Rock Falls Fiscal Year 26 year-end PAFR

Submitted by: Gabbi McKanna
Assistant 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 26 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:

Robbin Blackert. City Administrator
603 West 10th Street, Rock Falls, IL (815) 564-1366
rblackert@rockfalls61071.com

FY 26 General Fund Revenue

Property Tax

Property tax revenues were 4.29% over budget expectations except for the Personal Property Replacement Tax for Fire & Police which was 102% higher than budgeted. The Street & Bridge property tax is collected by Coloma Township on behalf of the City was 21.72% above projections and the Rural Fire Protection Tax was 19.75% over the budgeted revenue. All other property taxes were on par with the budget, off by less than a quarter of a percent on average.

Revenue Account	FY 26	
Descriptions	Budget	Actual
PROPERTY TAX REVENUE		
Prop. Tax-Corporate	$ 243,464.00	$ 242,772.19
Prop. Tax-Street & Bridge	$ 65,000.00	$ 79,120.14
Prop. Tax-Police Protection	$ 73,039.00	$ 72,843.39
Prop. Tax-Fire Protection	$ 73,039.00	$ 72,843.39
Prop. Tax-Audit	$ 40,000.00	$ 39,927.26
Prop. Tax-Police Pension	$ 816,869.00	$ 814,416.57
PPRT Police/Fire	$ 16,000.00	$ 32,339.64
Prop. Tax-Emergency Vehicle	$ 57,252.00	$ 57,164.23
Prop. Tax-Tort	$ 219,454.00	$ 218,918.10
Rural Fire Protection Tax	$ 275,000.00	$ 329,322.02
Property Tax Subtotal	**$ 1,879,117.00**	**$ 1,959,666.93**

Sales Tax Revenue

Sales tax revenues realized a substantial increase of 14.63% over budget with sales tax alone increasing by 24.10%, beating budget by $361K. This unexpected increase is driven by higher costs for consumers, particularly as gas prices spiked in the last quarter of the year, as well as changes in the collection and allocation of use tax.

SALES TAX REVENUE	Budget	Actual
State Sales Tax	$1,500,000.00	$1,861,430.34
Non-Home Rule Sales Tax	$1,200,000.00	$1,353,898.39
State Use Tax	$ 172,264.00	$ 80,715.90
Cannabis Tax	$ 14,589.00	$ 13,210.91
Sales Tax - Subtotal	**$ 2,886,853.00**	**$ 3,309,255.54**

Changes to the collection and allocation of use tax significantly impacted FY26 municipal budgets. IML's initial forecast for FY26 was $19.60 per capita, with the organization revising their forecast in June 2025 to $6.23 per capita, after the budget was approved. A major law change in January 2025 reclassified several transactions that generated use tax as sales tax instead. For example, online or out-of-state purchases. Use tax goes into a statewide pool and is distributed by population, whereas sales tax is allocated based on destination. The impact to our budget is that, although we see a decrease in use tax, we more than make up for it in the sales tax line.

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 $1.61 million, 2.85% over expectation.

INCOME TAX REVENUE	Budget	Actual
State Income Tax (LGDF)	$1,566,815.00	$1,611,529.85
Income Tax - Subtotal	**$ 1,566,815.00**	**$ 1,611,529.85**

Franchise/Usage/Other Tax Revenue

Franchise/Usage/Taxes experienced a small increase over the anticipated revenue by 3.90%

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 $63K more in revenues than had been predicted. In addition, Comcast's franchise fee missed budget by $51k due to a shrinking cable TV subscriber base, and legislation in Illinois that explicitly excludes streaming services from franchise fees.

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

- ✓ Electric - $790,333.74 = 5.54%
- ✓ Wastewater - $85,560.42 = 2.1%
- ✓ Water - $86,239.75 = 4.23%
- ✓ Garbage - $85,894.60 = 11.69%

The cumulative total for the utilities' operating revenues was $21,124,014 with their contribution to the General fund totaling $1,048,028 which is 4.96%. Although this is slightly above the median percentage it is well within the national range of 3.4% - 6.4%.

