



## **CITY OF ROCK FALLS, ILLINOIS**

### **ANNUAL FINANCIAL REPORT**

**For the Year Ended April 30, 2022**

The background of the lower half of the cover features a grayscale photograph of a modern building's facade, characterized by sharp geometric lines and a grid-like pattern. This image is overlaid with a series of semi-transparent, overlapping geometric shapes in shades of gray, creating a complex, layered visual effect.

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**CITY OF ROCK FALLS, ILLINOIS**  
**TABLE OF CONTENTS**

---

	<u>Page(s)</u>
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR’S REPORT .....	1-4
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position .....	5-6
Statement of Activities .....	7-8
Fund Financial Statements	
Governmental Funds	
Balance Sheet .....	9
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position .....	10
Statement of Revenues, Expenditures and Changes in Fund Balances .....	11
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	12
Proprietary Funds	
Statement of Net Position.....	13-14
Statement of Revenues, Expenses and Changes in Net Position.....	15-16
Statement of Cash Flows .....	17-20
Fiduciary Funds	
Statement of Net Position.....	21
Statement of Changes in Net Position.....	22
Notes to Financial Statements .....	23-74

**CITY OF ROCK FALLS, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)**

**Required Supplementary Information**

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis General Fund .....	75
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios Other Postemployment Benefit Plan .....	76
Schedule of Employer Contributions Illinois Municipal Retirement Fund .....	77
Police Pension Fund .....	78
Firefighters' Pension Fund .....	79
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios Illinois Municipal Retirement Fund .....	80-81
Police Pension Fund .....	82-83
Firefighters' Pension Fund .....	84-85
Schedule of Investment Returns Police Pension Fund .....	86
Firefighters' Pension Fund .....	87
Notes to Required Supplementary Information .....	88

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

**MAJOR GOVERNMENTAL FUNDS**

General Fund Schedule of Detailed Revenues - Budget and Actual .....	89-90
Schedule of Detailed Expenditures - Budget and Actual .....	91-95

**NONMAJOR GOVERNMENTAL FUNDS**

Combining Balance Sheet .....	96-98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	99-101

**CITY OF ROCK FALLS, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

**COMBINING AND INDIVIDUAL FUND**  
**FINANCIAL STATEMENTS AND SCHEDULES (Continued)**

**NONMAJOR GOVERNMENTAL FUNDS (Continued)**

Schedule of Revenues, Expenditures and	
Changes in Fund Balance - Budget and Actual	
Tourism Fund .....	102
Industrial Development Fund .....	103
Motor Fuel Tax Fund.....	104
Illinois Municipal Retirement Fund .....	105
Downtown Redevelopment Fund .....	106
DUI Fund.....	107
Drug Fund.....	108
Tobacco Grant Fund .....	109
Building Code Demolition Fund .....	110
Workers' Compensation Fund.....	111
Safe Passage Fund .....	112

**MAJOR ENTERPRISE FUNDS**

Fiber Optic Broadband Subfunds	
Combining Statement of Net Position .....	113-114
Combining Statement of Revenues, Expenses and	
Changes in Net Position .....	115
Combining Statement of Cash Flows .....	116-117

**INTERNAL SERVICE FUNDS**

Combining Statement of Net Position.....	118
Combining Statement of Revenues, Expenses and	
Changes in Net Position .....	119
Combining Statement of Cash Flows.....	120

**FIDUCIARY FUNDS**

Pension Trust Funds	
Combining Statement of Plan Net Position.....	121
Combining Statement of Changes in Plan Net Position .....	122

**CITY OF ROCK FALLS, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

**COMBINING AND INDIVIDUAL FUND**  
**FINANCIAL STATEMENTS AND SCHEDULES (Continued)**

**SUPPLEMENTAL INFORMATION**

Consolidated Year End Financial Report.....	123
Schedule of Capital Assets	
Municipal Water Fund .....	124
Municipal Electric Fund.....	125
Municipal Sanitary Sewerage Fund .....	126
Fiber Optic Broadband Fund.....	127
Schedule of Long-Term Debt	
Debt Certificates, Series 2012 .....	128
Debt Certificates, Series 2020 .....	129
General Obligation Bonds, Series 2016 (Alternate Revenue Source) .....	130
Schedule of General Obligation Bonds and Loans Payable Outstanding	
Utility Funds.....	131-139

**STATISTICAL SECTION**

Schedule of Assessed Valuations, Rates, Extensions and Collections .....	140-142
Operating Statistics	
Municipal Water Fund .....	143
Municipal Electric Fund.....	144
Municipal Sanitary Sewerage Fund .....	145

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### **Opinions**

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, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we

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

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

## **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.

### *Supplementary 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 and supplementary information 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 supplementary 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.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.



In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Sikich LLP*

Naperville, Illinois  
November 17, 2022

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**CITY OF ROCK FALLS, ILLINOIS****STATEMENT OF NET POSITION**

April 30, 2022

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 8,329,288	\$ 20,907,794	\$ 29,237,082
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	2,240,071	-	2,240,071
Accounts	70,181	1,234,358	1,304,539
Unbilled	7,753	311,041	318,794
Interest	1,711	-	1,711
Other	53,268	2,006	55,274
Inventory	-	1,077,137	1,077,137
Due from other governments	1,126,266	-	1,126,266
Internal balances	251,399	(251,399)	-
Land held for resale	3,314,849	-	3,314,849
Net pension asset	909,403	2,145,752	3,055,155
Capital assets			
Not depreciated	521,699	1,050,595	1,572,294
Depreciated (net of accumulated depreciation)	7,447,167	53,894,472	61,341,639
Total assets	24,273,055	80,371,756	104,644,811
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Asset retirement obligation	-	29,100	29,100
Pension items - OPEB	261,627	25,183	286,810
Pension items - IMRF	68,167	160,845	229,012
Pension items - Police Pension	1,323,599	-	1,323,599
Pension items - Firefighters' Pension	823,537	-	823,537
Total deferred outflows of resources	2,476,930	215,128	2,692,058
Total assets and deferred outflows of resources	26,749,985	80,586,884	107,336,869

(This statement is continued on the following page.)

