Rock Falls Fiscal Year 25 year-end PAFR

Submitted by: Robbin Blackert
City Administrator

Contents

About the Popular Annual Financial Report

This Popular Annual Financial Report (PAFR) is specifically designed as a summary document and is intended to convey select information about the major aspects of the City's FY 25 year-end budget (unaudited), current debt, analysis of revenues and expenditures and financial status in a condensed and easily understandable format. The primary focus of the report is the City's General Fund, Electric Fund, Wastewater Fund and Water Fund. These are considered to be the City's major and most significant funds. The City maintains several other accounting funds which will be included, but not as detailed.

Questions concerning this budget report or requests for additional information should be directed to:

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FY 25 General Fund Revenue

Property Tax

Property tax revenues were 3.51% over budget expectations with the exception of the Personal Property Replacement Tax for Fire & Police which was 111% higher than budgeted. The Street & Bridge property tax is collected by Coloma Township on behalf of the City was 27.74% above projections and the Rural Fire Protection Tax was 14.16% over the budgeted revenue. All other property taxes were slightly lower than anticipated.

Revenue Account	FY 25	
Descriptions	Budget	Actual
PROPERTY TAX REVENUE		
Prop. Tax-Corporate	$ 225,804.00	$ 225,061.04
Prop. Tax-Street & Bridge	$ 55,000.00	$ 70,255.67
Prop. Tax-Police Protection	$ 67,741.00	$ 67,572.68
Prop. Tax-Fire Protection	$ 67,741.00	$ 67,572.68
Prop. Tax-Audit	$ 25,000.00	$ 24,967.46
Prop. Tax-Police Pension	$ 768,327.00	$ 765,550.59
PPRT Police/Fire	$ 16,000.00	$ 33,760.66
Prop. Tax-Emergency Vehicle	$ 57,272.00	$ 57,078.80
Prop. Tax-Tort	$ 213,413.00	$ 207,710.46
Rural Fire Protection Tax	$ 275,000.00	$ 313,928.98
Property Tax Subtotal	**$ 1,771,298.00**	**$ 1,833,459.02**

Sales Tax Revenue

Sales tax revenues realized a substantial increase of 18.05% over budgetary predictions with the Sales tax line item alone increasing by $26.68%, creating an increase of nearly $350K. This unexpected increase has been contributed to by higher costs across the board for consumers and the addition of new businesses like Moore Tire & Ollie's.

SALES TAX REVENUE	Budget	Actual
State Sales Tax	$1,300,000.00	$1,646,826.37
Non-Home Rule Sales Tax	$1,000,000.00	$1,211,137.14
State Use Tax	$ 370,720.00	$ 297,080.73
Cannabis Tax	$ 13,710.00	$ 13,811.20
Sales Tax - Subtotal	**$ 2,684,430.00**	**$ 3,168,855.44**

The State Use Tax was a challenge in FY 25 to municipal budgets. The initial forecast by IML was $42.18 per capita, the actual per capita after enactment of the Leveling the Playing Field Act, which went into effect January 1, 2025 was $33.46 accounting for our short fall under use tax.

Local Government Distributive Fund Revenue

State-shared income tax revenue is distributed to local governments through the Local Government Distributive Fund (LGDF). LGDF is a state and local funding partnership instituted as part of the establishment of the State income tax in 1969. LGDF revenue helps local governments fund essential services and programs such as public safety, public health and basic infrastructure construction and repair. This shared revenue also reduces the amount of revenue local governments must collect through local taxes.

The Local Government Distributive Fund (LGDF) was estimated by Illinois Municipal League to be $1.5M with the actual revenue at $1.52 million, 1.64% over expectation.

INCOME TAX REVENUE	Budget	Actual
State Income Tax (LGDF)	$1,502,919.00	$1,527,566.89
Income Tax - Subtotal	**$ 1,502,919.00**	**$ 1,527,566.89**

Franchise/Usage/Other Tax Revenue

Franchise/Usage/Taxes also experienced an increase over the anticipated revenue by 9.36%.

FRANCHISE/USAGE/TAXES	Budget	Actual
Comcast Franchise Fee	$ 120,000.00	$ 78,608.79
Simplified Tele. Maint. Fee	$ 75,000.00	$ 93,452.93
Natural Gas Utility Tax	$ 120,000.00	$ 153,430.26
Utility Service Partners Royalty	$ 5,000.00	$ 6,397.85
Wireless Tower Rental Fee	$ 10,000.00	$ 12,913.94
Nicor Franchise Fee	$ 15,500.00	$ 24,549.48
Street Maintenance-IDOT	$ 18,000.00	$ 28,156.58
Franchise/Usage/Other Taxes	**$ 363,500.00**	**$ 397,509.83**

Budgeted revenues for NICOR are always conservative and this year was no exception. The City received $33K more in revenues than had been predicted.