Other Proprietary Fund Contributions

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

- ✓ Tourism - $24,834.25 = 6.82%

UTILITY & PROPRIETARY	Budget	Actual
Capital Cost Recovery	$ 400,000.00	$ 471,089.40
Rent - Utility Office	$ 48,786.00	$ 48,786.00
Cont Electric - Electric Usage	$ 110,000.00	$ 83,145.19
Cont Electric - Utility Tax	$ 1,770.00	$ 1,466.25
Cont Electric - Cap Cost	$ 3,680.00	$ 3,207.30
Cont Sewer - Sewer Usage	$ 4,700.00	$ 4,219.52
Cont Water - Water Usage	$ 4,430.00	$ 4,898.35
Contribution from Electric	$ 106,092.00	$ 106,092.00
Contribution from Water	$ 50,000.00	$ 50,000.00
Contribution from Sewer	$ 50,000.00	$ 50,000.00
Contribution from Garbage	$ 65,000.00	$ 65,000.00
Contribution Electric City Administrator	$ 96,062.00	$ 96,062.00
Contribution Water City Administrator	$ 24,023.00	$ 24,023.00
Contribution Sewer City Administrator	$ 24,023.00	$ 24,023.00
Contribution Garbage City Adminis	$ 16,016.00	$ 16,016.00
Tourism Rent	$ 12,000.00	$ 12,000.00
Tourism Admin Fee	$ 9,000.00	$ 12,834.25
Contribution from Utilities to GF	**$ 1,025,582.00**	**$ 1,072,862.26**

Utility and other Proprietary Funds FY 26 combined operating revenues were $21,990,214. and their total contribution to the General Fund of $1,072,862 represents 4.88% 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 and unable to be completed in FY26. A grant extension was granted to the city and the remaining funds will be received in FY27. This project is now complete.

GRANTS	Budget	Actual
Reimbursement-Grant Funds	$2,103,717.00	$ 624,971.91
Police Grants	$ -	
Fire Grants	$ -	
Grants subtotal	**$ 2,103,717.00**	**$ 624,971.91**

Fire & Police Revenue

Fire & Police revenues were 13% below budget expectations. This was primarily due to a change in funding for the SRO officer at Rock Falls schools, with that individual becoming an employee of the school instead of an employee of the city. Note that to offset the reduction in revenue, there is also a reduction in expense. Most line items met or exceeded budget, including video gaming income and cod hearing income, which exceeded budget by $16k and $13k, respectively. Our goal in code enforcement is not to levy fines, but rather to have properties come into compliance to keep neighborhoods looking good throughout the City, and we appreciate the Code Enforcement officer's efforts in helping us to achieve that goal.

FIRE/POLICE REVENUE	Budget	Actual
Emergency Rescue	$ 14,500.00	$ 20,440.00
Non Res. Emergency Response Fee	$ 1,000.00	$ 530.00
Video Gaming	$ 400,000.00	$ 416,416.02
Bail/Warrant Fee	$ 12,000.00	$ 12,889.73
SRO Reimbursement	$ 125,000.00	$ 6,130.93
Fines	$ 30,000.00	$ 25,211.58
Police Reports	$ 1,000.00	$ 906.55
Code Hearing Income	$ 46,600.00	$ 60,940.37
Charitable Games	$ 3,000.00	$ 2,501.14
Sex Offender Registration	$ 2,000.00	$ 3,375.00
Non Highway Vehicle Registration	$ 2,500.00	$ 4,550.00
Fire/Police subtotal	**$ 637,600.00**	**$ 553,891.32**

License/Permit/Fees Revenue

Revenues in this category were 61% higher than budgeted with Other Licenses and Building Permits exceeding budget by $31k and $36k, respectively. While we always budget conservatively in these areas, it should be noted that the number of building permits issued continues to increase as the city addresses blighted, abandoned, and vacant properties. In addition, Liquor License revenues exceeded budget by $22k, largely driven by the issuance of new liquor licenses to new business in FY2026.