**CITY OF ROCK FALLS, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

April 30, 2022

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 426,109	\$ 761,593	\$ 1,187,702
Accrued payroll	99,958	88,122	188,080
Accrued interest payable	14,745	30,355	45,100
Refundable customer deposits	-	265,485	265,485
Unearned revenue	717,396	-	717,396
Net pension liability - Police Pension	9,402,780	-	9,402,780
Net pension liability - Firefighters' Pension	5,678,996	-	5,678,996
Long-term liabilities			
Due within one year	390,643	1,473,349	1,863,992
Due in more than one year	6,568,986	18,494,221	25,063,207
 Total liabilities	 23,299,613	 21,113,125	 44,412,738
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property taxes	2,240,071	-	2,240,071
OPEB items	273,835	26,358	300,193
Pension items - IMRF	783,732	1,849,234	2,632,966
Pension items - Police Pension	562,448	-	562,448
Pension items - Firefighters' Pension	556,518	-	556,518
 Total deferred inflows of resources	 4,416,604	 1,875,592	 6,292,196
 Total liabilities and deferred inflows of resources	 27,716,217	 22,988,717	 50,704,934
<b>NET POSITION</b>			
Net investment in capital assets	5,625,551	35,859,356	41,484,907
Restricted for			
Maintenance of streets	1,526,231	-	1,526,231
Tourism	882,423	-	882,423
Economic development	56,844	-	56,844
Public safety	108,355	-	108,355
Retirement	535,875	-	535,875
Workers' compensation	110,867	-	110,867
Unrestricted (deficit)	(9,812,378)	21,738,811	11,926,433
 <b>TOTAL NET POSITION (DEFICIT)</b>	 \$ (966,232)	\$ 57,598,167	\$ 56,631,935

See accompanying notes to financial statements.

**CITY OF ROCK FALLS, ILLINOIS**

**STATEMENT OF ACTIVITIES**

For the Year Ended April 30, 2022

FUNCTIONS/PROGRAMS		Program Revenues		
		Charges	Operating	Capital
	Expenses	for Services	Grants and Contributions	Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 1,330,360	\$ 901,250	\$ 224,420	\$ -
Public safety	6,064,447	451,424	23,750	-
Street and highways	1,270,884	18,149	589,975	-
Public property division	346,385	-	-	-
Development	303,960	-	122,000	-
Interest	71,281	-	-	-
Total governmental activities	9,387,317	1,370,823	960,145	-
Business-Type Activities				
Water	1,377,488	1,750,566	-	-
Electric	10,446,223	12,679,162	-	-
Sewer	2,739,200	3,384,534	12,000	-
Garbage	550,175	636,978	-	-
Fiber optic broadband	313,908	342,909	-	-
Total business-type activities	15,426,994	18,794,149	12,000	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 24,814,311</b>	<b>\$ 20,164,972</b>	<b>\$ 972,145</b>	<b>\$ -</b>

<b>Net (Expense) Revenue and Change in Net Position</b>			
<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
\$ (204,690)	\$ -	\$ (204,690)	
(5,589,273)	-	(5,589,273)	
(662,760)	-	(662,760)	
(346,385)	-	(346,385)	
(181,960)	-	(181,960)	
(71,281)	-	(71,281)	
(7,056,349)	-	(7,056,349)	
-	373,078	373,078	
-	2,232,939	2,232,939	
-	657,334	657,334	
-	86,803	86,803	
-	29,001	29,001	
-	3,379,155	3,379,155	
(7,056,349)	3,379,155	(3,677,194)	
General Revenues			
Taxes			
Property	2,167,869	-	2,167,869
Replacement	145,020	-	145,020
Sales and use	2,866,606	-	2,866,606
Telecommunications	118,841	-	118,841
Hotel/motel	293,354	-	293,354
Video gaming	419,182	-	419,182
Cannabis	15,409	-	15,409
Utility	194,001	-	194,001
Shared income tax	1,583,500	-	1,583,500
Investment income	10,398	32,305	42,703
Miscellaneous	270,108	87,623	357,731
Gain on sale of asset	-	80,000	80,000
Transfers in (out)	379,916	(379,916)	-
Total	8,464,204	(179,988)	8,284,216
CHANGE IN NET POSITION	1,407,855	3,199,167	4,607,022
NET POSITION (DEFICIT), MAY 1	(2,374,087)	54,399,000	52,024,913
NET POSITION (DEFICIT), APRIL 30	\$ (966,232)	\$ 57,598,167	\$ 56,631,935

See accompanying notes to financial statements.