Contributions from Utilities & Other Proprietary Funds to the General Fund

Utility Fund Contributions

American Public Power Association's latest report (1) indicates that public power utilities with our level of operating revenue contributed a median of 4.3% of operating revenues back to the communities they serve.

The FY 25 actual contribution percentages of operating revenues that were contributed to the general fund by Rock Falls Utilities were as follows:

- ✓ Electric - $692,222 = 5.15%
- ✓ Wastewater - $73,680 = 3.40%
- ✓ Water - $73,202 = 4.95%
- ✓ Garbage - $85,237. = 11.61%

The cumulative total for the utilities' operating revenues was $17,808,077 with their contribution to the General fund totaling $924,343 which is 5.19%. Although this is slightly above the median percentage it is well within the national range of 3.3% - 7.1%.

Other Proprietary Fund Contributions

Contributions to the General Fund are also made by Tourism which is also a proprietary fund:

- ✓ Tourism - $26,298 = 6.58%

UTILITY & PROPRIETARY	Budget	Actual
Capital Cost Recovery	$ 400,000.00	$ 461,799.87
Rent - Utility Office	$ 48,786.00	$ 48,786.00
Cont Electric - Electric Usage	$ 101,000.00	$ 99,053.06
Cont Electric - Utility Tax	$ 1,770.00	$ 1,552.03
Cont Electric - Cap Cost	$ 3,680.00	$ 3,394.99
Cont Sewer - Sewer Usage	$ 4,700.00	$ 4,346.81
Cont Water - Water Usage	$ 4,430.00	$ 4,824.86
Contribution from Electric	$ 5,000.00	$ 5,000.00
Contribution from Water	$ 38,500.00	$ 38,500.00
Contribution from Sewer	$ 38,500.00	$ 38,500.00
Contribution from Garbage	$ 65,000.00	$ 65,000.00
Contribution Electric City Administrator	$ 92,151.00	$ 92,151.00
Contribution Water City Administrator	$ 23,038.00	$ 23,038.00
Contribution Sewer City Administrator	$ 23,038.00	$ 23,038.00
Contribution Garbage City Adminis	$ 15,359.00	$ 15,359.00
Tourism Rent	$ 12,000.00	$ 12,000.00
Tourism Admin Fee	$ 9,000.00	$ 14,298.82
Contribution from Utilities to GF	**$ 885,952.00**	**$ 950,642.44**

Utility and other Proprietary Funds FY 25 combined operating revenues were $18,207,728. and their total contribution to the General Fund of $950,642 represents 5.22% of their operating revenues.

Grant Revenue

Revenues were under budget due to Phase III of the Rebuild Downtown & Main Street grant (new parking lot & walk path under the 1st Avenue bridge) being delayed into FY 26. An additional grant reimbursement of $1.1M will be given to the City upon completion. The Avenue A Rebuild Illinois Public Infrastructure Grant has approximately $600K of grant funds that will be reimbursed upon completion of the project.

Both projects will be completed during FY 26.

GRANTS	Budget	Actual
Reimbursement-Grant Funds	$3,750,717.00	$2,592,545.99
Police Grants	$ -	$ -
Fire Grants	$ -	$ -
Grants subtotal	**$ 3,750,717.00**	**$ 2,592,545.99**

Fire & Police Revenue

Fire & Police revenues were 21% above budget expectations. Video gaming revenue continues to grow and has now risen to $423K and exceeded budgeted revenue by $80K. In addition, Code Hearing income doubled this year's budgeted revenues thanks to the efforts of our Code Enforcement Officer. Although our main goal in code enforcement is not to levy fines, but rather to have properties come into compliance in an attempt to keep neighborhoods looking good throughout the City.

FIRE/POLICE REVENUE	Budget	Actual
Emergency Rescue	$ 14,500.00	$ 14,440.00
Non Res. Emergency Response Fee	$ 1,000.00	$ -
Video Gaming	$ 340,000.00	$ 423,976.61
Bail/Warrant Fee	$ 12,000.00	$ 15,851.56
SRO Reimbursement	$ 120,000.00	$ 121,284.48
Fines	$ 30,000.00	$ 23,519.59
Police Reports	$ 1,000.00	$ 742.75
Code Hearing Income	$ 36,120.00	$ 73,105.14
Charitable Games	$ 3,000.00	$ 2,648.35
Sex Offender Registration	$ 2,000.00	$ 2,700.00
Non Highway Vehicle Registration	$ 2,500.00	$ 4,550.00
Fire/Police subtotal	**$ 562,120.00**	**$ 682,818.48**

License/Permit/Fees Revenue

Revenues in this category were 32% higher than budgeted with liquor licenses being the biggest factor. In addition, Other Licenses & Building Permit revenues were also far above expectations with the exception of Inspection Fees which are fees received from the Whiteside County Housing Authority for our Building Department to inspect Section 8 Housing.