LICENSE/PERMITS/FEES	Budget	Actual
Liquor Licenses	$ 90,000.00	$ 111,650.00
Tobacco/Liq. Violation Fines	$ -	$ -
Other Licenses	$ 15,000.00	$ 46,425.00
Building Permits	$ 30,000.00	$ 65,903.15
Inspection Fees	$ 18,000.00	$ 21,484.92
Contractors Registration	$ 8,000.00	$ 13,800.00
License/Permits/Fees Subtotal	**$ 161,000.00**	**$ 259,263.07**

Miscellaneous Revenue

Miscellaneous revenue came in under budget by $567k. The city budgeted a pull of $445k from reserves in the MFT fund to fund road projects, which did not come to fruition due to complications with the contractor. The other notable item is the Other Financing Sources line item, consisting of an anticipated pull of $50k from ARPA reserves, and $23k in funding for a Police grant. There was no ARPA spend in FY26 and the police grant was spent in early FY27.

MISCELLANEOUS	Budget	Actual
Interest/Investments	$ 50,000.00	$ 141,783.62
Miscellaneous	$ 38,000.00	$ 23,435.00
Schmitt/Hallman Revenue	$ -	$ 7,209.00
Health Ins Reimbursement	$ 186,183.00	$ 201,442.19
ARPA Fund Transfer	$ 39,344.03	$ -
Non-Home Rule Sales Tax Transfer	$ 851,496.78	$ 742,151.03
Motor Fuel Fund Transfer	$ 445,000.00	$ -
Other Financing Sources	$ 73,500.00	$ -
Miscellaneous Subtotal	**$ 1,683,523.81**	**$ 1,116,020.84**
Totals	**$ 12,318,207.81**	**$ 10,896,054.17**

FY26 General Fund Expenditures

All General Fund expenses came in as planned except for Police, Fire, and Street. There was $305k budgeted for our share of the consolidated dispatch center, split between the Police and Fire budgets. Instead, the public passed the referendum to fund the dispatch center through sales tax. The Street budget included $880k in road projects and $445k toward the E 11th St. Bridge. Due to complications with the contractor, the road projects were not done. The bridge project was started in late FY26 and invoices were not received until the following fiscal year.

Department Expenses	FY 26 Budget	FY 26 Actual
Administration	$ 564,868.00	$ 560,275.49
Building Dept.	$ 439,441.00	$ 454,540.98
City Administrator	$ 160,152.00	$ 189,004.98
Business Office	$ 293,406.00	$ 248,299.06
Code Hearing Dept.	$ 35,900.00	$ 75,112.40
Fire Dept.	$ 2,254,207.00	$ 2,064,081.04
Planning & Zoning	$ 3,450.00	$ 1,319.51
Police Dept.	$ 3,971,185.00	$ 3,754,418.44
Police/Fire Commission	$ 17,700.00	$ -
Public Property	$ 1,151,591.00	$ 808,774.47
Street Dept.	$ 4,595,474.66	$ 3,028,843.69
Sub-Total Expenses	**$ 13,487,374.66**	**$ 11,184,670.06**
IMRF/Social Sec.	$ 198,319.34	$ 160,945.89
Expense Total	**$ 13,685,694.00**	**$ 11,345,615.95**

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:

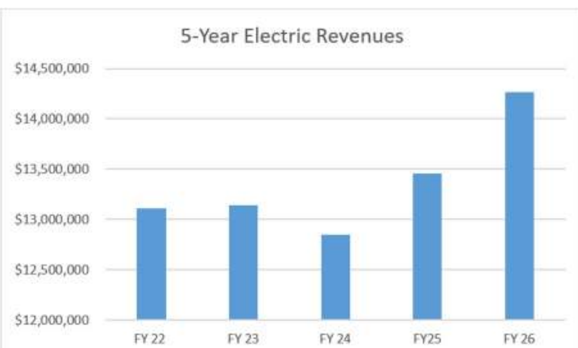
10-01-00-5058 ARPA	**Through End of FY 25**		Total
Department	Description	Spent thru FY25	Obligation
Police	E-Ticketing Software 2 Year Subscription	$ 54,940.66	$ 54,940.66
Police	Personal Protection Equipment	$ 11,710.78	$ 11,710.78
Police	2021 Chevy Tahoe Command Vehicle	$ 50,000.00	$ 50,000.00
Sub 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 26 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 $509,259 or 3.7%. Interest earned on reserves was $530,368 more than double what was budgeted. Other sources of income, including the Capacity Component credit, the PPA, and the Renewable Energy income, all exceeded budget as well.