## CITY OF ROCK FALLS, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 4,096,745	\$ 3,690,549	\$ 7,787,294
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	1,613,417	626,654	2,240,071
Accounts	36,735	33,446	70,181
Unbilled	7,753	-	7,753
Interest	354	1,357	1,711
Other	53,068	-	53,068
Due from other funds	7,487	-	7,487
Due from other governments	1,095,173	31,093	1,126,266
Advance to other funds	631,991	-	631,991
<b>TOTAL ASSETS</b>	<b>\$ 7,542,723</b>	<b>\$ 4,383,099</b>	<b>\$ 11,925,822</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 416,923	\$ 8,879	\$ 425,802
Accrued payroll	91,925	8,033	99,958
Due to other funds	-	7,487	7,487
Advances from other funds	380,592	-	380,592
Unearned revenue	716,255	1,141	717,396
Total liabilities	1,605,695	25,540	1,631,235
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable grant revenue	-	-	-
Unavailable property taxes	1,613,417	626,654	2,240,071
Total deferred inflows of resources	1,613,417	626,654	2,240,071
Total liabilities and deferred inflows of resources	3,219,112	652,194	3,871,306
<b>FUND BALANCES</b>			
Nonspendable - advances to other funds	631,991	-	631,991
Restricted for maintenance of streets	-	1,526,231	1,526,231
Restricted for tourism	-	882,423	882,423
Restricted for economic development	-	56,844	56,844
Restricted for public safety	-	108,355	108,355
Restricted for retirement	-	535,875	535,875
Restricted for worker's compensation	-	110,867	110,867
Unrestricted			
Assigned for economic development	-	518,682	518,682
Assigned for subsequent years budget	1,667,645	-	1,667,645
Unassigned (deficit)	2,023,975	(8,372)	2,015,603
Total fund balances	4,323,611	3,730,905	8,054,516
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 7,542,723</b>	<b>\$ 4,383,099</b>	<b>\$ 11,925,822</b>

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, 2022

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 8,054,516</b>
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds, net of accumulated depreciation of \$13,866,985	7,968,866
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Land purchased for resale in the governmental funds is not a financial resource and, therefore, is not reported in the funds	3,314,849
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Differences between expected and actual experiences, assumption changes and net difference between projected and actual earnings are recognized as deferred outflows and inflows of resources on the statement of net position	
IMRF	(715,565)
OPEB	(12,208)
Police Pension	761,151
Firefighters' Pension	267,019

Net pension liabilities are not financial resources and, therefore, are not reported in the fund financial statements	
IMRF - net pension asset	909,403
Police Pension	(9,402,780)
Firefighters' Pension	(5,678,996)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds payable	(1,575,000)
Debt certificates	(2,482,000)
Capital leases	(604,194)
Accrued interest payable	(14,745)
Unamortized bond premium	(109,123)
Compensated absences payable	(464,146)
Total other postemployment benefit liability	(1,725,166)

The net position of the internal service fund are included in the governmental activities in the statement of net position	<u>541,887</u>
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<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (966,232)</u></b>
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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, 2022

	<b>General</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Taxes	\$ 6,761,947	\$ 833,083	\$ 7,595,030
Licenses and permits	142,231	-	142,231
Intergovernmental	261,853	825,637	1,087,490
Charges for services	888,615	-	888,615
Fines and fees	382,509	16,428	398,937
Investment income	5,391	5,007	10,398
Reimbursements	159,686	1,796	161,482
Miscellaneous	45,802	85,271	131,073
Total revenues	8,648,034	1,767,222	10,415,256
<b>EXPENDITURES</b>			
Current			
General government	1,063,555	147,674	1,211,229
Public safety	5,142,781	35,827	5,178,608
Street and highways	744,579	183,719	928,298
Public property division	343,632	-	343,632
Development	-	303,960	303,960
Capital outlay	220,703	-	220,703
Debt service			
Principal	150,499	90,000	240,499
Interest and fiscal charges	23,350	56,400	79,750
Total expenditures	7,689,099	817,580	8,506,679
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	958,935	949,642	1,908,577
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	649,195	16,684	665,879
Transfers (out)	-	(285,963)	(285,963)
Issuance of capital lease	78,060	-	78,060
Total other financing sources (uses)	727,255	(269,279)	457,976
<b>NET CHANGE IN FUND BALANCES</b>	1,686,190	680,363	2,366,553
<b>FUND BALANCES, MAY 1</b>	2,637,421	3,050,542	5,687,963
<b>FUND BALANCES, APRIL 30</b>	\$ 4,323,611	\$ 3,730,905	\$ 8,054,516

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, 2022

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 2,366,553</b>
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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	145,273
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(799,053)
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	282,101
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	(447,413)
The change in the Firefighters' Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(184,092)
The change in the total other postemployment benefit liability and deferred outflows/inflows of resources is not a source or use of a financial resource	(84,691)
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	(27,105)
The increase in interest payable is reported as a increase of expense on the statement of activities	675
The amortizations of premiums is reported as interest expense on the statement of activities	7,794
The proceeds from issuance of capital leases are recorded as an other financing source in the governmental funds but as a liability in the statement of activities	(78,060)
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	240,499
The addition in net position of certain activities of internal service funds is included in governmental funds	(14,626)

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 1,407,855</b>
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See accompanying notes to financial statements.