LICENSE/PERMITS/FEES	Budget	Actual
Liquor Licenses	$ 75,000.00	$ 90,700.00
Tobacco/Liq. Violation Fines	$ -	$ 1,250.00
Other Licenses	$ 15,000.00	$ 46,145.00
Building Permits	$ 25,000.00	$ 55,736.30
Inspection Fees	$ 8,500.00	$ 7,230.00
Contractors Registration	$ 10,000.00	$ 11,703.00
License/Permits/Fees Subtotal	**$ 133,500.00**	**$ 212,764.30**

Miscellaneous Revenue

The two significant line items are the Non-Home Rule Sales Tax Transfer and Operating Transfer In. The Operating Transfer In represents the funds received by the City (after all costs) for the sale of the Schmitt Addition land. What those funds were used for will be detailed in the expenditure section of this report. The Non-Home Rule Sales Tax Transfer was the difference between what was spent out of reserves for Avenue A and the grant funds received.

MISCELLANEOUS	Budget	Actual
Interest/Investments	$ 50,000.00	$ 196,145.28
Sale of Junk	$ -	$ 211.44
Miscellaneous	$ 38,000.00	$ 76,868.50
Schmitt/Hallman Revenue	$ -	$ 7,946.00
Health Ins Reimbursement	$ 216,841.00	$ 188,585.58
ARPA Fund Transfer	$ 500,000.00	$ 38,375.04
Non-Home Rule Sales Tax Transfer	$1,492,056.54	$ 566,350.83
Motor Fuel Fund Transfer	$ -	$ -
Operating Transfer In		$ 900,786.78
City Christmas Fund	$ -	$ 690.00
Miscellaneous Subtotal	**$ 2,296,897.54**	**$ 1,975,959.45**

FY 25 General Fund Expenditures

All General Fund expenditures were close to budget or under budget with the exception of the Administration budget. This was due to one transaction. The City sold the Schmitt Addition to a developer and the proceeds from that sale were paid against the current debt certificates originally issued for the purchase of that land.

Department Expenses	FY 25 Budget	FY 25 Actual
Administration	$ 1,057,311.00	$ 1,716,823.03
Building Dept.	$ 384,451.00	$ 399,153.10
City Administrator	$ 153,584.00	$ 152,597.56
Business Office	$ 208,371.00	$ 222,115.58
Code Hearing Dept.	$ 29,500.00	$ 31,248.69
Fire Dept.	$ 1,984,430.00	$ 1,975,134.04
Planning & Zoning	$ 3,450.00	$ 1,658.50
Police Dept.	$ 3,672,785.00	$ 3,533,847.77
Police/Fire Commission	$ 19,400.00	$ 11,400.45
Public Property	$ 3,264,367.00	$ 1,317,844.09
Street Dept.	$ 3,519,547.00	$ 3,977,182.68
Sub-Total Expenses	**$ 14,297,196.00**	**$ 13,339,005.49**
IMRF/Social Sec.	$ 129,806.00	$ 138,880.39
Expense Total	**$ 14,427,002.00**	**$ 13,477,885.88**

American Rescue Plan Act (ARPA)

The federal government allocated $1.9 trillion in funds through the American Rescue Plan Act (ARPA), the latest federal stimulus bill to aid public health and economic recovery from the COVID-19 pandemic, on March 11, 2021. The plan included $350 billion in emergency funding for state, local, territorial and tribal governments, known as the Coronavirus State and Local Fiscal Recovery Funds. Recipients must spend the funds by Dec. 31, 2026.

The City of Rock Falls received $1,189,379.86 in ARPA funds. To date the following expenditures have been made with ARPA funds:

