUE	40-40-00-4120 MWF-40		-13,358.18
AJE-06	4/30/2018	INTEREST EXPENSE	40-48-00-5738 MWF-40		-8,726.38
AJE-06	4/30/2018	INTEREST EXPENSE	40-48-00-5738 MWF-40	845.93	
AJE-06	4/30/2018	INTEREST EXPENSE	40-48-00-5738 MWF-40	21,319.10	
AJE-06	4/30/2018	INTEREST EXPENSE	40-48-00-5738 MWF-40	13,358.18	
AJE-06	4/30/2018	INTEREST EXPENSE	40-48-00-5738 MWF-40	13,609.68	
AJE-06	4/30/2018	INTEREST EXPENSE	40-48-00-5738 MWF-40		-18,046.96
To correct IEPA loan balances.					
AJE-07	4/30/2018	NEW CARS	10-06-00-5214 GF-10		-34,384.56
AJE-07	4/30/2018	CASH HELD WITH PAYING AGENT	10-10-00-1035 GF-10		
AJE-07	4/30/2018	CASH HELD WITH PAYING AGENT	10-10-00-1035 GF-10		
AJE-07	4/30/2018	LOAN/PRINCIPAL	10-10-00-5130 GF-10		
AJE-07	4/30/2018	LOAN/PRINCIPAL	10-10-00-5130 GF-10	34,078.00	

Number	Date	Name	Account No	Debit	Credit
AJE-07	4/30/2018	INT - STREET SWEEPER LEASE	10-10-00-5138 GF-10	306.56	
AJE-07	4/30/2018	INT - STREET SWEEPER LEASE	10-10-00-5138 GF-10		
AJE-07	4/30/2018	CASH HELD WITH PAYING AGENT	20-20-00-1035 MEF-20		
AJE-07	4/30/2018	CASH HELD WITH PAYING AGENT	20-20-00-1035 MEF-20		
AJE-07	4/30/2018	LEASE OBLIGATION PAYABLE	20-20-00-2001 MEF-20		
AJE-07	4/30/2018	INTEREST PAYABLE-LEASE	20-20-00-2060 MEF-20		

To correct capital lease balances.

AJE-08	4/30/2018	CASH	20-20-00-1014 MEF-20		-9,237.00
AJE-08	4/30/2018	EQUIPMENT	20-20-00-1500 MEF-20	57,053.39	
AJE-08	4/30/2018	RES FOR DEPREC-EQUIPMENT	20-20-00-1525 MEF-20		-47,816.39
AJE-08	4/30/2018	CASH	51-51-00-1010 CSC-51	9,237.00	
AJE-08	4/30/2018	EQUIPMENT	51-51-00-1500 CSC-51		-57,053.39
AJE-08	4/30/2018	RES FOR DEPRECIATION	51-51-00-1525 CSC-51	47,816.39	

To allocate Customer Service Center into proper funds.

AJE-09	4/30/2018	LAND IMPROVEMENTS	95-95-00-1505 G-95	541,462.74	
AJE-09	4/30/2018	EQUIPMENT	95-95-00-1520 G-95		-501.26
AJE-09	4/30/2018	FUND BALANCE PRIOR	95-95-00-3800 G-95		-2,868,099.81
AJE-09	4/30/2018	GFAAG - PUBLIC SAFETY EXPENSE	95-95-00-5801 G-95		-24,317.50
AJE-09	4/30/2018	GFAAG - HIGHWAY & STREET EXP	95-95-00-5802 G-95		-1,032,765.68
AJE-09	4/30/2018	GENERAL GOVERNMENT ADDITIONS	95-95-00-5803 G-95	2,868,099.81	
AJE-09	4/30/2018	GENERAL GOVERNMENT ADDITIONS	95-95-00-5803 G-95		-541,462.74
AJE-09	4/30/2018	GENERAL GOVERNMENT ADDITIONS	95-95-00-5803 G-95	501.26	
AJE-09	4/30/2018	GENERAL GOVERNMENT ADDITIONS	95-95-00-5803 G-95	1,032,765.68	
AJE-09	4/30/2018	GENERAL GOVERNMENT ADDITIONS	95-95-00-5803 G-95	24,317.50	

To correct balances in GFAAG.

AJE-10	4/30/2018	DEFERRED OUTFLOW-IMRF	20-20-00-1480 MEF-20	467.00	
AJE-10	4/30/2018	DEFERRED OUTFLOW-IMRF	20-20-00-1480 MEF-20		-258,934.00
AJE-10	4/30/2018	DEFERRED OUTFLOW-IMRF	20-20-00-1480 MEF-20	175,424.88	
AJE-10	4/30/2018	NET PENSION LIABILITY-IMRF	20-20-00-2450 MEF-20	725,372.00	
AJE-10	4/30/2018	DEFERRED INFLOWS-IMRF	20-20-00-2451 MEF-20		-129,980.00
AJE-10	4/30/2018	DEFERRED INFLOWS-IMRF	20-20-00-2451 MEF-20		-315,009.00
AJE-10	4/30/2018	DEFERRED INFLOWS-IMRF	20-20-00-2451 MEF-20		-175,424.88
AJE-10	4/30/2018	Pension expense	20-20-00-5700 MEF-20		-21,916.00
AJE-10	4/30/2018	DEFERRED OUTFLOWS-IMRF	30-30-00-1480 MSSF-3	161.00	
AJE-10	4/30/2018	DEFERRED OUTFLOWS-IMRF	30-30-00-1480 MSSF-3		-89,498.00
AJE-10	4/30/2018	DEFERRED OUTFLOWS-IMRF	30-30-00-1480 MSSF-3	60,633.49	
AJE-10	4/30/2018	NET PENSION LIABILITY-IMRF	30-30-00-2450 MSSF-3	250,716.00	
AJE-10	4/30/2018	DEFERRED INFLOWS-IMRF	30-30-00-2451 MSSF-3		-44,926.00
AJE-10	4/30/2018	DEFERRED INFLOWS-IMRF	30-30-00-2451 MSSF-3		-108,879.00

Number	Date	Name	Account No	Debit	Credit
AJE-10	4/30/2018	DEFERRED INFLOWS-IMRF	30-30-00-2451 MSSF-3		-60,633.49
AJE-10	4/30/2018	Pension expense	30-30-00-5700 MSSF-3		-7,574.00
AJE-10	4/30/2018	DEFERRED OUTFLOWS-IMRF	40-40-00-1470 MWF-40	162.00	
AJE-10	4/30/2018	DEFERRED OUTFLOWS-IMRF	40-40-00-1470 MWF-40		-90,034.00
AJE-10	4/30/2018	DEFERRED OUTFLOWS-IMRF	40-40-00-1470 MWF-40	60,996.72	
AJE-10	4/30/2018	NET PENSION LIABILITY-IMRF	40-40-00-2450 MWF-40	252,218.00	
AJE-10	4/30/2018	DEFERRED INFLOW IMRF	40-40-00-2451 MWF-40		-45,195.00
AJE-10	4/30/2018	DEFERRED INFLOW IMRF	40-40-00-2451 MWF-40		-109,531.00
AJE-10	4/30/2018	DEFERRED INFLOW IMRF	40-40-00-2451 MWF-40		-60,996.72
AJE-10	4/30/2018	Pension expense	40-40-00-5700 MWF-40		-7,620.00
AJE-10	4/30/2018	DEFERRED OUTFLOWS-IMRF	50-50-00-1480 MGF-50		-70.00
AJE-10	4/30/2018	DEFERRED OUTFLOWS-IMRF	50-50-00-1480 MGF-50	47.70	
AJE-10	4/30/2018	NET PENSION LIABILITY-IMRF	50-50-00-2450 MGF-50	197.00	
AJE-10	4/30/2018	DEFERRED NFLOW OF RESOURCES	50-50-00-2451 MGF-50		-35.00
AJE-10	4/30/2018	DEFERRED NFLOW OF RESOURCES	50-50-00-2451 MGF-50		-86.00
AJE-10	4/30/2018	DEFERRED NFLOW OF RESOURCES	50-50-00-2451 MGF-50		-47.70
AJE-10	4/30/2018	Pension expense	50-50-00-5700 MGF-50		-6.00
AJE-10	4/30/2018	DEFERRED OUTFLOWS-IMRF	90-90-00-1480 GLTDAG-90	377.00	
AJE-10	4/30/2018	DEFERRED OUTFLOWS-IMRF	90-90-00-1480 GLTDAG-90		-209,117.00
AJE-10	4/30/2018	DEFERRED OUTFLOWS-IMRF	90-90-00-1480 GLTDAG-90	141,674.21	
AJE-10	4/30/2018	NET PENSION LIABILITY-IMRF	90-90-00-2450 GLTDAG-90	585,815.00	
AJE-10	4/30/2018	DEFERRED INFLOWS-IMRF	90-90-00-2451 GLTDAG-90		-104,973.00
AJE-10	4/30/2018	DEFERRED INFLOWS-IMRF	90-90-00-2451 GLTDAG-90		-254,403.00
AJE-10	4/30/2018	DEFERRED INFLOWS-IMRF	90-90-00-2451 GLTDAG-90		-141,674.21
AJE-10	4/30/2018	Change in NPL - General Government	90-90-00-5903 GLTDAG-90		-10,619.00
AJE-10	4/30/2018	Change in NPL - Streets	90-90-00-5904 GLTDAG-90		-7,080.00

To record changes in IMRF NPL.

AJE-11	4/30/2018	JOBS IN PROCESS	40-40-00-1570 MWF-40	9,824.24	
AJE-11	4/30/2018	FUND BALANCE PRIOR	40-40-00-3800 MWF-40		-9,824.24

To correct fund balance for FY17 invoices that were accrued but not recorded by the City.

AJE-12	4/30/2018	FUND BALANCE PRIOR	18-18-00-3800 ESDA-18		-133.25
AJE-12	4/30/2018	FUND BALANCE-CURRENT	18-18-00-3801 ESDA-18	133.25	

To eliminate ESDA fund balance.

AJE-13	4/30/2018	STATE INCOME TAX RECEIVABLE	10-01-00-1200 GF-10		-127,083.86
AJE-13	4/30/2018	STATE INCOME TAX	10-01-00-4300 GF-10	127,083.86	

To eliminate receivable for State Income Tax as amount relates to FY19.