**CITY OF ROCK FALLS, ILLINOIS**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

April 30, 2022

	Business-Type Activities						Governmental
	Municipal Water	Municipal Electric	Municipal Sanitary Sewerage	Municipal Garbage	Fiber Optic Broadband	Total	Internal Service
<b>CURRENT ASSETS</b>							
Cash and investments	\$ 1,904,940	\$ 13,708,407	\$ 4,547,768	\$ 746,679	\$ -	\$ 20,907,794	\$ 541,994
Receivables							
Accounts	161,946	779,469	243,755	48,978	210	1,234,358	-
Unbilled	32,958	198,780	66,490	12,587	226	311,041	-
Accrued interest	-	-	-	-	-	-	200
Other	-	-	-	-	2,006	2,006	-
Inventory	58,601	1,018,536	-	-	-	1,077,137	-
Total current assets	2,158,445	15,705,192	4,858,013	808,244	2,442	23,532,336	542,194
<b>NONCURRENT ASSETS</b>							
Advance to other funds	30,000	1,581,710	1,241,119	10,000	-	2,862,829	-
Net pension asset	421,167	1,085,497	443,609	2,963	192,516	2,145,752	-
Total noncurrent assets	451,167	2,667,207	1,684,728	12,963	192,516	5,008,581	-
<b>CAPITAL ASSETS</b>							
Nondepreciable	251,578	-	799,017	-	-	1,050,595	-
Depreciable	13,101,218	46,846,519	45,502,642	-	3,515,036	108,965,415	-
Accumulated depreciation	(7,947,188)	(29,400,913)	(16,966,995)	-	(755,847)	(55,070,943)	-
Net capital assets	5,405,608	17,445,606	29,334,664	-	2,759,189	54,945,067	-
Total assets	8,015,220	35,818,005	35,877,405	821,207	2,954,147	83,485,984	542,194
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Asset retirement obligation	29,100	-	-	-	-	29,100	-
OPEB items	4,943	12,740	5,206	35	2,259	25,183	-
Pension items - IMRF	31,569	81,368	33,253	223	14,432	160,845	-
Total deferred outflows of resources	65,612	94,108	38,459	258	16,691	215,128	-
Total assets and deferred outflows of resources	8,080,832	35,912,113	35,915,864	821,465	2,970,838	83,701,112	542,194

	Business-Type Activities						Governmental
	Municipal	Municipal	Municipal	Municipal	Fiber Optic	Total	Activities
	Water	Electric	Sanitary Sewerage	Garbage	Broadband		Internal Service
<b>CURRENT LIABILITIES</b>							
Accounts payable	\$ 97,197	\$ 513,961	\$ 92,708	\$ 44,106	\$ 13,621	\$ 761,593	\$ 307
Accrued payroll	17,840	53,172	17,017	93	-	88,122	-
Accrued interest payable	2,704	19,228	2,392	-	6,031	30,355	-
Refundable customer deposits	41,011	120,560	97,105	6,809	-	265,485	-
Compensated absences, current	1,348	25,861	9,530	-	-	36,739	-
Total other postemployment benefit liability, current	1,020	2,636	1,075	7	466	5,204	-
Capital lease, current	-	130,050	-	-	-	130,050	-
Loan payable, current	19,615	-	610,321	-	-	629,936	-
Bonds payable, current	57,506	325,404	88,510	-	200,000	671,420	-
Total current liabilities	238,241	1,190,872	918,658	51,015	220,118	2,618,904	307
<b>LONG-TERM LIABILITIES</b>							
Advance from other funds	-	-	-	-	3,114,228	3,114,228	-
Compensated absences, noncurrent	7,640	143,684	54,002	-	-	205,326	-
Total other postemployment benefit liability, noncurrent	31,574	81,369	33,255	222	14,433	160,853	-
Asset retirement obligation	30,000	-	-	-	-	30,000	-
Loan payable, noncurrent	163,334	-	9,037,323	-	-	9,200,657	-
Bonds payable, noncurrent	812,569	5,510,245	699,571	-	1,875,000	8,897,385	-
Total long-term liabilities	1,045,117	5,735,298	9,824,151	222	5,003,661	21,608,449	-
Total liabilities	1,283,358	6,926,170	10,742,809	51,237	5,223,779	24,227,353	307
<b>DEFERRED INFLOWS OF RESOURCES</b>							
OPEB items	5,174	13,334	5,449	36	2,365	26,358	-
Pension items - IMRF	362,966	935,495	382,307	2,554	165,912	1,849,234	-
Total deferred inflows of resources	368,140	948,829	387,756	2,590	168,277	1,875,592	-
Total liabilities and deferred inflows of resources	1,651,498	7,874,999	11,130,565	53,827	5,392,056	26,102,945	307
<b>NET POSITION (DEFICIT)</b>							
Net investment in capital assets	4,458,075	11,682,193	19,034,899	-	684,189	35,859,356	-
Unrestricted (deficit)	1,971,259	16,354,921	5,750,400	767,638	(3,105,407)	21,738,811	541,887
<b>TOTAL NET POSITION (DEFICIT)</b>	\$ 6,429,334	\$ 28,037,114	\$ 24,785,299	\$ 767,638	\$ (2,421,218)	\$ 57,598,167	\$ 541,887