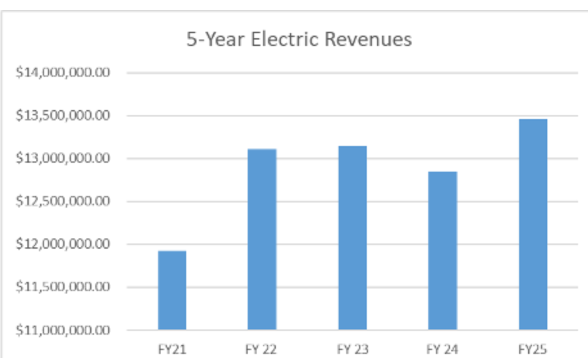
10-01-00-5058 ARPA	Through End of FY 25		Total
Department	Description	Spent thru FY25	Obligation
Police	E-Ticketing Software 2 Year Subscription	$ 54,940.66	$ 54,940.66
Police	Personal Protection Equipment	$ 11,710.78	$ 11,710.78
Police	2021 Chevy Tahoe Command Vehicle	$ 50,000.00	$ 50,000.00
Sub Total		$ 116,651.44	$ 116,651.44
Fire	Fast Boards/Rescue Equipment	$ 5,225.00	$ 5,225.00
Fire	Forcible Entry Package	$ 11,975.00	$ 11,975.00
Fire	Splint Stretcher	$ 2,159.18	$ 2,159.18
Fire	Lexipol Policy Refence & Implementation	$ 36,654.00	$ 36,654.00
Fire	Turnout Gear & Boots	$ 55,359.00	$ 55,359.00
Fire	Portable Radios	$ 39,906.00	$ 39,906.00
Fire	Rapid Intervention Team PAK	$ 7,870.20	$ 7,870.20
Fire	Radio Repeaters	$ 7,642.15	$ 7,642.15
Fire	ProX Thermal Camera	$ 3,224.00	$ 3,224.00
Fire	SCBA Air Packs/Regulators/Harnesses	$ 162,580.00	$ 162,580.00
Sub Total		$ 332,594.53	$ 332,594.53
Emergency Generator	Project in Progress for Police/Fire Building	$ 203,115.74	$ 217,500.00
Sub Total		$ 203,115.74	$ 217,500.00
Administration	Sauk Valley Foodbank	$ 30,000.00	$ 30,000.00
Administration	Sauk Valley Community College - IMPACT	$ 25,000.00	$ 25,000.00
Administration	PC's for People Foundation	$ 1,500.00	$ 1,500.00
Administration	RB&W Public Restroom Construction	$ 350,000.00	$ 350,000.00
Administration	City Hall Public Restroom Remodel	$ 82,000.00	$ 82,000.00
Administration	Bike Racks	$ 1,926.12	$ 2,000.00
Administration	Route 30 Mural Restoration	$ 7,248.00	$ 7,248.00
Administration	Park Amenities	$ -	$ 24,885.89
Sub Total		$ 497,674.12	$ 522,633.89
Total	$ -	**$ 1,150,035.83**	**$ 1,189,379.86**
	Remaining ARPA Funds		$ 0.00

Utilities

Revenue is all customer account activity (e.g., all activity billed, attributed or otherwise reflected in the customer account). All revenue for utilities referred to in this PAFR are **billed only** and does not indicate that the actual dollar amount billed to the customer has been collected.

FY 25 Electric Fund

The City of Rock Falls owns and operates its own electric utility. This fund is the largest of the City's proprietary funds in terms of revenue generation and number of customers served since its services approximately 1,150 customers outside the city limits. As with all proprietary funds, it is fully self-supported and receives no tax support. It operates exclusively on the revenue generated from rates paid by customers. The fees charged need to support the cost of operations and maintenance of the utility as well as capital improvements that must be undertaken to ensure the stability and reliability of the system.



Electric Fund Revenue

The Electric revenues outperformed expectations by $661,659 or 5.04%. Interest

20-20	Electric Fund Income	FY 25	
ACCT#	ACCOUNT DESCRIPTION	Budget	Actual
4100	Employee Helath Insur Reimbur	$ 27,040.00	$ 20,021.24
4016	Issuance of Bond	$ -	
4020	Bond Premium	$ -	
4040	Interest	$ 200,000.00	$ 634,711.89
4103	Fiber Lease/Maintenance Fee	$ -	$ 29,450.64
4124	Solar		
4125	Residential Revenue	$ 6,184,773.00	$ 6,303,726.71
4126	Commercial Revenue	$ 2,652,840.00	$ 2,761,312.88
4127	Municipal Revenue	$ 975,010.00	$ 904,054.00
4130	General Service Revenue	$ 1,329,040.00	$ 1,171,481.26
4135	Demand Charge	$ -	$ -
4136	Capacity Component Credit	$ 131,400.00	$ 131,241.60
4138	Fuel Reimbursement Credit	$ 200,000.00	$ 172,313.30
4139	Generation Payment Credit	$ 111,900.00	$ 178,232.43
4140	Purchase Power Adjustment	$ 431,049.00	$ 414,371.87
4145	Urban Lights	$ 47,000.00	$ 47,686.73
4190	State Electric Excise Tax	$ 214,186.00	$ 211,345.68
4200	Renewable Energy Income	$ 100,000.00	$ 251,709.00
4250	Penalties	$ 97,090.00	$ 97,615.52
4260	Hook-up Fees/New Service	$ -	$ -
4270	Pole Attachment	$ 26,500.00	$ 26,856.00
4280	Rehook Fees	$ 30,000.00	$ 43,554.00
4336	Traffic Signal Reimbursement	$ 29,000.00	$ 25,757.92
4380	Sale of Material/Junk	$ 1,000.00	$ 4,926.33
4499	Transfer from Other funds		$ 4,794.70
4585	Grant Funds	$ -	$ -
4800	Miscellaneous	$ -	$ -
4801	Contribution from Fiber Fund	$ 7,000.00	$ 21,323.47
4920	Gain	$ -	
XXXX	Ave A Bonds		
	Projected Uncollected Debt	$ -	$ -
		$ -	
	Total	**$ 12,794,828.00**	**$ 13,456,487.17**
	O & M Revenue	$ 12,767,788.00	$ 13,436,465.93