Rock Falls Electric increased rates by 1% as recommended in the rate study conducted in FY 24. While residential revenue missed budget by $226k, commercial revenue more than made up for it, beating revenue by $260k.

Electric Fund Expenditures

Electric operation and maintenance expenditures during FY 26 were higher than predicted by $552,405. As a reminder, FY25 ended about $600k below budget, and most of that maintenance was pushed in FY26, hence the overage.

	FY 26 Budget	FY 26 Actual
Revenues	$ 13,756,571.00	$ 14,265,830.11
Transfer from Reserves	$ -	$ -
Total Income	**$ 13,756,571.00**	**$ 14,265,830.11**
Expenses	$ 10,148,840.00	$ 10,701,245.03
Capital & Debt Expenses	$ 7,052,532.00	$ 4,192,753.83
Total Expenses	**$ 17,201,372.00**	**$ 14,893,998.86**
Transfer to Reserves	$ (3,444,801.00)	$ (628,168.75)

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 one more year.

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 Liabilities

The Electric Department's current liabilities stand at $5.3 million, most of which is the General Obligation Bonds (Alternate Revenue Source) issued in 2018 for the rebuild of the Avenue A electrical substation.

FY 26 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 almost exact to budget.

Wastewater Fund Revenue		FY 26	
30-30 Income Accounts		Budget	Actual
4000	Employee Health Ins. Reimbursement	$ 12,130.00	$ 16,328.45
4040	Interest Income	$ 200,000.00	$ 226,353.12
4100	Residential Revenue (Billed)	$ 1,446,485.00	$ 1,425,014.68
4105	Commercial Revenue (Billed)	$ 338,140.00	$ 231,549.62
4110	Industrial Revenue (Billed)	$ 75,143.00	$ 176,078.87
4120	Municipal Revenue (Water & Electric	$ 18,256.00	$ 20,696.12
4125	Capital Improvements (Billed)	$ 292,392.00	$ 460,188.11
4135	Sewer Plant Improvements (Billed)	$ 1,285,200.00	$ 1,485,545.68
4250	Penalties (Billed)	$ 25,000.00	$ 35,829.64
4260	Hook-Up Fees/ New Service	$ 500.00	$ 600.00
4292	Sewer/Septic Disposal	$ 2,000.00	$ -
4380	Sale of Material/Junk	$ -	$ 655.00
4585	Grant Funds	$ 500,000.00	$ -
4000	Miscellaneous Income	$ 12,000.00	$ 6,043.45
	Total Revenue	$ 4,207,246.00	$ 4,084,882.74
	Total O & M Revenue	$ 2,141,784.00	$ 2,139,148.95

The 5-Year Wastewater operation & maintenance revenue chart below demonstrates the increase in revenue since FY 22.

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 .

	FY 26 Budget	FY 26 Actual
O&M revenues	$ 2,141,784.00	$ 2,139,148.95
Transfer from Reserves	$ -	$ -
Total O&M Income	**$ 2,141,784.00**	**$ 2,139,148.95**
O& M Expenses	$ 1,997,177.25	$ 1,766,710.86
to Reserves	$ 144,606.75	$ 372,438.09
Total O&M Expenses	**$ 2,141,784.00**	**$ 2,139,148.95**
Capital Improvement Inc	$ 792,392.00	$ 460,188.11
Transfer from Reserves	$ -	$ -
Total Capital Income	**$ 792,392.00**	**$ 460,188.11**
Capital Exp.	$ 815,000.00	$ 179,663.39
Transfer to (from) Res	$ (22,608.00)	$ 280,524.72
Total Capital Imp. Exp.	**$ 792,392.00**	**$ 460,188.11**
Debt Service Income	$ 1,285,200.00	$ 1,485,545.68
Transfer from Reserves	$ -	$ -
Total Debt Service Inc.	**$ 1,285,200.00**	**$ 1,485,545.68**
Debt Service Expenses	$ 1,167,689.00	$ 1,133,787.44
Transfer to (from) Reserves	$ 117,511.00	$ 351,758.24

Wastewater Fund Liabilities

Wastewater's current debt stands at $6.2 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.