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, 2022

	<b>Business-Type Activities</b>		
	<b>Municipal Water</b>	<b>Municipal Electric</b>	<b>Municipal Sanitary Sewerage</b>
<b>OPERATING REVENUES</b>			
Billed services	\$ 1,727,191	\$ 11,938,180	\$ 3,307,178
Utility taxes	-	212,860	-
Penalties collected	-	-	31,539
Connection fees	-	47,494	800
Other fees	23,375	480,628	45,017
Fiber lease	-	-	-
Total operating revenues	1,750,566	12,679,162	3,384,534
<b>OPERATING EXPENSES</b>			
Personnel			
Salaries	376,532	1,320,688	490,996
Payroll taxes	27,205	98,083	34,479
Payroll benefits	(5,488)	(61,486)	(15,743)
Total personnel	398,249	1,357,285	509,732
Utility expense	91,732	5,173,401	295,689
Commodities	381,874	1,216,956	684,682
Contractual services	9,869	271,593	28,048
Miscellaneous	129,924	771,038	71,929
Depreciation and amortization	340,792	1,437,828	1,072,422
Total operating expenses	1,352,440	10,228,101	2,662,502
OPERATING INCOME (LOSS)	398,126	2,451,061	722,032
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	3,519	18,017	10,101
Reimbursements	16,054	31,333	15,197
Intergovernmental	-	-	12,000
Other miscellaneous revenue	-	-	-
Interest and fiscal charges	(25,048)	(218,122)	(76,698)
Gain on sale of capital asset	-	-	80,000
Total non-operating revenues (expenses)	(5,475)	(168,772)	40,600
NET INCOME (LOSS) BEFORE TRANSFERS	392,651	2,282,289	762,632
<b>TRANSFERS</b>			
Transfers (out)	(60,293)	(179,173)	(62,588)
Total transfers in (out)	(60,293)	(179,173)	(62,588)
CHANGE IN NET POSITION	332,358	2,103,116	700,044
NET POSITION (DEFICIT), MAY 1	6,096,976	25,933,998	24,085,255
<b>NET POSITION (DEFICIT), APRIL 30</b>	<b>\$ 6,429,334</b>	<b>\$ 28,037,114</b>	<b>\$ 24,785,299</b>

Business-Type Activities			Governmental Activities
Municipal Garbage	Fiber Optic Broadband	Total	Internal Service
\$ 636,691	\$ -	\$ 17,609,240	\$ 1,291,281
-	-	212,860	-
-	-	31,539	-
-	-	48,294	-
287	-	549,307	-
-	342,909	342,909	-
636,978	342,909	18,794,149	1,291,281
2,549	54,373	2,245,138	-
195	(49,774)	110,188	-
(237)	5,891	(77,063)	1,223,659
2,507	10,490	2,278,263	1,223,659
-	-	5,560,822	-
540,928	100	2,824,540	-
2,410	857	312,777	91,389
4,330	-	977,221	-
-	227,978	3,079,020	-
550,175	239,425	15,032,643	1,315,048
86,803	103,484	3,761,506	(23,767)
668	-	32,305	901
99	1,177	63,860	-
-	-	12,000	-
-	23,763	23,763	8,240
-	(74,483)	(394,351)	-
-	-	80,000	-
767	(49,543)	(182,423)	9,141
87,570	53,941	3,579,083	(14,626)
(77,862)	-	(379,916)	-
(77,862)	-	(379,916)	-
9,708	53,941	3,199,167	(14,626)
757,930	(2,475,159)	54,399,000	556,513
\$ 767,638	\$ (2,421,218)	\$ 57,598,167	\$ 541,887

See accompanying notes to financial statements.

**CITY OF ROCK FALLS, ILLINOIS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended April 30, 2022

	<b>Business-Type Activities</b>		
	<b>Municipal Water</b>	<b>Municipal Electric</b>	<b>Municipal Sanitary Sewerage</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 1,738,186	\$ 12,202,073	\$ 3,465,123
Receipts from interfund services transactions	10,669	686,585	8,607
Payments for interfund services transactions	(188,416)	(269,332)	(341,914)
Payments to suppliers	(414,095)	(7,117,776)	(784,670)
Payments to employees	(524,728)	(1,678,751)	(624,545)
Net cash from operating activities	621,616	3,822,799	1,722,601
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Repayment of loans made to other funds	-	67,438	36,081
Receipt of loans from other funds	-	-	-
Payment of loans to other funds	-	-	-
Transfers (out)	(60,293)	(179,173)	(62,588)
Receipt of intergovernmental revenue	-	-	12,000
Receipt of other miscellaneous revenue	16,351	30,919	15,197
Net cash from noncapital financing activities	(43,942)	(80,816)	690
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital assets purchased	(291,116)	(812,057)	(715,251)
Proceeds from sale of capital assets	-	-	80,000
Principal payments on long-term debt	(217,968)	(418,861)	(1,480,704)
Interest payments on long-term debt	(27,412)	(221,092)	(79,768)
Net cash from capital and related financing activities	(536,496)	(1,452,010)	(2,195,723)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received on investments	3,519	18,017	10,101
Net cash from investing activities	3,519	18,017	10,101
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	44,697	2,307,990	(462,331)
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	1,860,243	11,400,417	5,010,099
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	\$ 1,904,940	\$ 13,708,407	\$ 4,547,768

Business-Type Activities			Governmental Activities
Municipal Garbage	Fiber Optic Broadband	Total	Internal Service
\$ 654,141	\$ 343,461	\$ 18,402,984	\$ -
-	-	705,861	1,291,281
(438)	-	(800,100)	-
(550,309)	(957)	(8,867,807)	(1,321,787)
(3,599)	(77,349)	(2,908,972)	-
99,795	265,155	6,531,966	(30,506)
-	-	103,519	-
-	51,972	51,972	-
-	(72,162)	(72,162)	-
(77,862)	-	(379,916)	-
-	-	12,000	-
99	24,940	87,506	8,240
(77,763)	4,750	(197,081)	8,240
-	-	(1,818,424)	-
-	-	80,000	-
-	(195,000)	(2,312,533)	-
-	(74,905)	(403,177)	-
-	(269,905)	(4,454,134)	-
668	-	32,305	901
668	-	32,305	901
22,700	-	1,913,056	(21,365)
723,979	-	18,994,738	563,359
\$ 746,679	\$ -	\$ 20,907,794	\$ 541,994

(This statement is continued on the following page.)