earned on reserves was $634,711 which was far more than budgeted.

Rock Falls Electric increased rates by 1% as recommended in the rate study conducted in FY 24. Unlike FY 24 the residential and commercial revenue slightly exceeded expectations.

Electric Fund Expenditures

Electric operation and maintenance expenditures during FY 25 were lower than predicted by more than $676,000.

	FY 25 Budget	FY 25 Actual
Revenues	$ 12,794,828.00	$ 13,456,487.17
Transfer from Reserves	$ -	$ -
Total Income	**$ 12,794,828.00**	**$ 13,456,487.17**
Expenses	$ 10,301,609.00	$ 9,625,058.27
Capital & Debt Expenses	$ 7,910,348.00	$ 2,830,915.98
Total Expenses	**$ 18,211,957.00**	**$ 12,455,974.25**
Transfer to Reserves	$ (5,417,129.00)	$ 1,000,512.92

The Capital Expenditure fell fall short of expectations to due “lead times” for materials necessary to complete the capital projects.

The City of Rock Falls achieved the RP3 (Reliable Public Power Provide) status in 2024 with a **Platinum** designation which is good for 2 more years.

What does it take to earn a designation??

A City must complete a rigorous online application to show evidence of best practices in the following categories:

- Reliability
- Safety
- Workforce development
- System Improvement

An 18-member panel of national public power experts score the application and award the RP3 designations based on the extent to which you meet program criteria:

- Diamond: 98-100%
- Platinum: 90-97%
- Gold: 80-89%

Electric Fund Debt

The Electric Department’s current debt stands at $5.7 million in General Obligation Bonds (Alternate Revenue Source) issued in 2018 for the rebuild of the Avenue A electrical substation.

FY 25 Wastewater Fund

As a proprietary fund, the Wastewater Fund is fully self-supported and receives no tax support. It operates exclusively on the revenue generated from rates paid by customers. The fees charged need to support the cost of operations and maintenance of the plant, lift stations and collection system as well as capital improvements that must be undertaken to ensure the stability and reliability of the wastewater system.

Wastewater Fund Revenue

The Wastewater operating and maintenance revenues generated were slightly more than budgeted by $40,897 which is 1% above expectations. Although interest earned on reserves was substantially higher than budgeted, residential and commercial customer usage fell short of expected revenue.

Wastewater Fund Revenue		FY 25	
30-30 Income Accounts		Budget	Actual
4000	Employee Health Ins. Reimburse	$ 12,130.00	$ 11,646.85
4040	Interest Income	$ 10,000.00	$ 269,539.40
4016	Issuance of Bonds	$ -	
4049	Amortization of Bond Premium	$ -	
4100	Residential Revenue (Billed)	$ 1,405,719.00	$ 1,388,589.99
4105	Commercial Revenue (Billed)	$ 328,610.00	$ 242,165.05
4110	Industrial Revenue (Billed)	$ 73,025.00	$ 169,323.22
4120	Municipal Revenue (Water & Ele	$ 18,256.00	$ 21,015.35
4125	Capital Improvements (Billed)	$ 292,392.00	$ 366,300.88
4130	Debt Service (Billed)	$ -	
4135	Sewer Plant Improvements (Bille	$ 1,285,200.00	$ 1,488,428.35
4250	Penalties (Billed)	$ 25,000.00	$ 33,979.06
4260	Hook-Up Fees/ New Service	$ 500.00	$ 2,450.00
4291	TV Camera Usages	$ -	$ -
4292	Sewer/Septic Disposal	$ 2,000.00	$ -
4380	Sale of Material/Junk	$ -	$ -
4450	Settlement Proceeds	$ -	$ -
4585	Grant Funds	$ 500,000.00	$ -
4600	Operating Transfer In	$ -	$ -
4000	Miscellaneous Income	$ 12,000.00	$ 12,290.87
4920	Gain	$ -	$ -
	Total Revenue	$ 3,964,832.00	$ 4,005,729.02
	Total O & M Revenue	$ 1,899,370.00	$ 2,150,999.79

The 5-Year Wastewater operation & maintenance revenue chart below demonstrates the increase in revenue since FY 21.