Number	Date	Name	Account No	Debit	Credit
AJE-14	4/30/2018	CASH	20-20-00-1014 MEF-20		-35,006.17
AJE-14	4/30/2018	CASH EQUIVALENT	20-20-00-1025 MEF-20	36,550.50	
AJE-14	4/30/2018	INVESTMENTS	20-20-00-1030 MEF-20	93,772.95	
AJE-14	4/30/2018	ACCRUED INTEREST RECEIVABLE	20-20-00-1140 MEF-20	246.54	
AJE-14	4/30/2018	DUE FROM CUD	20-20-00-1349 MEF-20		-96.22
AJE-14	4/30/2018	ACCOUNTS PAYABLE	20-20-00-2000 MEF-20		-43.65
AJE-14	4/30/2018	Customer Utility Deposits	20-20-00-2100 MEF-20		-131,529.01
AJE-14	4/30/2018	Customer Utility Deposits	20-20-00-2100 MEF-20	36,580.36	
AJE-14	4/30/2018	INTEREST INCOME	20-20-00-4040 MEF-20		-782.53
AJE-14	4/30/2018	MISCELLANEOUS EXPENSE	20-20-00-5588 MEF-20	307.23	
AJE-14	4/30/2018	CASH	30-30-00-1010 MSSF-3		-37,267.13
AJE-14	4/30/2018	CASH EQUIVALENT	30-30-00-1025 MSSF-3	39,147.18	
AJE-14	4/30/2018	INVESTMENTS	30-30-00-1030 MSSF-3	100,434.92	
AJE-14	4/30/2018	ACCRUED INTEREST RECEIVABLE	30-30-00-1140 MSSF-3	264.05	
AJE-14	4/30/2018	ACCOUNTS PAYABLE	30-30-00-2000 MSSF-3		-46.75
AJE-14	4/30/2018	CUSTOMER UTILITY DEPOSITS	30-30-00-2100 MSSF-3		-140,873.30
AJE-14	4/30/2018	CUSTOMER UTILITY DEPOSITS	30-30-00-2100 MSSF-3	39,179.15	
AJE-14	4/30/2018	INTEREST INCOME	30-30-00-4040 MSSF-3		-838.12
AJE-14	4/30/2018	CASH	40-40-00-1010 MWF-40		-9,706.37
AJE-14	4/30/2018	CASH EQUIVALENT	40-40-00-1025 MWF-40	10,196.04	
AJE-14	4/30/2018	INVESTMENTS	40-40-00-1030 MWF-40	26,158.68	
AJE-14	4/30/2018	ACCRUED INTEREST RECEIVABLE	40-40-00-1140 MWF-40	68.77	
AJE-14	4/30/2018	ACCOUNTS PAYABLE	40-40-00-2000 MWF-40		-12.18
AJE-14	4/30/2018	CUSTOMER UTILITY DEPOSITS	40-40-00-2100 MWF-40		-36,691.02
AJE-14	4/30/2018	CUSTOMER UTILITY DEPOSITS	40-40-00-2100 MWF-40	10,204.37	
AJE-14	4/30/2018	INTEREST INCOME	40-40-00-4040 MWF-40		-218.29
AJE-14	4/30/2018	CASH	50-50-00-1010 MGF-50		-964.11
AJE-14	4/30/2018	CASH EQUIVALENT	50-50-00-1025 MGF-50	1,012.75	
AJE-14	4/30/2018	INVESTMENTS	50-50-00-1030 MGF-50	2,598.29	
AJE-14	4/30/2018	ACCRUED INTEREST RECEIVABLE	50-50-00-1140 MGF-50	6.83	
AJE-14	4/30/2018	ACCOUNTS PAYABLE	50-50-00-2000 MGF-50		-1.21
AJE-14	4/30/2018	CUSTOMER UTILITY DEPOSITS	50-50-00-2100 MGF-50		-3,644.45
AJE-14	4/30/2018	CUSTOMER UTILITY DEPOSITS	50-50-00-2100 MGF-50	1,013.58	
AJE-14	4/30/2018	INTEREST INCOME	50-50-00-4040 MGF-50		-21.68
AJE-14	4/30/2018	CASH	75-75-00-1010 CUD-75	82,943.80	
AJE-14	4/30/2018	CASH EQUIVALENT	75-75-00-1025 CUD-75		-86,906.47
AJE-14	4/30/2018	INVESTMENTS	75-75-00-1030 CUD-75		-222,964.84
AJE-14	4/30/2018	ACCRUED INTEREST RECEIVABLE	75-75-00-1040 CUD-75		-586.20
AJE-14	4/30/2018	ACCOUNTS PAYABLE	75-75-00-2000 CUD-75	103.78	
AJE-14	4/30/2018	CUSTOMER UTILITY DEP-ACTIVE	75-75-00-2100 CUD-75	312,737.78	
AJE-14	4/30/2018	DUE TO ELECTRIC	75-75-00-2350 CUD-75	96.22	
AJE-14	4/30/2018	INTEREST INCOME	75-75-00-4040 CUD-75	1,860.62	
AJE-14	4/30/2018	MISCELLANEOUS EXPENSE	75-75-00-5088 CUD-75		-307.23
AJE-14	4/30/2018	OPERATING TRANSFER OUT	75-75-00-5090 CUD-75		-86,977.46

To allocate Fund 75 into various funds.

Number	Date	Name	Account No	Debit	Credit
AJE-15	4/30/2018	CASH	20-20-00-1014 MEF-20	40,984.54	
AJE-15	4/30/2018	ACCOUNTS PAYABLE	20-20-00-2000 MEF-20		-310.05
AJE-15	4/30/2018	ACCRUED WAGES	20-20-00-2040 MEF-20		-2,489.72
AJE-15	4/30/2018	ACCRUED VACATION	20-20-00-2050 MEF-20		-5,236.85
AJE-15	4/30/2018	ACCRUED SICK	20-20-00-2055 MEF-20		-1,056.24
AJE-15	4/30/2018	EMPLOYEE HEALTH INSURANCE REIM	20-20-00-4000 MEF-20		-4,611.45
AJE-15	4/30/2018	INTEREST INCOME	20-20-00-4040 MEF-20	1,072.70	
AJE-15	4/30/2018	TRANSFER FROM CUST SERVICE	20-20-00-4498 MEF-20	60,000.00	
AJE-15	4/30/2018	CREDIT CARD CONVENIENCE FEE	20-20-00-4700 MEF-20		-5,663.32
AJE-15	4/30/2018	MISCELLANEOUS INCOME	20-20-00-4800 MEF-20		-6,501.95
AJE-15	4/30/2018	OVERTIME	20-20-00-5510 MEF-20	18.73	
AJE-15	4/30/2018	SALARY/WAGES	20-20-00-5511 MEF-20	84,479.19	
AJE-15	4/30/2018	COMMODITIES TRANSFERRED FROM FUND 51	20-20-00-5523 MEF-20	62,705.99	
AJE-15	4/30/2018	CONTRACTUAL SERVICES TRANSFERRED FROM FUND 51	20-20-00-5524 MEF-20	6,477.74	
AJE-15	4/30/2018	SOCIAL SECURITY TAX EXPENSE	20-20-00-5566 MEF-20	5,056.36	
AJE-15	4/30/2018	IMRF PENSION EXPENSE	20-20-00-5569 MEF-20	8,242.31	
AJE-15	4/30/2018	INSURANCE EXPENSE-EMPLOYEE	20-20-00-5572 MEF-20	26,872.50	
AJE-15	4/30/2018	MEDICARE TAX EXPENSE	20-20-00-5575 MEF-20	1,182.52	
AJE-15	4/30/2018	UTILITY OFFICE EXPENSE	20-20-00-5581 MEF-20		-271,956.00
AJE-15	4/30/2018	DEPRECIATION EXPENSE	20-20-00-5590 MEF-20	733.00	
AJE-15	4/30/2018	CASH	30-30-00-1010 MSSF-3		-129,340.79
AJE-15	4/30/2018	ACCOUNTS PAYABLE	30-30-00-2000 MSSF-3		-332.08
AJE-15	4/30/2018	EMPLOYEE HEALTH INSURANCE REIM	30-30-00-4000 MSSF-3		-4,939.07
AJE-15	4/30/2018	INTEREST INCOME	30-30-00-4040 MSSF-3	1,148.90	
AJE-15	4/30/2018	TRANSFER FROM CUST SERVICE	30-30-00-4498 MSSF-3	15,000.00	
AJE-15	4/30/2018	CREDIT CARD CONVENIENCE FEE	30-30-00-4700 MSSF-3		-6,065.66
AJE-15	4/30/2018	MISCELLANEOUS INCOME	30-30-00-4800 MSSF-3		-6,963.87
AJE-15	4/30/2018	ACCRUED WAGES	30-38-00-2040 MSSF-3		-2,666.60
AJE-15	4/30/2018	ACCRUED VACATION	30-38-00-2050 MSSF-3		-5,608.90
AJE-15	4/30/2018	ACCRUED SICK	30-38-00-2055 MSSF-3		-1,131.28
AJE-15	4/30/2018	SALARY/WAGES	30-38-00-5611 MSSF-3	90,480.90	
AJE-15	4/30/2018	OVERTIME	30-38-00-5613 MSSF-3	20.06	
AJE-15	4/30/2018	COMMODITIES TRANSFERRED FROM FUND 51	30-38-00-5623 MSSF-3	67,160.85	
AJE-15	4/30/2018	CONTRACTUAL SERVICES TRANSFERRED FROM FUND 51	30-38-00-5624 MSSF-3	6,937.94	
AJE-15	4/30/2018	SOCIAL SECURITY TAX EXPENSE	30-38-00-5666 MSSF-3	5,415.58	
AJE-15	4/30/2018	IMRF PENSION EXPENSE	30-38-00-5669 MSSF-3	8,827.87	
AJE-15	4/30/2018	INSURANCE EXPENSE-EMPLOYEE	30-38-00-5672 MSSF-3	28,781.61	
AJE-15	4/30/2018	MEDICARE TAX EXPENSE	30-38-00-5675 MSSF-3	1,266.54	
AJE-15	4/30/2018	UTILITY OFFICE EXPENSE	30-38-00-5681 MSSF-3		-67,992.00
AJE-15	4/30/2018	CASH	40-40-00-1010 MWF-40	5,502.68	
AJE-15	4/30/2018	ACCOUNTS PAYABLE	40-40-00-2000 MWF-40		-86.49
AJE-15	4/30/2018	EMPLOYEE HEALTH INSURANCE REIM	40-40-00-4000 MWF-40		-1,286.40
AJE-15	4/30/2018	INTEREST INCOME	40-40-00-4040 MWF-40	299.24	
AJE-15	4/30/2018	TRANSFER FROM CUSTOMER SERVICE	40-40-00-4498 MWF-40	15,000.00	
AJE-15	4/30/2018	CREDIT CARD CONVENIENCE FEE	40-40-00-4700 MWF-40		-1,579.83
AJE-15	4/30/2018	MISCELLANEOUS INCOME	40-40-00-4800 MWF-40		-1,813.77
AJE-15	4/30/2018	ACCRUED WAGES	40-48-00-2040 MWF-40		-694.53
AJE-15	4/30/2018	ACCRUED VACATION	40-48-00-2050 MWF-40		-1,460.86
AJE-15	4/30/2018	ACCRUED SICK	40-48-00-2055 MWF-40		-294.65