**CITY OF ROCK FALLS, ILLINOIS**

STATEMENT OF CASH FLOWS (Continued)  
**PROPRIETARY FUNDS**

For the Year Ended April 30, 2022

	<b>Business-Type Activities</b>		
	<b>Municipal Water</b>	<b>Municipal Electric</b>	<b>Municipal Sanitary Sewerage</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 398,126	\$ 2,451,061	\$ 722,032
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization	340,792	1,437,828	1,072,422
Changes in assets and liabilities			
Accounts receivable	(4,863)	192,897	79,050
Inventory	(2,845)	18,016	-
Deferred outflows - pension items - IMRF	29,883	77,018	31,475
Deferred outflows - OPEB	381	981	401
Accounts payable	13,733	27,864	(46,236)
Accrued payroll	3,149	4,566	162
Refundable customer deposits	3,152	16,599	10,146
Compensated absences	(831)	5,926	20,686
Net pension liability	(291,188)	(750,495)	(306,704)
Total other postemployment benefit liability	(2,422)	(6,243)	(2,551)
Deferred inflows - pension items - IMRF	130,592	336,583	137,551
Deferred inflows - OPEB	3,957	10,198	4,167
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 621,616</b>	<b>\$ 3,822,799</b>	<b>\$ 1,722,601</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents	\$ 1,904,940	\$ 13,708,407	\$ 4,547,768
Restricted cash and investment	-	-	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 1,904,940</b>	<b>\$ 13,708,407</b>	<b>\$ 4,547,768</b>

Business-Type Activities			Governmental Activities
Municipal Garbage	Fiber Optic Broadband	Total	Internal Service
\$ 86,803	\$ 103,484	\$ 3,761,506	\$ (23,767)
-	227,978	3,079,020	-
16,707	552	284,343	-
-	-	15,171	-
210	13,659	152,245	-
2	(438)	1,327	-
(3,079)	-	(7,718)	(6,739)
(2)	(2,292)	5,583	-
456	-	30,353	-
(182)	(5,082)	20,517	-
(2,049)	(133,102)	(1,483,538)	-
(17)	(1,107)	(12,340)	-
919	59,694	665,339	-
27	1,809	20,158	-
\$ 99,795	\$ 265,155	\$ 6,531,966	\$ (30,506)
\$ 746,679	\$ -	\$ 20,907,794	\$ 541,994
-	-	-	-
\$ 746,679	\$ -	\$ 20,907,794	\$ 541,994

See accompanying notes to financial statements.

**CITY OF ROCK FALLS, ILLINOIS**

**STATEMENT OF NET POSITION  
FIDUCIARY FUNDS**

April 30, 2022

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**ASSETS**

Cash and short-term investments	\$ 695,582
Investments	
Pooled investments	7,883,177
U.S. Treasuries	2,117,128
Common stock	745,480
Mutual funds	2,975,626
Corporate bonds	1,826,279
Municipal bonds	120,694
Mortgage pools	21,850
Receivables	
Accrued interest	27,365
Contributions	21,242
Prepaid expenses	<u>1,013</u>
 Total assets	 <u>16,435,436</u>

**LIABILITIES**

Accounts payable	<u>3,355</u>
 Total liabilities	 <u>3,355</u>

**NET POSITION RESTRICTED  
FOR PENSIONS**

\$ 16,432,081

See accompanying notes to financial statements.

**CITY OF ROCK FALLS, ILLINOIS**

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

For the Year Ended April 30, 2022

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**ADDITIONS**

Contributions

Employer contributions	\$ 1,238,054
Employee contributions	<u>224,302</u>

Total contributions	<u>1,462,356</u>
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Investment income

Net depreciation in fair value of investments	(1,441,559)
Interest	<u>491,028</u>

Total investment income	(950,531)
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Less investment expense	<u>(25,407)</u>
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Net investment income	<u>(975,938)</u>
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Total additions	<u>486,418</u>
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**DEDUCTIONS**

Benefits and refunds	1,600,256
Administrative expenses	<u>60,965</u>

Total deductions	<u>1,661,221</u>
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NET DECREASE	(1,174,803)
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**NET POSITION RESTRICTED  
FOR PENSIONS**

May 1	<u>17,606,884</u>
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April 30	<u><u>\$ 16,432,081</u></u>
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See accompanying notes to financial statements.

# CITY OF ROCK FALLS, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2022

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### 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.

#### Pension Trust Funds

The City's financial statements include the Police Pension Fund and the Firefighters' Pension Fund as fiduciary component units reported 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. Accordingly, the pension trust funds are fiscally dependent on the City. Separate financial statements are not available for the pension trust funds.

**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 fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). 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. Management has elected to report this as a major fund.