		FY 26	
Debt Service & New Sewer Plant Budget		**Budget**	**Actual**
2405	Interest on Loans	$ 25,000.00	$ 22,254.51
2406	Principal L17-4786:L17-4568:L17-301	$ 1,034,489.00	$ 1,003,332.93
2065	Bond Payment Series 2018 C Interest	$ 18,200.00	$ 18,200.00
2411	Bond Payment Series 2018 C Principa	$ 90,000.00	$ 90,000.00
	Debt Service Exp. Total	**$ 1,167,689.00**	**$ 1,133,787.44**
	Debt Service Income Total	**$ 1,285,200.00**	**$ 1,485,545.68**
Difference transferred to/(from) reserve		**$ 117,511.00**	**$ 351,758.24**

FY 26 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 26 Water Department operation and maintenance revenue was under budget by $81,318 or 5.0%. Both residential and commercial revenue were under budget for the fiscal year.

The 5-Year revenue chart on the following page indicates slight increases in revenues each year from FY 22.
Below is the budget vs. actual revenues for water.

	40-40 Water Fund Revenue	FY 26	
	Account Description	**Budget**	**Actual**
4000	Employee Health Ins. Reimburse	$ 17,949.86	$ 14,257.58
4040	Interest Income	$ 60,000.00	$ 79,323.94
4100	Residential Revenue-Billed	$ 1,030,970.00	$ 997,787.08
4105	Commercial Revenue-Billed	$ 262,361.00	$ 216,428.17
4110	Industrial Revenue-Billed	$ 100,684.00	$ 104,684.55
4120	Municipal Revenue-Billed	$ 39,794.00	$ 27,308.41
4125	Capital Improvements-Billed	$ 216,496.00	$ 216,113.20
4130	Debt Service-Billed	$ 291,183.00	$ 290,389.60
4205	Water Tower Rental	$ 8,350.00	$ 6,600.00
4250	Penalties	$ 15,974.00	$ 17,133.39
4260	Hook-up Fees/New Service	$ 5,000.00	$ 475.03
4280	Rehook Up Fees	$ 25,000.00	$ 23,160.00
4380	Sale of Material/Junk	$ 2,000.00	$ 4,772.34
4585	Grant Funds	$ 40,000.00	$ 36,500.00
4800	Miscellaenous Income	$ 5,000.00	$ 3,334.64
	Total Revenue	$ 2,120,761.86	$ 2,038,267.93
	Total O & M Revenue	$ 1,613,082.86	$ 1,531,765.13

Water Fund Expenditures

Water Fund operation and maintenance expenditures were slightly over budget by $42,195 or 2.9%, driven by meter replacement.

Water Fund capital expenditures were higher than budget expectations by $320k due lingering expense from the Avenue A project, as well as a few unplanned major projects including well rehabilitation and water tower painting.

	FY 26 Budget	FY 26 Actual
O&M revenues	$ 1,613,082.86	$ 1,531,765.13
Transfer from Reserves		
Total O&M Income	**$ 1,613,082.86**	**$ 1,531,765.13**
O& M Expenses	$ 1,452,056.00	$ 1,494,251.06
Transfer to Reserves	$ 161,026.86	$ 37,514.07
Total O&M Expenses	**$ 1,613,082.86**	**$ 1,531,765.13**
Capital Imp. Income	$ 216,496.00	$ 216,113.20
Transfer from reserve	$ -	$ -
Total Capital Income	**$ 216,496.00**	**$ 216,113.20**
Total Cap Expense	**$ 160,000.00**	**$ 479,754.19**
Transfer to reserve	$ 56,496.00	$ (263,640.99)
Total Capital Expenses	**$ 216,496.00**	**$ 216,113.20**
Debt Service Income	$ 291,183.00	$ 290,389.60
To/(from) Reserves		
Total Debt Service Inc.	**$ 291,183.00**	**$ 290,389.60**
Debt Service Expenses	$ 210,765.00	$ 175,106.00
Transfer to Reserves	$ 80,418.00	$ 115,283.60
Total Debt Service Exp	**$ 291,183.00**	**$ 290,389.60**