Number	Date	Name	Account No	Debit	Credit
AJE-15	4/30/2018	SALARIES/WAGES	40-48-00-5711 MWF-40	23,566.12	
AJE-15	4/30/2018	OVERTIME	40-48-00-5713 MWF-40	5.23	
AJE-15	4/30/2018	COMMODITIES TRANSFERRED FROM FUND 51	40-48-00-5721 MWF-40	17,492.32	
AJE-15	4/30/2018	CONTRACTUAL SERVICES TRANSFERRED FROM FUND 51	40-48-00-5722 MWF-40	1,807.01	
AJE-15	4/30/2018	SOCIAL SECURITY TAX EXPENSE	40-48-00-5766 MWF-40	1,410.51	
AJE-15	4/30/2018	IMRF PENSION EXPENSE	40-48-00-5769 MWF-40	2,299.26	
AJE-15	4/30/2018	INSURANCE EXPENSE-EMPLOYEE	40-48-00-5772 MWF-40	7,496.29	
AJE-15	4/30/2018	MEDICARE TAX EXPENSE	40-48-00-5775 MWF-40	329.87	
AJE-15	4/30/2018	UTILITY OFFICE EXPENSE	40-48-00-5781 MWF-40		-67,992.00
AJE-15	4/30/2018	CASH	50-50-00-1010 MGF-50	30,619.29	
AJE-15	4/30/2018	ACCOUNTS PAYABLE	50-50-00-2000 MGF-50		-8.60
AJE-15	4/30/2018	ACCRUED WAGES	50-50-00-2040 MGF-50		-68.98
AJE-15	4/30/2018	ACCRUED VACATION	50-50-00-2050 MGF-50		-145.10
AJE-15	4/30/2018	ACCRUED SICK	50-50-00-2055 MGF-50		-29.26
AJE-15	4/30/2018	EMPLOYEE HEALTH INSURANCE REIM	50-50-00-4000 MGF-50		-127.78
AJE-15	4/30/2018	INTEREST INCOME	50-50-00-4040 MGF-50	29.72	
AJE-15	4/30/2018	TRANSFER FROM CUSTOMER SERVICE	50-50-00-4498 MGF-50	10,000.00	
AJE-15	4/30/2018	CREDIT CARD CONVENIENCE FEE	50-50-00-4700 MGF-50		-156.92
AJE-15	4/30/2018	MISCELLANEOUS INCOME	50-50-00-4800 MGF-50		-180.15
AJE-15	4/30/2018	OVERTIME	50-50-00-5102 MGF-50	0.52	
AJE-15	4/30/2018	SALARY/WAGES	50-50-00-5111 MGF-50	2,340.78	
AJE-15	4/30/2018	IMRF PENSION EXPENSE	50-50-00-5169 MGF-50	228.38	
AJE-15	4/30/2018	INSURANCE EXPENSE - EMPLOYEE	50-50-00-5172 MGF-50	744.59	
AJE-15	4/30/2018	MEDICARE TAX EXPENSE	50-50-00-5175 MGF-50	32.77	
AJE-15	4/30/2018	SOCIAL SECURITY TAX EXPENSE	50-50-00-5566 MGF-50	140.11	
AJE-15	4/30/2018	COMMODITIES TRANSFERRED FROM FUND 51	50-50-00-5823 MGF-50	1,737.48	
AJE-15	4/30/2018	CONTRACTUAL SERVICES TRANSFERRED FROM FUND 51	50-50-00-5824 MGF-50	179.15	
AJE-15	4/30/2018	UTILITY OFFICE EXPENSE	50-50-00-5881 MGF-50		-45,336.00
AJE-15	4/30/2018	CASH	51-51-00-1010 CSC-51	52,234.28	
AJE-15	4/30/2018	ACCOUNTS PAYABLE	51-51-00-2000 CSC-51	737.22	
AJE-15	4/30/2018	ACCRUED WAGES	51-51-00-2040 CSC-51	5,919.83	
AJE-15	4/30/2018	ACCRUED VACATION	51-51-00-2050 CSC-51	12,451.71	
AJE-15	4/30/2018	ACCRUED SICK	51-51-00-2055 CSC-51	2,511.43	
AJE-15	4/30/2018	INTEREST INCOME	51-51-00-4040 CSC-51		-2,550.56
AJE-15	4/30/2018	EMPLOYEE HEALTH INSURANCE REIM	51-51-00-4100 CSC-51	10,964.70	
AJE-15	4/30/2018	CREDIT CARD CONVENIENCE FEE	51-51-00-4700 CSC-51	13,465.73	
AJE-15	4/30/2018	MISCELLANEOUS	51-51-00-4800 CSC-51	15,459.74	
AJE-15	4/30/2018	ELECTRIC FUND CONTRIBUTION	51-51-00-4801 CSC-51	271,956.00	
AJE-15	4/30/2018	WATER FUND CONTRIBUTION	51-51-00-4802 CSC-51	67,992.00	
AJE-15	4/30/2018	SEWER FUND CONTRIBUTION	51-51-00-4803 CSC-51	67,992.00	
AJE-15	4/30/2018	GARBAGE FUND CONTRIBUTION	51-51-00-4804 CSC-51	45,336.00	
AJE-15	4/30/2018	OVERTIME	51-51-00-5102 CSC-51		-44.54
AJE-15	4/30/2018	SALARY/WAGES	51-51-00-5111 CSC-51		-200,866.99
AJE-15	4/30/2018	RENT	51-51-00-5113 CSC-51		-48,792.00
AJE-15	4/30/2018	PRINTED MATERIALS	51-51-00-5114 CSC-51		-5,446.20
AJE-15	4/30/2018	OFFICE SUPPLIES	51-51-00-5115 CSC-51		-2,761.90
AJE-15	4/30/2018	POSTAGE	51-51-00-5116 CSC-51		-33,650.43

Number	Date	Name	Account No	Debit	Credit
AJE-15	4/30/2018	NEW EQUIPMENT	51-51-00-5117 CSC-51		-6,224.00
AJE-15	4/30/2018	MAINTENANCE	51-51-00-5119 CSC-51		-4,910.35
AJE-15	4/30/2018	INFORMATION TECHNOLOGY	51-51-00-5123 CSC-51		-22,099.00
AJE-15	4/30/2018	LEASE/RENTAL	51-51-00-5133 CSC-51		-11,970.42
AJE-15	4/30/2018	SCHOOLS/MEETINGS/SEMINARS	51-51-00-5137 CSC-51		-971.27
AJE-15	4/30/2018	PHONE SERVICE	51-51-00-5152 CSC-51		-2,024.64
AJE-15	4/30/2018	LEGAL EXPENSES	51-51-00-5155 CSC-51		-2,640.49
AJE-15	4/30/2018	LEGAL EXPENSES	51-51-00-5155 CSC-51	180.00	
AJE-15	4/30/2018	CREDIT CARD BANK FEES	51-51-00-5162 CSC-51		-15,224.45
AJE-15	4/30/2018	PAYMENT SERVICE NETWORK FEES	51-51-00-5163 CSC-51		-4,402.67
AJE-15	4/30/2018	ONLINE INFO SERVICES EXPENSE	51-51-00-5164 CSC-51		-3,195.94
AJE-15	4/30/2018	SOCIAL SECURITY TAX EXPENSE	51-51-00-5166 CSC-51		-12,022.56
AJE-15	4/30/2018	IMRF EXPENSE	51-51-00-5169 CSC-51		-19,597.82
AJE-15	4/30/2018	INSURANCE EXPENSE - EMPLOYEE	51-51-00-5172 CSC-51		-63,894.99
AJE-15	4/30/2018	MEDICARE TAX EXPENSE	51-51-00-5175 CSC-51		-2,811.70
AJE-15	4/30/2018	MISCELLANEOUS	51-51-00-5188 CSC-51		-365.05
AJE-15	4/30/2018	DEPRECIATION EXPENSE	51-51-00-5190 CSC-51		-732.67
AJE-15	4/30/2018	TRANSFER TO GARBAGE	51-51-00-5496 CSC-51		-10,000.00
AJE-15	4/30/2018	TRANSFER TO ELECTRIC	51-51-00-5497 CSC-51		-60,000.00
AJE-15	4/30/2018	TRANSFER TO SEWER	51-51-00-5498 CSC-51		-15,000.00
AJE-15	4/30/2018	TRANSFER TO WATER	51-51-00-5499 CSC-51		-15,000.00

To allocate fund 51 into various funds.

AJE-16	4/30/2018	DUE FROM OTHER GOVERNMENTS	12-12-00-1390 BCDF-12	4,747.50	
AJE-16	4/30/2018	GRANT FUNDS	12-12-00-4585 BCDF-12		-4,747.50

To record additional A/R for IHDA grant.

AJE-17	4/30/2018	INTEREST PAYABLE/BONDS	19-19-00-2065 DR-19		-96,701.39
AJE-17	4/30/2018	INTEREST EXPENSE	19-19-00-5338 DR-19	96,701.39	

To record interest expense.

AJE-18	4/30/2018	BUILDOUT ENGINEERING	23-23-00-5504 FOBF-T-23	139,822.29	
AJE-18	4/30/2018	TRANSFERS TO OTHER FUNDS	23-23-00-6700 FOBF-T-23		-139,822.29
AJE-18	4/30/2018	FUND BALANCE PRIOR	24-24-00-3800 FOBF-TE-24		-139,822.29
AJE-18	4/30/2018	TRANSFERS TO OTHER FUNDS	24-24-00-6800 FOBF-TE-24	139,822.29	

To record transfer of funds into Fund 23. Prior year AP was reported in the incorrect sub-fund.