	FY 25 Budget	FY 25 Actual
O&M revenues	$ 1,899,370.00	$ 2,150,999.79
Transfer from Reserves	$ -	$ -
Total O&M Income	**$ 1,899,370.00**	**$ 2,150,999.79**
O& M Expenses	$ 1,896,221.00	$ 1,681,780.60
to Reserves	$ 3,149.00	$ 469,219.19
Total O&M Expenses	**$ 1,899,370.00**	**$ 2,150,999.79**
Capital Improvement Inc	$ 792,392.00	$ 366,300.88
Transfer from Reserves	$ -	$ -
Total Capital Income	**$ 792,392.00**	**$ 366,300.88**
Capital Exp.	$ 1,150,000.00	$ 1,070,207.14
Transfer to (from) Res	$ (357,608.00)	$ (703,906.26)
Total Capital Imp. Exp.	**$ 792,392.00**	**$ 366,300.88**
Debt Service Income	$ 1,285,200.00	$ 1,488,428.35
Transfer from Reserves	$ -	$ -
Total Debt Service Inc.	**$ 1,285,200.00**	**$ 1,488,428.35**
Debt Service Expenses	$ 1,167,546.00	$ 1,521,925.22
Transfer to (from) Reserves	$ 117,654.00	$ (33,496.87)

Wastewater Fund Expenditures

Wastewater operation and maintenance expenses were less than budget expectations by $214,000 which is more than 11% below budget.

Capital expenditures were close to $80,000 less than anticipated and capital projects completed totaled $1,070,204 all of which were used on the Ave A rebuild project for a new storm sewer and improvements to the 5th Avenue Lift Station .

Wastewater Fund Debt

Wastewater's current debt stands at $7.1 million, most of which is for the construction of the wastewater treatment facility which was completed in 2011 and will be paid off in November of 2031.

Debt Service & New Sewer Plant Budget		**FY 25 Budget**	**FY 25 Actual**
2060	Interest Payable-EPA Loan		
2405	Interest on Loans Listed in 2406 a	$ -	$ -
2406	Principal L17-4786:L17-4568:L17	$ 25,706.00	$ 27,515.33
	L17-2650	$ 1,008,784.00	$ 1,409,909.89
2001	Backhoe Payment	$ -	
2065	Bond Payment Series 2018 C Inte	$ 9,456.00	$ -
2411	Bond Payment Series 2018 C Prin	$ 21,800.00	$ 24,500.00
2481	Electric Dept loan	$ 101,800.00	$ 60,000.00
	Debt Service Exp. Total	**$ 1,167,546.00**	**$ 1,521,925.22**
	Debt Service Income Total	**$ 1,285,200.00**	**$ 1,488,428.35**
Difference transferred to/(from) reserve		**$ 117,654.00**	**$ (33,496.87)**

FY 25 Water Fund

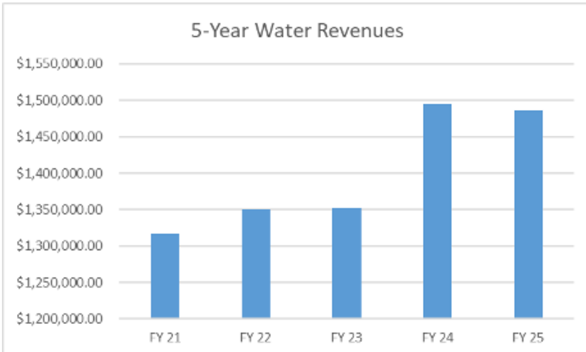
As a proprietary fund, the Water Fund is fully self-supported and receives no tax support. It operates exclusively on the revenue generated from rates paid by customers. The fees charged need to support the cost of operations and maintenance of the plant, water towers and distribution system as well as capital improvements that must be undertaken to ensure the stability and reliability of the water system.

The Rock Falls Water Department production system consists of three shallow wells, three pressure iron removal tanks, and two elevated towers. There are approximately 68 miles of water main, 400 Fire Hydrants, and 4,000 water services from the water main to the service boxes at or near the property line.

Water Fund Revenue

The FY 25 Water Department operation and maintenance budgeted revenue was slightly over prediction by $22,237 or 1.5%.

The 5-Year revenue chart on the following page indicates slight increases in revenues each year from FY 21.



Below is the budget vs. actual revenues for wastewater.