Water Fund Liabilities

Water's current liabilities stand at $1,712,117. 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 26	
Debt Service Budget		**Budget**	**Actual**
4040-2060	Interest Payable-EPA Loan 175023	$ 9,623.00	$ 11,092.80
2410	Bond Payment Series 2018B Princ	$ 77,100.00	$ 60,000.00
2065	Bond Payment Series 2018B Inter	$ 10,800.00	$ 25,400.00
4040-2401	EPA Loan Payable 175023	$ 25,880.00	$ 20,735.19
	EPA Loan 5718	$ 33,438.00	$ 14,462.80
	EPA Loan 5719	$ 31,782.00	$ 13,322.52
	EPA Loan 5720	$ 22,142.00	$ 15,689.67
	IL EPA		$ 14,403.02
	Debt Service Total	**$ 210,765.00**	**$ 175,106.00**
	Debt Service Income Total	**$ 291,183.00**	**$ 290,389.60**
Difference transferred to reserve		**$ 80,418.00**	**$ 115,283.60**

FY 26 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. In FY26, we switched garbage service providers to Midwest Disposal, with much success.

	FY 26 Budget	FY 26 Actual
Revenues	$ 732,000.00	$ 735,033.12
Transfer from Reserves	$ -	
Total Income	**$ 732,000.00**	**$ 735,033.12**
Expenses	$ 756,550.00	$ 721,620.39
Transfer to Reserve	$ (24,550.00)	$ 13,412.73
Total Expense	**$ 732,000.00**	**$ 735,033.12**

FY 26 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, Sick the Magazine, Independence Day Celebration, Taco Throwdown, Lumberjack Show and the Halloween Spooktacular Lighted Golfcart & UTV parade.

	FY 26 Budget	FY 26 Actual
Revenues	$ 305,852.00	$ 363,973.07
Reserves	$ -	$ -
Total Income	**$ 305,852.00**	**$ 363,973.07**
Expenses	$ 404,501.00	$ 389,767.78
Trans to (from) Reser	$ (98,649.00)	$ (25,794.71)
Total Expenses	**$ 305,852.00**	**$ 363,973.07**

FY 26 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 has submitted a strong application for round 3 of the SCP grant and is currently awaiting announcement of awards, scheduled for Fall 2026.

	FY 26 Budget	FY 26 Actual
Revenues	$ 112,000.00	$ 50,353.11
Reserves		$ -
Total Income	**$ 112,000.00**	**$ 50,353.11**
Expenses	$ 94,000.00	$ 66,767.52
Trans to (from) Reser	$ 18,000.00	$ (16,414.41)
Total Expenses	**$ 112,000.00**	**$ 50,353.11**

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 26 Budget	FY 26 Actual
Revenues	$ 21,500.00	$ 5,152.55
Transfer from Reserves		$ -
Total Income	**$ 21,500.00**	$ 5,152.55
Expenditures	$ 21,600.00	$ 40,784.13
Trans to/(from) Reserve	$ (100.00)	$ (35,631.58)

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. Note that the revenue budget overage is due to the final transfer to the TIF to cover the cost of the bathrooms at RB&W park.

	FY 26 Budget	FY 26 Actual
Revenues	$ 220,000.00	$ 350,210.99
Reserves	$ -	$ -
Total Income	**$ 220,000.00**	**$ 350,210.99**
Total Expenses	**$ 209,600.00**	**$ 87,712.31**
Transfer to Reserves	$ 10,400.00	$ 262,498.68
Unexpended Funds	$ -	$ -

Total of All FY 26 Funds

The total revenues and expenditures for all proprietary and governmental funds result in a deficit of $253,972.14.

	FY 26 Budget	FY 26 Actual
Total Revenues	$ 34,740,346.52	$ 32,415,169.76
Total Expenditures	$ 34,736,370.86	$ 32,669,141.90
Surplus/(Deficit) Budget	**$ 3,975.66**	**$ (253,972.14)**

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,	Marshall Doane	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*