AJE-19	4/30/2018	LAND IMPROVEMENTS	95-95-00-1505 G-95		-337,641.90
AJE-19	4/30/2018	INFRASTRUCTURE	95-95-00-1510 G-95	13,701.84	
AJE-19	4/30/2018	EQUIPMENT	95-95-00-1520 G-95	20,150.00	
AJE-19	4/30/2018	RESERVE FOR DEP LAND IMPROVE	95-95-00-1535 G-95	6,326.47	
AJE-19	4/30/2018	DEPREC EXP - HIGHWAY & STREETS	95-95-00-5406 G-95		-6,326.47
AJE-19	4/30/2018	GFAAG - HIGHWAY & STREET EXP	95-95-00-5802 G-95	337,641.90	

Number	Date	Name	Account No	Debit	Credit
AJE-19	4/30/2018	GFAAG - HIGHWAY & STREET EXP	95-95-00-5802 G-95		-20,150.00
AJE-19	4/30/2018	GFAAG - HIGHWAY & STREET EXP	95-95-00-5802 G-95		-13,701.84
To record adjustments to capital assets.					
AJE-20	4/30/2018	ANT FUTURE REV TO RETIRE-CONTR	10-01-00-1650 GF-10	3.79	
AJE-20	4/30/2018	MISCELLANEOUS INCOME	10-01-00-4800 GF-10		-3.79
To write off immaterial deferred amount.					
AJE-21	4/30/2018	DUE FROM OTHER GOVERNMENTS	40-40-00-1390 MWF-40		-13,358.18
AJE-21	4/30/2018	INTEREST EXPENSE	40-48-00-5738 MWF-40	13,358.18	
To eliminate prior year IEPA receivable.					
AJE-22	4/30/2018	RESERVE FOR BAD DEBT SPECIAL	20-20-00-1156 MEF-20	20,000.00	
AJE-22	4/30/2018	BAD DEBT EXPENSE	20-20-00-5563 MEF-20		-20,000.00
To write off Special A/R reserve.					
AJE-23	4/30/2018	ACCUMULATED DEPRECIATION-FIBER	21-21-00-1550 BF-21		-68,683.92
AJE-23	4/30/2018	DEPRECIATION FIBER	21-21-00-5690 BF-21	68,683.92	
To record depreciation expense and accumulated depreciation for assets.					
AJE-24	4/30/2018	LEASE OBLIGATION PAYABLE	90-90-00-2001 GLTDAG-90	152,769.00	
AJE-24	4/30/2018	ACCRUED INTEREST PAYABLE	90-90-00-2200 GLTDAG-90	30,090.82	
AJE-24	4/30/2018	BONDS PAYABLE	90-90-00-2410 GLTDAG-90	24,000.00	
AJE-24	4/30/2018	BONDS PAYABLE-MFT	90-90-00-2411 GLTDAG-90	110,000.00	
AJE-24	4/30/2018	FUND BALANCE PRIOR	90-90-00-3800 GLTDAG-90	6,634,053.79	
AJE-24	4/30/2018	PRINCIPAL PAYMENT - MFT BOND	90-90-00-5100 GLTDAG-90	105,000.00	
AJE-24	4/30/2018	PRINCIPAL PAYMENT - MFT BOND	90-90-00-5100 GLTDAG-90		-110,000.00
AJE-24	4/30/2018	PRINCIPAL PAY - 2012 DEBT CERT	90-90-00-5110 GLTDAG-90	23,000.00	
AJE-24	4/30/2018	PRINCIPAL PAY - 2012 DEBT CERT	90-90-00-5110 GLTDAG-90		-24,000.00
AJE-24	4/30/2018	PRINCPL PAY - ELGIN ST SWEEPER	90-90-00-5200 GLTDAG-90	25,419.00	
AJE-24	4/30/2018	PRINCPL PAY - ELGIN ST SWEEPER	90-90-00-5200 GLTDAG-90		-26,179.00
AJE-24	4/30/2018	PRINCIPAL PAY - POLICE VEHICLE	90-90-00-5210 GLTDAG-90	39,122.00	
AJE-24	4/30/2018	PRINCIPAL PAY-SQUAD CARS	90-90-00-5220 GLTDAG-90	34,385.00	
AJE-24	4/30/2018	PRINCIPAL PAY-SQUAD CARS	90-90-00-5220 GLTDAG-90		-34,078.00
AJE-24	4/30/2018	PRINCIPAL PAY-DUMP TRUCK	90-90-00-5230 GLTDAG-90	51,102.00	
AJE-24	4/30/2018	PRINCIPAL PAY-DUMP TRUCK	90-90-00-5230 GLTDAG-90		-92,512.00
AJE-24	4/30/2018	PRINCIPAL PAY - IEPA LOAN	90-90-00-5300 GLTDAG-90	72,932.03	
AJE-24	4/30/2018	Interest expense	90-90-00-5400 GLTDAG-90		-30,090.82
AJE-24	4/30/2018	PROCEEDS-GO BONDS	90-90-00-6200 GLTDAG-90		-6,675,000.00
AJE-24	4/30/2018	PROCEEDS-CAPITAL LEASE	90-90-00-6300 GLTDAG-90		-310,013.82
To record changes in GLTDAG.					

Number	Date	Name	Account No	Debit	Credit
AJE-25	4/30/2018	ACCOUNTS PAYABLE	10-01-00-2000 GF-10		-13,701.84
AJE-25	4/30/2018	ENGINEERING/SALES TAX PROJECT	10-10-00-5159 GF-10	13,701.84	
AJE-25	4/30/2018	NETWORK BUILDOUT(PHASE 1)M/L	24-24-00-1530 FOBF-TE-24	247,922.50	
AJE-25	4/30/2018	ACCOUNTS PAYABLE	24-24-00-2000 FOBF-TE-24		-247,922.50
AJE-25	4/30/2018	PLANT & PROPERTY-ENGINEERING	30-30-00-1571 MSSF-3	14,733.80	
AJE-25	4/30/2018	ACCOUNTS PAYABLE	30-30-00-2000 MSSF-3		-14,733.80
AJE-25	4/30/2018	JOBS IN PROCESS	40-40-00-1570 MWF-40	12,197.31	
AJE-25	4/30/2018	JOBS IN PROCESS	40-40-00-1570 MWF-40	8,758.68	
AJE-25	4/30/2018	JOBS IN PROCESS	40-40-00-1570 MWF-40	2,900.00	
AJE-25	4/30/2018	ACCOUNTS PAYABLE	40-40-00-2000 MWF-40		-12,197.31
AJE-25	4/30/2018	ACCOUNTS PAYABLE	40-40-00-2000 MWF-40		-8,758.68
AJE-25	4/30/2018	ACCOUNTS PAYABLE	40-40-00-2000 MWF-40		-2,900.00

To accrue for additional accounts payable.

AJE-26	4/30/2018	PREPAID EXPENSES	20-20-00-1470 MEF-20		-117,505.50
AJE-26	4/30/2018	MAINTENANCE GEN-SETS	20-20-00-5506 MEF-20	117,505.50	

To reverse prior year prepaid expense.

AJE-27	4/30/2018	Customer Utility Deposits	20-20-00-2100 MEF-20		-40,734.94
AJE-27	4/30/2018	OTHER FINANCING SOURCES	20-20-00-4915 MEF-20	40,734.94	
AJE-27	4/30/2018	CUSTOMER UTILITY DEPOSITS	30-30-00-2100 MSSF-3		-28,176.84
AJE-27	4/30/2018	OTHER FINANCING SOURCES	30-30-00-4915 MSSF-3	28,176.84	
AJE-27	4/30/2018	CUSTOMER UTILITY DEPOSITS	40-40-00-2100 MWF-40		-13,644.84
AJE-27	4/30/2018	OTHER FINANCING SOURCES	40-40-00-4915 MWF-40	13,644.84	
AJE-27	4/30/2018	CUSTOMER UTILITY DEPOSITS	50-50-00-2100 MGF-50		-4,420.84
AJE-27	4/30/2018	OTHER FINANCING SOURCES	50-50-00-4915 MGF-50	4,420.84	

To eliminate 'other financing sources' that are a reduction in deposits outstanding.

AJE-28	4/30/2018	INTEREST PAYABLE/BONDS	23-23-00-2065 FOBF-T-23		
AJE-28	4/30/2018	INTEREST PAYABLE/BONDS	23-23-00-2065 FOBF-T-23		-86,932.80
AJE-28	4/30/2018	BONDS PAYABLE	23-23-00-2410 FOBF-T-23		-2,645,000.00
AJE-28	4/30/2018	Interest Expense	23-23-00-5338 FOBF-T-23	86,932.80	
AJE-28	4/30/2018	Transfers In	23-23-00-6800 FOBF-T-23	2,645,000.00	
AJE-28	4/30/2018	INTEREST PAYABLE/BONDS	24-24-00-2065 FOBF-TE-24		
AJE-28	4/30/2018	INTEREST PAYABLE/BONDS	24-24-00-2065 FOBF-TE-24		-78,260.00
AJE-28	4/30/2018	Bonds Payable	24-24-00-2410 FOBF-TE-24		-2,105,000.00
AJE-28	4/30/2018	BOND PREMIUM	24-24-00-2800 FOBF-TE-24		-14,953.76
AJE-28	4/30/2018	Interest Expense	24-24-00-5338 FOBF-TE-24	78,260.00	
AJE-28	4/30/2018	Transfer In	24-24-00-6700 FOBF-TE-24	2,105,000.00	
AJE-28	4/30/2018	Transfer In	24-24-00-6700 FOBF-TE-24	15,701.45	
AJE-28	4/30/2018	BOND PREMIUM	24-24-00-7000 FOBF-TE-24		-747.69
AJE-28	4/30/2018	ACCRUED INTEREST PAYABLE	90-90-00-2200 GLTDAG-90		
AJE-28	4/30/2018	ACCRUED INTEREST PAYABLE	90-90-00-2200 GLTDAG-90		
AJE-28	4/30/2018	BONDS PAYABLE	90-90-00-2410 GLTDAG-90	4,750,000.00	
AJE-28	4/30/2018	BOND PREMIUM	90-90-00-2800 GLTDAG-90	14,953.76	