	40-40 Water Fund Revenue	FY 25	
	Account Description	**Budget**	**Actual**
4000	Employee Health Ins. Reimburseme	$ 16,000.00	$ 14,233.46
4016	Issuance of Bonds	$ -	
4020	Bond Premium	$ -	
4040	Interest Income	$ 40,000.00	$ 95,439.98
4100	Residential Revenue-Billed	$ 997,356.00	$ 962,119.99
4105	Commercial Revenue-Billed	$ 228,715.00	$ 236,633.65
4110	Industrial Revenue-Billed	$ 88,923.00	$ 94,526.03
4120	Municipal Revenue-Billed	$ 41,114.00	$ 31,757.97
4125	Capital Improvements-Billed	$ 192,389.00	$ 192,111.54
4130	Debt Service-Billed	$ 266,524.00	$ 266,120.45
4200	Water Hydrant Rental	$ -	$ -
4201	Water Bulk Purchase	$ -	$ -
4205	Water Tower Rental	$ 6,600.00	$ 7,765.45
4250	Penalties	$ 15,306.00	$ 15,643.35
4260	Hook-up Fees/New Service	$ 5,000.00	$ -
4280	Rehook Up Fees	$ 18,000.00	$ 22,975.00
4380	Sale of Material/Junk	$ 1,500.00	$ 2,095.07
4400	Groundwater Recharge Donations	$ -	$ -
4585	Grant Funds	$ -	$ -
4498	Transfer from Customer Service	$ -	
4800	Miscellaenous Income	$ 6,000.00	$ 3,561.45
4915	Other Finacing Sources transfer In	$ 1,133,832.00	
	Total Revenue	$ 3,057,259.00	$ 1,944,983.39
	Total O & M Revenue	$ 1,464,514.00	$ 1,486,751.40

Water Fund Expenditures

Water Fund operation and maintenance expenditures were slightly over budget by $20,000 or 1.5% which evened out the 1.5% increase in revenue.

Water Fund capital expenditures were again the largest deviation from budget expectations due to Phase III of the IEPA loan program capital project being recorded under the regular capital budget instead of under the 4848 account which is an account for the recording of the IEPA loans. Without the loan figures, $192,489 was budgeted for capital expenses and the actual expenditures totaled $446,405most of which was spent on the Avenue A road construction project.

	FY 25 Budget	FY 25 Actual
O&M revenues	$ 1,464,514.00	$ 1,486,751.40
Transfer from Reserves		
Total O&M Income	**$ 1,464,514.00**	**$ 1,486,751.40**
O& M Expenses	$ 1,329,735.00	$ 1,350,042.08
Transfer to Reserves	$ 134,779.00	$ 136,709.32
Total O&M Expenses	**$ 1,464,514.00**	**$ 1,486,751.40**
Capital Imp. Income	$ 1,326,221.00	$ 192,111.54
Transfer from reserve	$ -	$ -
Total Capital Income	**$ 1,326,221.00**	**$ 192,111.54**
Total Cap Expense	**$ 1,520,732.00**	**$ -**
Transfer to reserve	$ (194,511.00)	$ 192,111.54
Total Capital Expenses	**$ 1,326,221.00**	**$ 192,111.54**
Debt Service Income	$ 266,524.00	$ 266,120.45
To/(from) Reserves		
Total Debt Service Inc.	**$ 266,524.00**	**$ 266,120.45**
Debt Service Expenses	$ 150,092.00	$ 200,336.86
Transfer to Reserves	$ 116,432.00	$ 65,783.59
Total Debt Service Exp	**$ 266,524.00**	**$ 266,120.45**

Water Fund Debt

Water's current debt stands at $2,597,339. This figure includes Phase I, Phase II and Phase III of the water distribution projects. It also includes GO Bonds (Alternate Revenue Source) for the build out to the Schmitt Addition.

		FY 25	
Debt Service Budget		**Budget**	**Actual**
4040-2060	Interest Payable-EPA Loan 175023	$ 6,074.00	$ 6,083.36
2410	Bond Payment Series 2018B Princ	$ 73,300.00	$ 90,000.00
2065	Bond Payment Series 2018B Inter	$ 12,100.00	$ 11,800.00
4040-2405	EPA Loan Payable 175023	$ 26,241.00	$ 40,522.11
	EPA Loan 5718	$ 32,377.00	$ 28,627.72
	EPA Loan 5719		$ 20,777.99
	EPA Loan 5720		$ 2,525.68
	Debt Service Total	**$ 150,092.00**	**$ 200,336.86**
	Debt Service Income Total	**$ 266,524.00**	**$ 266,120.45**
Difference transferred to reserve		**$ 116,432.00**	**$ 65,783.59**

FY 25 Garbage Fund

As a proprietary fund, the Garbage Fund is fully self-supported and receives no tax support. It operates exclusively on the revenue generated from rates paid by customers. The fees charged need to support the cost of operations for curbside garbage and recycling as well as the operations of the electronics recycling center. Operations of the recycling center began again in the summer of 2024 with the purchase of a new facility on Route 30.