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 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 2021 are levied in December 2021 and attach as an enforceable lien on the property on January 1, 2021. Tax bills are prepared by the County and issued on or about May 1, 2022 and August 1, 2022, and are due and collectible on or about June 1, 2022 and September 1, 2022. The County collects the taxes and remits them periodically to the City. Those 2021 taxes are intended to finance the 2023 fiscal year and are not considered available or earned for current operations and, therefore, are reported as deferred/unavailable revenue. The 2022 tax levy has not been recorded as a receivable at April 30, 2022, as the tax attached as a lien on property as of January 1, 2022; however, the tax will not be levied until December 2022 and, accordingly, is not measurable at April 30, 2022.

g. Inventory

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

h. 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.

i. 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)**

i. 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. 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

j. 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)**

**k. 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.

**l. 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.

**m. 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)**

n. 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.

o. 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)**

p. 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.

q. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effect Dates of Certain Authoritative Guidance*, the City has delayed the implementation of GASB Statement No. 87, *Leases*, to April 30, 2023.

**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.

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**2. CASH AND INVESTMENTS (Continued)**

City 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, 2022:

**GOVERNMENTAL ACTIVITIES**

General Fund

Telecommunications tax	\$ 30,095
Use tax	83,657
Sales tax	343,322
Video gaming tax	71,099
Non-home rule sales tax	259,339
Income tax	278,892
Fines	2,620
Fire protection	<u>26,149</u>

Total General Fund	<u>1,095,173</u>
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Nonmajor Governmental Funds

Motor fuel tax	<u>31,093</u>
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Total Nonmajor Governmental Funds	<u>31,093</u>
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<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 1,126,266</u></u>
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**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2022 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 521,699	\$ -	\$ -	\$ 521,699
Construction in progress	31,098	-	31,098	-
Total capital assets not being depreciated	552,797	-	31,098	521,699
Capital assets being depreciated				
Land improvements	2,915,536	-	-	2,915,536
Buildings	2,531,288	-	-	2,531,288
Equipment	5,273,921	120,775	-	5,394,696
Infrastructure	10,417,036	55,596	-	10,472,632
Total capital assets being depreciated	21,137,781	176,371	-	21,314,152
Less accumulated depreciation for				
Land improvements	837,897	142,966	-	980,863
Buildings	1,970,865	72,040	-	2,042,905
Equipment	4,075,992	233,534	-	4,309,526
Infrastructure	6,183,178	350,513	-	6,533,691
Total accumulated depreciation	13,067,932	799,053	-	13,866,985
Total capital assets being depreciated, net	8,069,849	(622,682)	-	7,447,167
<b>GOVERNMENTAL ACTIVITIES</b>				
CAPITAL ASSETS, NET	\$ 8,622,646	\$ (622,682)	\$ 31,098	\$ 7,968,866

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 277,098
Public safety	153,875
Streets and highways	365,327
Public property division	<u>2,753</u>
<b>TOTAL DEPRECIATION EXPENSE -</b>	
<b>GOVERNMENTAL ACTIVITIES</b>	<u>\$ 799,053</u>

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS (Continued)**

	Beginning Balances, Reclassified	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 790,161	\$ -	\$ -	\$ 790,161
Construction in progress	1,327,213	176,658	1,243,437	260,434
Total capital assets not being depreciated	2,117,374	176,658	1,243,437	1,050,595
Capital assets being depreciated				
Buildings and infrastructure	78,942,996	1,635,068	-	80,578,064
Improvements other than buildings	21,225,817	585,675	-	21,811,492
Equipment	6,230,448	642,709	297,298	6,575,859
Total capital assets being depreciated	106,399,261	2,863,452	297,298	108,965,415
Less accumulated depreciation for				
Buildings and infrastructure	37,980,053	2,368,393	-	40,348,446
Improvements other than buildings	9,668,104	415,188	-	10,083,292
Equipment	4,641,064	295,439	297,298	4,639,205
Total accumulated depreciation	52,289,221	3,079,020	297,298	55,070,943
Total capital assets being depreciated, net	54,110,040	(215,568)	-	53,894,472
<b>BUSINESS-TYPE ACTIVITIES</b>				
CAPITAL ASSETS, NET	\$ 56,227,414	\$ (38,910)	\$ 1,243,437	\$ 54,945,067

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

<b>BUSINESS-TYPE ACTIVITIES</b>	
Municipal water	\$ 340,792
Municipal electric	1,437,828
Municipal sanitary sewerage	1,072,422
Municipal broadband	227,978
<b>TOTAL DEPRECIATION EXPENSE -</b>	
<b>BUSINESS-TYPE ACTIVITIES</b>	<u>\$ 3,079,020</u>

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT**

a. Long-Term Debt - Governmental Funds

Long-term liability activity for the year ended April 30, 2022 was as follows:

	May 1	Additions	Reductions/ Refundings	April 30	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>					
General obligation alternate revenue source bonds**	\$ 1,665,000	\$ -	\$ 90,000	\$ 1,575,000	\$ 90,000
Bond premium	116,917	-	7,794	109,123	7,794
Debt certificates*	2,512,000	-	30,000	2,482,000	30,000
Capital leases*	646,633	78,060	120,499	604,194	139,155
Compensated absences*	437,041	92,661	65,556	464,146	69,622
Net pension liability - Police	8,530,877	871,903	-	9,402,780	-
Net pension liability - Fire	4,385,004	1,293,992	-	5,678,996	-
Total other postemployment benefit liability*	1,872,273	-	147,107	1,725,166	54,072
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 20,165,745</b>	<b>\$ 2,336,616</b>	<b>\$ 460,956</b>	<b>\$ 22,041,405</b>	<b>\$ 390,643</b>

\*These liabilities are primarily retired by the General Fund.