Number	Date	Name	Account No	Debit	Credit
AJE-28	4/30/2018	Transfer Out	90-90-00-6700 GLTDAG-90		-4,750,000.00
AJE-28	4/30/2018	Transfer Out	90-90-00-6700 GLTDAG-90		-15,701.45
AJE-28	4/30/2018	BOND PREMIUM	90-90-00-7000 GLTDAG-90	747.69	
		To transfer debt from GLTAG into Broadband Funds			
AJE-29	4/30/2018	MISCELLANEOUS INCOME	10-12-00-4800 GF-10	48,802.96	
AJE-29	4/30/2018	MISCELLANEOUS INCOME	10-12-00-4800 GF-10	18,504.99	
AJE-29	4/30/2018	2017 LIGHTNING STRIKE-INS	10-12-00-5491 GF-10		-48,802.96
AJE-29	4/30/2018	2017 LIGHTNING STRIKE-INS	10-12-00-5491 GF-10		-18,504.99
		To net insurance proceeds with expense related to lightning strike.			
AJE-30	4/30/2018	CASH	10-10-00-1010 GF-10	1,014.59	
AJE-30	4/30/2018	CASH	10-10-00-1010 GF-10	1,015.25	
AJE-30	4/30/2018	PREPAY WIRELESS TOWER LOCATION	10-12-01-4800 GF-10		-1,014.59
AJE-30	4/30/2018	PREPAY WIRELESS TOWER LOCATION	10-12-01-4800 GF-10		-1,015.25
AJE-30	4/30/2018	CASH	40-40-00-1010 MWF-40		-1,014.59
AJE-30	4/30/2018	CASH	40-40-00-1010 MWF-40		-1,015.25
AJE-30	4/30/2018	WATER TOWER RENTAL	40-40-00-4205 MWF-40	1,014.59	
AJE-30	4/30/2018	WATER TOWER RENTAL	40-40-00-4205 MWF-40	1,015.25	
		To reclassify revenue into proper account/fund.			
AJE-31	4/30/2018	Transfer from Other Funds	10-01-00-4499 GF-10		-28,598.91
AJE-31	4/30/2018	RB&W REDEVELOPMENT	10-12-00-5428 GF-10	28,598.91	
AJE-31	4/30/2018	TRANSFER TO OTHER FUNDS	19-19-00-4498 DR-19	28,598.91	
AJE-31	4/30/2018	ARCHITECT/ENGINEERING EXPENSE	19-19-00-5056 DR-19		-28,598.91
		To match reversal of prior year accounts payable with corrected account where expenditure was recorded.			
AJE-32	4/30/2018	ACCOUNTS PAYABLE	10-01-00-2000 GF-10		-27,253.41
AJE-32	4/30/2018	MISC EXP/CONSOLIDATE DISPATCH	10-06-00-5257 GF-10	27,253.41	
		To record AP for consolidated dispatch bill. Calculated as 1/3 of quarterly bill.			

CITY OF ROCK FALLS, ILLINOIS
COMMUNICATION OF DEFICIENCIES
IN INTERNAL CONTROL AND
OTHER COMMENTS TO MANAGEMENT

April 30, 2018

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Rockford, IL 61101
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The Honorable Mayor
Members of the City Council
City of Rock Falls, Illinois

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

We have communicated the material weakness identified during our audit to the City Council in our separate correspondence titled "Management Letter."

During our audit, we also identify certain matters which we communicate only to management. While many of these matters are operational in nature, they may include internal control deficiencies that do not meet the definition of a significant deficiency or material weakness. We have chosen to communicate these matters in this communication. As discussed on the following pages, we reviewed the status of the deficiencies dated April 30, 2017. The status of these is included in Appendix A.

The City's written responses to the deficiencies in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This memorandum is intended solely for the information and use of management and is not intended and should not be used by anyone other than these specified parties.

Sikich LLP

Rockford, Illinois
October 11, 2018

DEFICIENCIES

We consider the following to be deficiencies in internal control:

1. Credit Card Policy Compliance

During our review of credit card transactions, we noted several transactions did not comply with the City's established credit card policies. The following matters were noted:

- Several card charges were not supported by a detailed receipt
- Several purchases included sales tax

We recommend the City require strict compliance with established credit card policies, and adequate support is maintained to support the City purpose of credit card purchases.

Management's Response

During FY 17, a meeting was held with all cardholders reviewing the policy. All card holders have been directed to have detailed receipts. Since that meeting, the cardholders have remained compliant with the policy. The City's current Credit Card Policy does not prohibit paying sales tax, it simply requires "Credit cardholders holders should make every effort to insure the purchases do not include sales tax." Since a very high percentage of the credit card use is for one time online purchases or travel and/or meals, it is acceptable to the City that those credit card transactions would include sales tax. However, the City is currently reviewing the language of the current Credit Card Policy to provide for more reasonable language regarding sales tax and unavoidable situations such as sales tax on meals.

2. Interfund Transactions

During our audit, we noted interfund transactions (GIS IT) which are not completely allocated to individual funds.

We recommend the City completely allocate all such interfund transactions to ensure quasi-interfund transactions are accounted in the individual fund receiving the service or commodity.

Management's Response

The City will review the allocation of the interfund transfers between accounts to determine any necessary changes that need to be made in the accounting process.

3. Expenditure and Bidding Procedures

We reviewed a sample of purchases made by the City during the fiscal year for compliance with the City's established purchasing and bidding policies and procedures. We noted the following matters:

- The City does not utilize the "Quotation Form" to document verbal and written quotations
- The City does not utilize purchase orders

DEFICIENCIES (Continued)

3. Expenditure and Bidding Procedures (Continued)

We recommend the City abide by the adopted purchasing policy or modify the existing policy to reflect the current policies and procedures.

Management's Response

The City does currently and historically has used the "Quotation Form" provided in the Purchasing Policy. However, will be reviewed with the Department Heads as a reminder that all quoted goods and services need to use the form.

Some of the City's department do utilize purchase orders on a regular basis. Currently, purchase orders are not required to be used nor will they be required to be used in the future.

4. Fiber Capital Assets

During our review of capital asset transactions, we noted several new fiber capital assets which were capitalized during the current year. However, we noted the City's capitalization policy does not specifically address the capitalization thresholds and procedures for this unique type of asset.

We recommend the City update their capitalization policy to specifically address the capitalization policies and limits for fiber capital assets.

Management's Response

Management will further review and determine whether a change is required in the capitalization policy in regard to the fiber capital assets as well as all other municipal capital assets.

5. Collateral Agreement

During our review of collateral pledged to the City, we noted the City does not have a formal collateral agreement in place with the financial institution and custodian in which the collateral is pledged.

We recommend the City require formal written collateral agreements to be in place for all financial institutions in which deposits exceed FDIC insurance levels.

Management's Response

Management recognized that although the funds were collateralized, that no collateral agreement was in place with two of our financial institutions. Management has since requested a collateral agreement from the financial institutions where no agreements existed. Management would also like to note that there is, and has been, a collateral agreement in place with our principal financial institution who holds the majority of the municipal funds.

OTHER COMMENTS

1. Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued a number of pronouncements that may impact the District in the future.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments and replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as they relate to governments that provide benefits through OPEB plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 75 requires governments providing defined benefit OPEB to recognize their long-term obligation for OPEB as a liability for the first time, and to more comprehensively and comparably measure the annual costs of OPEB benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions in Statement No. 75 are effective for fiscal years beginning after April 30, 2019.

GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, addresses issues regarding (1) the presentation of payroll-related measures in the required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this standard are effective for the fiscal years ending April 30, 2018 and April 30, 2019. Earlier application is encouraged.

GASB Statement No. 83, *Certain Asset Retirement Obligations [ARO's]*, enhances comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. The Statement will also enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. The requirements of this statement are effective for the fiscal year ending April 30, 2020.

GASB Statement No. 84, *Fiduciary Activities*, will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. The requirements of this statement are effective for the fiscal year ending April 30, 2020.

OTHER COMMENTS (Continued)

1. Future Accounting Pronouncements (Continued)

GASB Statement No. 85, *Omnibus 2017*, addresses a number of issues across a spectrum of topics including issues related to blending component units where the primary government is a business type activity that reports basic financial statements in a single column, accounting for goodwill, fair value measurement and application related to real estate held by insurance activities and measuring certain investments at cost or amortized cost, and various issues related to accounting and reporting for postemployment benefits (pensions and other postemployment benefits [OPEB]). Statement No 85 is effective for the fiscal year ending April 30, 2019.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, was issued to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also addresses accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. Statement No. 86 is effective for the fiscal year ending April 30, 2019.

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for the fiscal year ending April 30, 2021.

GASB Statement No 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was issued in March 2018 and provides guidance on improving disclosures in the notes to the financial statements related to debt, including direct borrowings and direct placements of debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This statement is effective for the fiscal year ending April 30, 2020.

**APPENDIX A
STATUS OF PRIOR YEAR COMMENTS
FROM APRIL 30, 2017**

DEFICIENCIES

We consider the following to be deficiencies in internal control:

1. Water Loss Statistics

During our review of water gallons pumped to water gallons billed, we noted a large percentage (28.2%) of all gallons pumped are not billed. The expectation for the percentage of loss would be at the 15% range or less based upon industry standards.

We recommend the City implement a process to compare the gallons billed to the gallons pumped on a monthly basis. This report, along with the support for any variances, should be reviewed by an employee independent of the water billing cycle. This monthly comparison should be reviewed by the Superintendent of Water on a monthly basis as well as by the City Council on a periodic basis to determine the cause of the loss.

Status: This comment has been implemented as of April 30, 2018.

2. Cash Balance not on the General Ledger

During testing of cash, we noted the Sauk Valley Bank account titled RF Fire Department Auxiliary is held under the City's FEIN number but was not listed on the City's general ledger.

We recommend the City review all accounts held using the City's FEIN number and determine if City oversight of these accounts is warranted and if these accounts should be included in the City's general ledger.

Status: This comment has been implemented as of April 30, 2018.

3. Credit Card Policy Compliance

During our review of credit card transactions, we noted several transactions did not comply with the City's established credit card policies. The following matters were noted:

- Several card charges were not supported by a detailed receipt
- Several purchases included sales tax

We recommend the City require strict compliance with established credit card policies, and adequate support is maintained to support the City purpose of credit card purchases.

Status: This comment is still applicable as of April 30, 2018 and will be reported as a current year deficiency.

DEFICIENCIES (Continued)

4. Interfund Transactions

During our audit, we noted several interfund transactions (health insurance, GIS IT, etc.) which are not completely allocated to individual funds.

We recommend the City completely allocate all such interfund transactions to ensure quasi-interfund transactions are accounted in the individual fund receiving the service or commodity.

Status: This comment has been partially implemented as of April 30, 2018 and will be reported as a current year deficiency.

5. Expenditure and Bidding Procedures

We reviewed a sample of purchases made by the City during the fiscal year for compliance with the City's established purchasing and bidding policies and procedures. We noted the following matters:

- The City does not utilize the "Quotation Form" to document verbal and written quotations
- The City does not utilize purchase orders

We recommend the City abide by the adopted purchasing policy or modify the existing policy to reflect the current policies and procedures.