	FY 25 Budget	FY 25 Actual
Revenues	$ 732,000.00	$ 733,862.29
Transfer from Reserves	$ -	
Total Income	**$ 732,000.00**	**$ 733,862.29**
Expenses	$ 749,285.00	$ 806,685.50
Transfer to Reserve	$ (17,285.00)	$ (72,823.21)
Total Expense	**$ 732,000.00**	**$ 733,862.29**

FY 25 Tourism Fund

As a proprietary fund, the Tourism Fund is fully self-supported through the receipt of hotel taxes paid by visitors who stay in our local hotels. Revenues are also collected from businesses who wish to be sponsors for Tourism hosted events such as Art in the Park, Bellson Music Fest which celebrated Louie's 100th Birthday in 2024, Sick the Magazine, Independence Day Celebration, Taco Throwdown, Lumberjack Show and the Halloween Spooktacular Lighted Golfcart & UTV parade.

	FY 25 Budget	FY 25 Actual
Revenues	$ 457,545.00	$ 399,651.74
Reserves	$ -	$ -
Total Income	**$ 457,545.00**	**$ 399,651.74**
Total Expenses	$ 457,545.00	$ 599,203.95
Transfer to Reserves	$ -	$ (199,552.21)
	$ 457,545.00	**$ 399,651.74**

FY 25 Other Funds

Demolition Fund

Demolition Fund is a stand-alone fund that receives its revenue from grants such as the Abandoned Property & Strong Communities Grant through IHDA. It also receives funds from the sale of abandoned properties acquired by the City through tax sale. These funds are used to mow and secure abandoned properties and demolish condemned residential properties across the City. The City is currently awaiting the opening of Round 3 of the SCP Grant.

	FY 25 Budget	FY 25 Actual
Revenues	$ 155,000.00	$ 80,928.77
Reserves		$ -
Total Income	**$ 155,000.00**	**$ 80,928.77**
Expenses	$ 94,000.00	$ 142,187.44
Trans to (from) Reser	$ 61,000.00	$ (61,258.67)
Total Expenses	**$ 155,000.00**	**$ 80,928.77**

Industrial Development Commission

The Industrial Development Commission is an independent commission of the City who owns the industrial, commercial & residential property on behalf of the City.

	FY 25 Budget	FY 25 Actual
Revenues	$ 1,500.00	$ 997,510.88
Transfer from Reserves		$ -
Total Income	**$ 1,500.00**	$ 997,510.88
Expenditures	$ 16,100.00	$ 936,129.33
Trans to/(from) Reserve	$ (14,600.00)	$ 61,381.55

Downtown TIF (Tax Increment Finance)

Illinois and 48 other states use a TIF as an economic development tool. With this development tool, financially strapped local governments can make improvements, offer development incentives to attract new businesses or help existing businesses expand. The TIF provides that assistance without using monies from the General Fund or raising property taxes. The FY 25 budget was far higher than years past since all funds necessary for the construction of the RB&W District Restrooms were distributed from the TIF funds.

	FY 25 Budget	FY 25 Actual
Revenues	$ 757,000.00	$ 840,562.19
Reserves	$ -	$ -
Total Income	**$ 757,000.00**	**$ 840,562.19**
Total Expenses	**$ 974,850.00**	**$ 929,998.96**
Transfer to Reserves	$ (217,850.00)	$ (89,436.77)
Unexpended Funds	**$ -**	**$ -**

Total of All FY 25 Funds

The total revenues and expenditures for all proprietary and governmental funds result in a surplus of $111,285.48.

	FY 25 Budget	FY 25 Actual
Total Revenues	$ 37,155,468.54	$ 35,447,708.89
Total Expenditures	$ 37,154,742.00	$ 35,336,423.41
Surplus/(Deficit) Budget	**$ 726.54**	**$ 111,285.48**

City Administration

Mayor…………………………………………………Rodney Kleckler
City Administrator……………………………………Robbin Blackert
City Attorney…………………………………………Matt Cole,
Ward, Murray, Pace & Johnson, P.C.

Alderpersons

Ward 1	**Ward 2**	**Ward 3**	**Ward 4**
William Wangelin,	Brian Snow	Steve Dowd	Violet Sobottka
Gabriella McKanna	Vickey Byrd	Nathan Stahr	Cathy Arduini

Resources
(1) Lindsey Buttel, Manager Research & Statistics, (2022) Public Power Pays Back, *American Public Power Association*