Status: This comment is still applicable as of April 30, 2018 and will be reported as a current year deficiency.

6. Capital Assets

During our review of capital asset transactions, we noted several transactions did not comply with the City's established capitalization policies. The following matters were noted:

- Several repairs, maintenance, and operational costs were capitalized
- Several items less than the capitalization threshold of \$2,500 were capitalized
- Several items that appeared on the capital asset listing appear to be no longer in use
- The trade in value of several assets was netted against the value of the new asset purchased

We recommend the City require strict compliance with established capitalization policies.

We recommend the City review their capital asset listing and remove any items that are no longer used by or in the possession of the City. Additionally, we recommend the City record the full expense of each asset, and record the value of an asset that is traded in as revenue.

Status: This comment has been implemented as of April 30, 2018.

DEFICIENCIES (Continued)

7. Bond Compliance

During our review of the Municipal Securities Rulemaking Board - Electronic Municipal Market Access website, we noted that the City did not complete the filing of its continuing disclosures in accordance with the timeframes established in the official statements. The audited financial statements are required to be submitted within six months after the end of the fiscal year and were not submitted within this timeframe.

Additionally, we noted the City did not have adequate reserves set aside to comply with the requirements for the outstanding 2010 GO Bonds.

We recommend the City implement policies and procedures to ensure compliance with all bond requirements.

Status: This comment has been implemented as of April 30, 2018.

FIRM PROFILE



ORGANIZATION

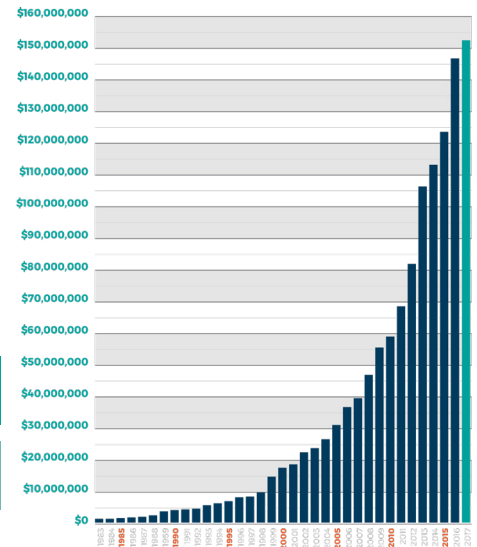
Sikich LLP, a leading professional services firm specializing in accounting, technology, investment banking* and advisory services**, has 750+ professionals throughout the country. Founded in 1982, Sikich now ranks as one of the country's Top 30 Certified Public Accounting firms and is among the top 1% of all enterprise resource planning solution partners in the world. From corporations and not-for-profits to state and local governments, Sikich clients can use a broad spectrum of services and products that help them reach long-term, strategic goals.

INDUSTRIES

Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

AGRICULTURE	ENERGY	MANUFACTURING & DISTRIBUTION
CONSTRUCTION & REAL ESTATE	GOVERNMENT	NOT-FOR-PROFIT

SIKICH TOTAL REVENUES



STATISTICS

2017 Revenues \$151.9M
 Total Partners ~100
 Total Personnel 750+
Personnel count as of January 1, 2018

2018 AWARDS

- Oracle® NetSuite **5 Star Award**
- *Accounting Today* Top 100 Firms - ranked #28 nationally
- Best Places to Work in Illinois
- Best Places to Work in Indiana
- Milwaukee's Best and Brightest Companies to Work For®
- Chicago's Best and Brightest Companies to Work For®
- Microsoft Dynamics Inner Circle
- Boston's Best and Brightest Companies to Work For®
- Bob Scott's Top 100 Value Added Reseller Stars (VARs) - ranked #8

SERVICES

ACCOUNTING, TAX & ASSURANCE

TECHNOLOGY

- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Security and Compliance

ADVISORY

- Business Succession Planning
- Insurance Services
- Forensic and Valuation Services
- Human Resources Consulting
- Investment Banking
- Marketing & Design
- Public Relations
- Retirement Plan Services
- Supply Chain
- Wealth Management

* Securities offered through Sikich Corporate Finance LLC, member FINRA/SIPC.

** Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor. Securities offered through Triad Advisors, member FINRA and SIPC. Triad Advisors and Sikich Financial are not affiliated.

2017 AWARDS

- Bob Scott's Top 100 (VARs) - ranked #7
- *Accounting Today* Top 100 VARs - ranked #6
- Vault Accounting Top Ranked
- When Work Works Award
- WorldatWork Work-Life Seal of Distinction
- Microsoft Dynamics Inner Circle and President's Club
- Best Places to Work in Illinois
- Milwaukee's 101 Best and Brightest Companies to Work For®
- Best Places to Work in Indiana
- Chicago's 101 Best and Brightest Companies to Work For®
- *Milwaukee Journal Sentinel* Top Workplaces in Milwaukee
- *Chicago Tribune's* Top Workplaces
- *Crain's List* Chicago's Largest Privately Held Companies - ranked #234
- Boston's 101 Best and Brightest Companies to Work For®
- National Best and Brightest in Wellness
- National Best and Brightest Companies to Work For

2016 AWARDS

- *Accounting Today* Top Regional Leaders and Firms: Great Lakes - ranked #4
- *Milwaukee Business Journal* Largest Management Consulting Firms - ranked #10
- *Milwaukee Business Journal* Largest Milwaukee-Area Accounting Firms - ranked #8
- *Inc. 5000* - ranked #4613
- *INSIDE Public Accounting* Top 50 Largest Accounting Firms - ranked #31 nationally
- Milwaukee's 101 Best and Brightest Companies to Work For®
- WICPA Excellence Award - Public Service Award
- *Accounting Today* Top 100 VARs - ranked #7
- Bob Scott's Top 100 VARs - ranked #7
- Boston's 101 Best and Brightest Companies to Work For®
- US Small and Mid-Sized Business (SMB) Champions Club Heartland Partner of the Year, Microsoft's US SMB Champions Club
- *Milwaukee Journal Sentinel* Top Workplaces in Milwaukee

CERTIFICATIONS

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality Center. We adhere to the strict requirements of membership which assure we meet the highest standards of audit quality. In 2017 Sikich LLP received its 10th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

MICROSOFT PARTNER

Sikich has earned a Microsoft ERP Gold competency; ranked among the top one percent of all Microsoft Dynamics partners worldwide; and carries the following certifications:

Gold

Microsoft Partner



2018/2019
INNER CIRCLE
for Microsoft Dynamics

- **Microsoft Small Business Specialist**
- **MCP** (Microsoft Certified Professional)
- **MCSE** (Microsoft Certified System Engineer)
- **CCNA** (Cisco Certified Network Associate)
- **CCDA** (Certified Cisco Design Associate)
- **CCEA** (Citrix Certified Enterprise Administrator)
- **MRMS** (Microsoft Retail Management Systems)
- **CISA** (Certified Information Systems Auditor)
- **CNE** (Certified Novell Engineer)
- **MS CSM** (Microsoft Customer Service Manager)
- **MS CAE** (Microsoft Certified Account Executive)
- **MCDBA** (Microsoft Certified Database Admin)
- **Certified for Microsoft Dynamics (NAV)**

SIKICH IS PROUD TO BE PART OF:

THE LEADING EDGE ALLIANCE

The Leading Edge Alliance (LEA) is the second largest international association of independent accounting firms.* The LEA is an international professional association of independently-owned accounting and consulting firms. Members are top quality firms who share an entrepreneurial spirit and a drive to be the premier provider of professional services in their chosen markets. The Alliance provides Sikich with an unbeatable combination: the comprehensive size and scope of a large multinational company while offering their clients the continuity, consistency, and quality service of a local firm.

*International Accounting Bulletin, 2011



PRIMEGLOBAL

PrimeGlobal is one of the top five largest associations of independent accounting firms in the world, providing a wide range of tools and resources to help member firms furnish superior accounting, auditing, and management services to clients around the globe.



LOCATIONS

Akron, OH
(330) 864-6661

Columbus, OH
(614) 633-5270

Ft. Wayne, IN
(260) 485-0665

Los Angeles, CA
(310) 315-9660

Phoenix, AZ
(480) 626-0072

Atlanta, GA
(770) 226-9374

Dallas, TX
(496) 906-2257

Houston, TX
(832) 831-3549

Milwaukee, WI
(262) 754-9400

Rockford, IL
(815) 282-6565

Boston, MA
(508) 485-5588

Decatur, IL
(217) 423-6000

Indianapolis, IN
(317) 842-4466

Minneapolis, MN
(763) 445-2632

Springfield, IL
(217) 793-3363

Chicago, IL
(312) 648-6666

Denver, CO
(720) 200-0142

Kansas City, MO
(816) 673-7534

Naperville, IL
(630) 566-8400

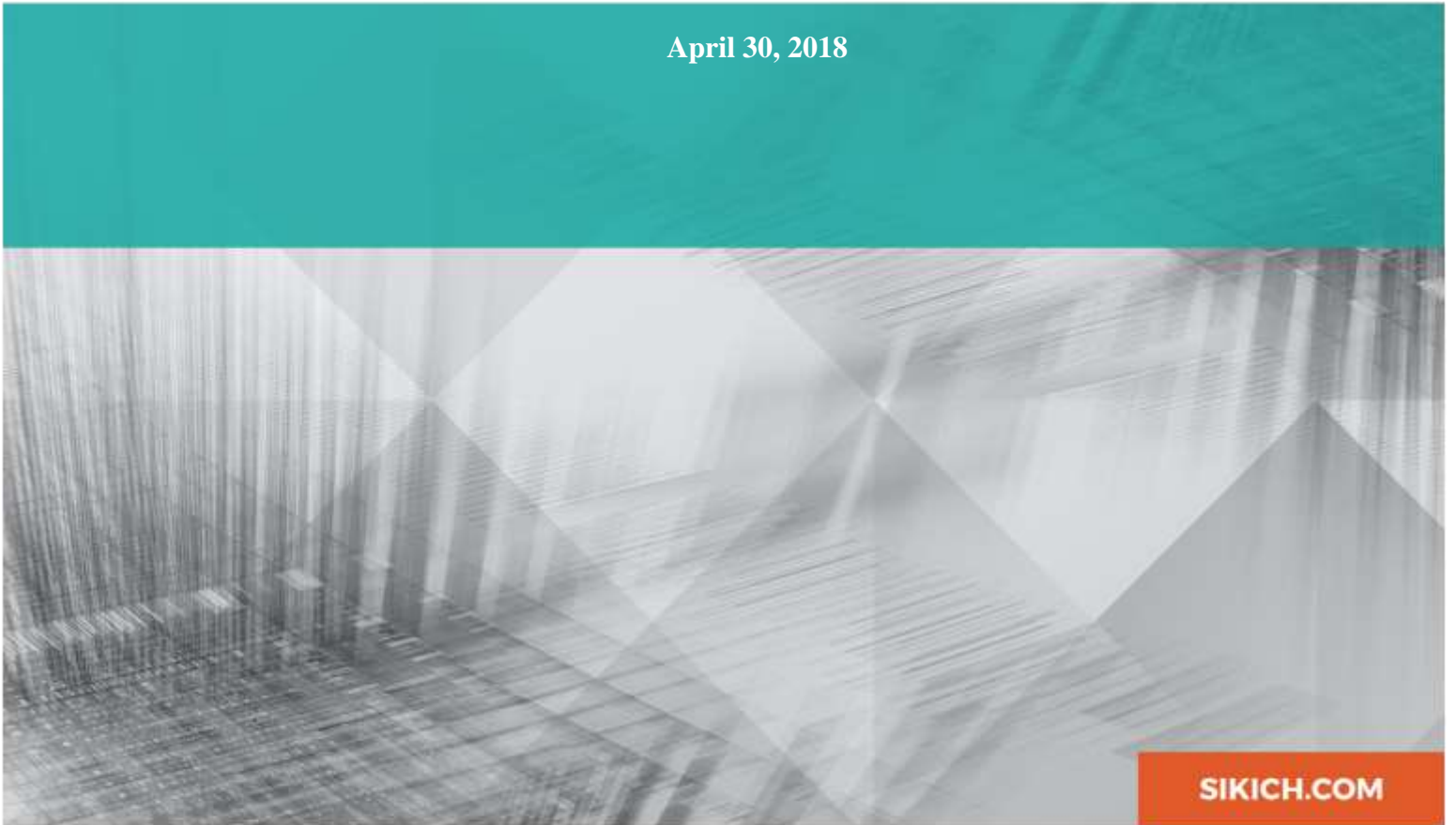
St. Louis, MO
(314) 275-7277



CITY OF ROCK FALLS, ILLINOIS

MANAGEMENT LETTER

April 30, 2018



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401 W. State Street, Suite 509
Rockford, IL 61101
815.282.6565

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The Honorable Mayor
Members of the Council
City of Rock Falls, Illinois

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Rock Falls, Illinois (the City) as of and for the year ended April 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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

The City's written responses to the deficiencies in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

In addition, we reviewed the status of the material weaknesses for the period ended April 30, 2017. The status of these recommendations is included in Appendix A.

This communication is intended solely for the information and use of the Mayor, the City Council and the management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Rockford, Illinois
October 11, 2018

MATERIAL WEAKNESSES

We consider the following to be material weaknesses over internal controls

Segregation of Duties

With a limited number of staff in City offices and departments, proper segregation of duties is difficult to accomplish. A fundamental element of internal control is the segregation of certain key duties. The basic idea underlying segregation of duties is that no employee or group should be in a position both to perpetrate and to conceal errors or fraud in the normal course of their duties. In general, the principal incompatible duties to be segregated include:

- Custody of assets, in particular cash
- Authorization or approval of related transactions affecting those assets
- Recording or reporting of related transactions
- Execution of the transaction or transaction activity

An essential feature of segregation of duties/responsibilities within an organization is that no one employee or group of employees has exclusive control over any transaction or group of transactions.

We noted specific lack of segregation of duties listed below. This list should not be considered to be all inclusive as we did not perform a comprehensive review of all control structures throughout the City.

The Deputy City Clerk can enter invoices into the system, process checks, and mail checks. The Deputy City Clerk can both receive and record the same cash receipt. The Deputy City Clerk has administrative access to the accounting software (MSI) and performs accounting functions. The effectiveness of established controls is diminished when personnel involved in the accounting function have the ability to modify their access rights to the various modules of the accounting software.

The Accounts Payable/Payroll Clerk can enter invoices into the system, process checks, and mail checks. In addition, the Accounts Payable/Payroll Clerk can both receive and record the same cash receipt.

The Building Department Secretary can create permits and collect cash for permits.

Custody of assets, including check signing authority, authorization or approval of related transactions affecting those assets, recording or reporting of related transactions, and execution of the transaction or transaction activity should be segregated. With a limited staff, segregation of these duties may not be possible. In this case, it is important department heads remain diligent in their monitoring of financial transactions.

A detailed review of financial statements, budget vs. actual results, bank reconciliations, payroll registers, and invoices and supporting documentation for checks greatly enhances the internal control. This review should be performed by someone other than the preparer of the documents.

MATERIAL WEAKNESSES (Continued)

Segregation of Duties (Continued)

Review of bank reconciliations should include tests of mechanical accuracy and tracing of items on the reconciliation to the relevant source documents. The nature of unreconciled differences should be determined and followed up on in a timely manner and any journal entries deemed necessary, as a result, be recorded.

In all cases, we recommend the City reassign duties in order to more fully segregate conflicting duties.

Management's Response

Deputy City Clerk

The Deputy City Clerk cannot process invoices without approval by a Department Head and the City Administrator who both initial the invoice prior to entering into the system. The Deputy City Clerk can process checks however, the Deputy City Clerk is not a signor on ANY accounts held by the City.

Accounts Payable/Payroll Clerk

The Accounts Payable/Payroll Clerk cannot process invoices without approval by a Department Head and the City Administrator who both initial the invoice prior to entering into the system. The Deputy City Clerk can process checks however, the Accounts Payable/Payroll Clerk is not a signor on ANY accounts held by the City.

Review of Financial Statements

Review of financial statements, budget vs. actual, bank reconciliations, payroll registers, invoices and the supporting documentation for checks is and has been conducted on a regular basis over the past several years by persons other than those that prepared those documents.

Year End Close Process

During our audit we proposed numerous audit adjustments, which management has reviewed and approved. Adjustments that were proposed were the result of recurring year end accruals that were not recorded, transactions that were not recorded in the proper period or classified correctly, and government-wide conversion entries such as capital assets and long-term debt.

Generally accepted auditing standards emphasizes that the external auditor cannot be part of an entity's internal control process over financial reporting. We recommend that procedures or checklists be adopted and followed to include all procedures that management determines are needed to be performed on a monthly or year end basis to ensure general ledger accounts are properly adjusted.

Management's Response

Management will review and determine what procedures or checklists are necessary to ensure that the general ledger accounts are property adjusted. Management also recognizes that the amount of adjustments required are decreasing on a yearly basis.

SIGNIFICANT DEFICIENCY

Inventory

During our testing of inventory, we noted there is no written inventory policy to provide guidance on securing inventory, and recording the activity of inventory purchased and used.

During our testing of inventory, we noted several inventory invoices selected for testing which could not be located for the Electric Department to support the average cost of inventory items held at year end. In addition, several invoices could not be located for the Water Department to support the average cost of the inventory item.

We recommend the City develop an inventory control policy to provide guidelines to accurately track and secure inventory. In addition, we recommend the City retain invoices for all inventory items to support the average cost of the inventory item used and review inventory for obsolescence on a periodic basis.

Management's Response

The City's Electric Department has maintained the current inventory program since 2003. During the conversion to the current program in 2003, all old invoice information was destroyed in the conversion. Considering the age of some of our infrastructure within the electric system, it is acceptable to have inventory on hand which may have been purchased prior to 2003. Unfortunately, until such time that all electric inventory purchased prior to 2003 is used, the City will not have invoices which support the average cost of the inventory currently held which was purchased prior to 2003. The Electric Department does keep copies of all invoices for products in inventory since 2003. Those invoices are kept passed the mandatory 7 year period and are not destroyed until such time that the inventory is used.

The City's Water Department inventory process was reviewed during after the 2017 audit for necessary changes and after review, a process was implemented and they are now required to keep copies of all invoices of inventoried items.

**APPENDIX A
STATUS OF COMMENTS FROM APRIL 30, 2017
CITY OF ROCK FALLS**

MATERIAL WEAKNESSES

We consider the following to be material weaknesses over internal controls

1. Segregation of Duties

With a limited number of staff in City offices and departments, proper segregation of duties is difficult to accomplish. A fundamental element of internal control is the segregation of certain key duties. The basic idea underlying segregation of duties is that no employee or group should be in a position both to perpetrate and to conceal errors or fraud in the normal course of their duties. In general, the principal incompatible duties to be segregated include:

- Custody of assets, in particular cash
- Authorization or approval of related transactions affecting those assets
- Recording or reporting of related transactions
- Execution of the transaction or transaction activity

An essential feature of segregation of duties/responsibilities within an organization is that no one employee or group of employees has exclusive control over any transaction or group of transactions.

We noted specific lack of segregation of duties listed below. This list should not be considered to be all inclusive as we did not perform a comprehensive review of all control structures throughout the City.

The Deputy City Clerk can enter invoices into the system, process checks, and mail checks. The Deputy City Clerk can both receive and record the same cash receipt. The Deputy City Clerk has administrative access to the accounting software (MSI) and performs accounting functions. The effectiveness of established controls is diminished when personnel involved in the accounting function have the ability to modify their access rights to the various modules of the accounting software.

The Accounts Payable/Payroll Clerk can enter invoices into the system, process checks, and mail checks. In addition, the Accounts Payable/Payroll Clerk can both receive and record the same cash receipt.

The Building Department Secretary can create permits and collect cash for permits.

Custody of assets, including check signing authority, authorization or approval of related transactions affecting those assets, recording or reporting of related transactions, and execution of the transaction or transaction activity should be segregated. With a limited staff, segregation of these duties may not be possible. In this case, it is important department heads remain diligent in their monitoring of financial transactions.

MATERIAL WEAKNESSES (Continued)

1. Segregation of Duties (Continued)

A detailed review of financial statements, budget vs. actual results, bank reconciliations, payroll registers, and invoices and supporting documentation for checks greatly enhances the internal control. This review should be performed by someone other than the preparer of the documents.

Review of bank reconciliations should include tests of mechanical accuracy and tracing of items on the reconciliation to the relevant source documents. The nature of unreconciled differences should be determined and followed up on in a timely manner and any journal entries deemed necessary, as a result, be recorded.

In all cases, we recommend the City reassign duties in order to more fully segregate conflicting duties.

Status: This comment has been repeated as Material Weakness #1 for the current year.

2. Uninsured and Uncollateralized Deposits

We noted approximately \$4 million of the bank balance of the City's deposits were uninsured and uncollateralized. The City's investment policy requires collateral to be pledged by financial institutions for which deposits exceed FDIC insurance coverage.

We recommend the city monitor their collateral monthly on a monthly basis to ensure all City deposits are insured or collateralized by financial institutions where deposits are held.

Status: This comment has been implemented as of April 30, 2018.

3. Year End Close Process

During our audit we proposed numerous audit adjustments, which management has reviewed and approved. Adjustments that were proposed were the result of recurring year end accruals that were not recorded, transactions that were not recorded in the proper period or classified correctly, and government-wide conversion entries such as capital assets and long-term debt.

Generally accepted auditing standards emphasizes that the external auditor cannot be part of an entity's internal control process over financial reporting. We recommend that procedures or checklists be adopted and followed to include all procedures that management determines are needed to be performed on a monthly or year end basis to ensure general ledger accounts are properly adjusted.

Status: This comment has been repeated as Material Weakness #2 for the current year.

MATERIAL WEAKNESSES (Continued)

4. Segregation of Duties - Pension Accounting

We noted the Firefighters' Pension accountants prepare checks, sign all checks, reconcile the bank statements, and transfers funds from the pension investment accounts to the pension checking account. Investment transfers can only be made between pension accounts. Invoices and check registers are reviewed and approved by the Firefighters' Pension Board. However, supporting checks or cancelled checks are not reviewed by the Board to ensure the payments correspond with approved invoices.

We recommend the Pension Board receive and review the monthly bank statements, and a second review by the Pension Board of investment account transfers be required.

Status: This comment has been implemented as of April 30, 2018.

5. Prior Period Adjustment

During our review of the minutes of the City Council and through discussions with management, it was noted that the City sold property after year-end that was not recorded on the City's general ledger. The City took ownership of the property in 2006 and did not record the capital asset at the time the deed was transferred to the City. We proposed a prior period adjustment, which was reviewed, approved, and posted by the City to record the capital asset on the City's general ledger as of April 30, 2017.

Status: This comment has been implemented as of April 30, 2018.

SIGNIFICANT DEFICIENCY

1. Inventory

During our testing of inventory, we noted there is no written inventory policy to provide guidance on securing inventory, and recording the activity of inventory purchased and used.

During our testing of inventory, we noted several inventory invoices selected for testing which could not be located for the Electric Department to support the average cost of inventory items held at year end. In addition, several invoices could not be located for the Water Department to support the average cost of the inventory item.

We recommend the City develop an inventory control policy to provide guidelines to accurately track and secure inventory. In addition, we recommend the City retain invoices for all inventory items to support the average cost of the inventory item used and review inventory for obsolescence on a periodic basis.

Status: This comment has been repeated as Significant Deficiency #1 for the current year.



CITY OF ROCK FALLS, ILLINOIS

REPORT ON COMPLIANCE
WITH PUBLIC ACT 85-1142

For the Year Ended April 30, 2018



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CITY OF ROCK FALLS, ILLINOIS
RIVERFRONT REDEVELOPMENT TAX
INCREMENT FINANCING (TIF) FUND
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**INDEPENDENT ACCOUNTANT'S REPORT ON
MANAGEMENT'S ASSERTION OF COMPLIANCE**

401 W. State Street, Suite 509
Rockford, IL 61101
815.282.6565

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INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTION OF COMPLIANCE

The Honorable Mayor
Members of the City Council
City of Rock Falls, Illinois

We have examined management's assertion, included in its representation letter dated October 11, 2018 that the City of Rock Falls, Illinois (the City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2018. Management is responsible for the City's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, management's assertion that the City of Rock Falls, Illinois complied with the aforementioned requirements for the year ended April 30, 2018 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor, the City Council, management of the City, Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Rockford, Illinois
October 11, 2018

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

401 W. State Street, Suite 509
Rockford, IL 61101
815.282.6565

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable Mayor
Members of the City Council
City of Rock Falls, Illinois

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Rock Falls, Illinois (the City) as of and for the year ended April 30, 2018, which collectively comprise the basic financial statements of the City and have issued our report thereon dated October 11, 2018, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information (schedules of revenues, expenditures and changes in fund balance; schedule of fund balance by source) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Sikich LLP

Rockford, Illinois
October 11, 2018

SUPPLEMENTARY INFORMATION

CITY OF ROCK FALLS, ILLINOIS

**TAX INCREMENT FINANCING (TIF) FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

For the Year Ended April 30, 2018

	Downtown TIF Fund	Riverfront TIF Fund	Total
REVENUES			
Property taxes	\$ 170,376	\$ 22,047	\$ 192,423
Investment Income	1,470	27	1,497
Miscellaneous	19,157	-	19,157
Total revenues	191,003	22,074	213,077
EXPENDITURES			
General government			
Contractual services	41,788	851	42,639
Commodities	18,642	-	18,642
Miscellaneous	2,780	18,079	20,859
Capital outlay	99,649	-	99,649
Debt service			
Interest	96,701	-	96,701
Total expenditures	259,560	18,930	278,490
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(68,557)	3,144	(65,413)
OTHER FINANCING SOURCES (USES)			
Transfers in	80,000	-	80,000
Transfers (out)	(28,599)	(80,000)	(108,599)
Total other financing sources (uses)	51,401	(80,000)	(28,599)
NET CHANGE IN FUND BALANCE	(17,156)	(76,856)	(94,012)
FUND BALANCE (DEFICIT), MAY 1	(67,854)	103,465	35,611
FUND BALANCE (DEFICIT), APRIL 30	\$ (85,010)	\$ 26,609	\$ (58,401)

(See independent auditor's report.)

CITY OF ROCK FALLS, ILLINOIS

TAX INCREMENT FINANCING (TIF) FUNDS
SCHEDULE OF FUND BALANCE BY SOURCE

For the Year Ended April 30, 2018

	Downtown TIF Fund	Riverfront TIF Fund	Total
BEGINNING BALANCE (DEFICIT), MAY 1, 2017	\$ (67,854)	\$ 103,465	\$ 35,611
DEPOSITS			
Property taxes	170,376	22,047	192,423
Investment Income	1,470	27	1,497
Miscellaneous	19,157	-	19,157
Total deposits	191,003	22,074	213,077
Balance plus deposits	123,149	125,539	248,688
EXPENDITURES			
General government			
Contractual services	41,788	851	42,639
Commodities	18,642	-	18,642
Miscellaneous	2,780	18,079	20,859
Capital outlay	99,649	-	99,649
Debt service			-
Interest	96,701	-	96,701
Total expenditures	259,560	18,930	278,490
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(68,557)	3,144	(65,413)
OTHER FINANCING SOURCES (USES)			
Transfers in	80,000	-	80,000
Transfers (out)	(28,599)	(80,000)	(108,599)
Total other financing sources (uses)	51,401	(80,000)	(28,599)
ENDING BALANCE (DEFICIT), APRIL 30, 2018	\$ (85,010)	\$ 26,609	\$ (58,401)
ENDING BALANCE BY SOURCE			
Property tax	\$ -	\$ 26,582	\$ 26,582
Investment income	-	27	27
Deficit	(85,010)	-	(85,010)
Subtotal	(85,010)	26,609	(58,401)
Less surplus funds	-	-	-
FUND BALANCE (DEFICIT), APRIL 30, 2018	\$ (85,010)	\$ 26,609	\$ (58,401)

(See independent auditor's report.)

BID SUBMITTAL FORM

CITY OF ROCK FALLS

DEMOLITION OF 241 AVENUE F ROCK FALLS, ILLINOIS

Bid Amount

\$ 4400.00

Company Name: Furr Excavating, Inc

Business Address 30529 Duden Rd
Rock Falls IL 61071

Phone Number 815 625 5318

Email furrxl@yahoo.com



Owner Signature

10-12-18

Date

BID TAB SHEET

CITY OF ROCK FALLS
Demolition 241 Avenue F

Bid Opening October 12th, 2018
11:00 am

Company	Address	Phone	Bid amount
Broc Colville Concrete and Excavating	20835 Pigeon Road Morrison IL	815-499-0661	\$11,250
Jeff Behrens Excavating	2608 Prophetstown Road Rock Falls IL	815-716-7598	\$9,686
Burger Brothers	PO Box 107 Rock Falls IL	815-716-3189	\$8,900
Furr Excavating.	30529 Duden Road Rock Falls IL	815-625-5318	\$4,900
Burke Excavating Inc	25666 Jersey Road Tampico, IL	815-499-6841	\$10,245
Porter Brothers Asphalt and Sealing	1106 Industrial Park Drive Rock Falls, IL	815-625-6206	\$20,450

BID SUBMITTAL FORM

CITY OF ROCK FALLS

DEMOLITION OF 711 9th AVENUE, ROCK FALLS, ILLINOIS

Bid Amount

\$ 6500.00

Company Name: Furr Excavating, Inc

Business Address 30524 Duden Rd

Rock Falls IL 61071

Phone Number 815 625 5318

Email furrxl@yahoo.com



Owner Signature

10-12-18

Date

BID TAB SHEET

CITY OF ROCK FALLS
Demolition 711 9th Avenue

Bid Opening October 12th, 2018
11:00 am

Company	Address	Phone	Bid amount
Jeff Behrens Excavating	2608 Prophetstown Road Rock Falls IL	815-716-7598	\$14,865
Burger Brothers	PO Box 107 Rock Falls IL	815-716-3189	\$14,890
Furr Excavating.	30529 Duden Road Rock Falls IL	815-625-5318	\$6,500
Burke Excavating Inc	25666 Jersey Road Tampico, IL	815-499-6841	\$10,778
Porter Brothers Asphalt and Sealing	1106 Industrial Park Drive Rock Falls, IL	815-625-6206	\$24,450

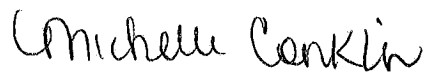
October 3, 2018

Eric Arduini, City Clerk

Eric,

I wish to resign from my appointment as Deputy City Clerk, effective immediately.

I feel that the other aspects of my duties for the City of Rock Falls are increasingly becoming more complicated and time consuming. I feel I do not have the extra time to fulfill the additional Deputy City Clerk duties and complete my regular duties on time and accurately.

A handwritten signature in cursive script that reads "Michelle Conklin".

Michelle Conklin