\*\*These liabilities are retired by the Downtown Redevelopment Fund.

Long-term liabilities payable from governmental activities at April 30, 2022 comprise the following:

	Total	Current Portion
General Obligation Alternate Revenue Source Bonds \$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.	\$ 1,575,000	\$ 90,000
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.	55,000	30,000

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

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

	Total	Current Portion
Debt Certificates (direct placement)		
\$2,427,000 Refunding Debt Certificates, Series 2020; due March 16, 2028; interest at 2.25% payable semiannually in March and September.	\$ 2,427,000	\$ -
Capital Leases (direct placement)		
\$234,825 capital lease for a Schwarze A9 Street Sweeper; due in annual installments of \$37,962 through September 2026; interest at 3.19%.	172,913	32,445
\$399,500 capital lease for a Pierce Enforcer Pumper Fire Apparatus with Equipment; due in annual installments of \$57,272 through December 2027; interest at 3.15%.	308,717	47,547
\$128,939 capital lease for 3 Police Interceptor Vehicles; due in annual installments of \$46,102 through October 2022; interest at 3.59%.	44,504	44,504
\$78,060 capital lease for 2 Fire Commend Vehicles; due in annual installments of \$17,118 through September 2026; interest at 3.15%.	78,060	14,659
Bond premium	109,123	7,794
Compensated absences	464,146	69,622
Net pension liability - Police Pension	9,402,780	-
Net pension liability - Firefighters' Pension	5,678,996	-
Total other postemployment benefit liability	1,725,166	54,072
<b>TOTAL</b>	<b>\$ 22,041,405</b>	<b>\$ 390,643</b>

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

b. Debt Service to Maturity

The annual requirements to amortize all debt outstanding as of April 30, 2022, are as follows:

Fiscal Year Ending April 30,	Governmental Activities			
	General Obligation Debt		Debt Certificates	
	Principal	Interest	Principal	Interest
2023	\$ 90,000	\$ 54,600	\$ 30,000	\$ 56,296
2024	95,000	52,750	25,000	55,246
2025	95,000	50,850	-	54,308
2026	95,000	48,950	-	54,308
2027	100,000	46,000	-	54,308
2028-2032	565,000	164,900	2,427,000	57,450
2033-2036	535,000	44,100	-	-
<b>TOTAL</b>	<b>\$ 1,575,000</b>	<b>\$ 462,150</b>	<b>\$ 2,482,000</b>	<b>\$ 331,916</b>

c. Capital Leases (Direct Placement)

The City has capital lease obligations with a total annual payments ranging from \$17,117 to \$57,272 at an interest rate of 3.15% to 3.59%. Future minimum lease payments under the capital lease at April 30, 2022 are as follows:

Fiscal Year Ending April 30,	
2023	\$ 158,454
2024	112,353
2025	112,352
2026	112,353
2027	112,350
2028	57,272
Subtotal	665,134
Less amount representing interest	60,940
<b>TOTAL</b>	<b>\$ 604,194</b>

The cost of such equipment acquired through the capital lease was \$1,109,384 with an accumulated depreciation of \$228,987 at April 30, 2022.

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**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
2016 GO Alternate Revenue Source	TIF Property Taxes / Hotel Taxes	\$ 2,037,150	October 1, 2035	\$ 470,023	\$ 146,400	31%

e. Long-Term Debt - Business-Type Activities

Long-term liability activity for business-type activities for the year ended April 30, 2022 was as follows:

	May 1	Additions	Reductions	April 30	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
General obligation alternate revenue source bonds	\$ 9,920,000	\$ -	\$ 625,000	\$ 9,295,000	\$ 650,000
Bond premium	295,225	-	21,420	273,805	21,420
Capital lease (direct placement)	253,912	-	123,862	130,050	130,050
IEPA revolving loans	11,394,562	-	1,563,672	9,830,890	629,936
Total other postemployment benefit liability	178,397	-	12,340	166,057	5,204
Compensated absences	217,857	91,491	32,679	276,669	41,500
Asset retirement obligation	30,000	-	-	30,000	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 22,289,953</b>	<b>\$ 91,491</b>	<b>\$ 2,378,973</b>	<b>\$ 20,002,471</b>	<b>\$ 1,478,110</b>

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**5. LONG-TERM DEBT (Continued)**

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

Long-term liabilities payable from business-type activities at April 30, 2022 comprise the following:

	Total	Current Portion
General Obligation Alternate Revenue Source Bonds \$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, 2019 through October 1, 2031; interest at 3.25% to 4.00%, payable semiannually in April and October.	\$ 2,075,000	\$ 200,000
\$6,475,000 - General Obligation Bonds, Series 2018A (electric system alternative revenue sources); due in annual installments of \$275,000 to \$510,000 starting October 1, 2019 through October 1, 2035; interest at 3% to 4%, payable semiannually in April and October.	5,620,000	310,000
\$1,000,000 - General Obligation Refunding Bonds, Series 2018B (waterworks system alternative revenue sources); due in annual installments of \$50,000 to \$85,000 starting October 1, 2019 through October 1, 2033; interest at 3% to 4%, payable semiannually in April and October.	840,000	55,000
\$995,000 - General Obligation Refunding Bonds, Series 2018C (sewerage system alternative revenue sources); due in annual installments of \$75,000 to \$110,000 starting October 1, 2019 through October 1, 2029; interest at 3% to 4%, payable semiannually in April and October.	760,000	85,000
IEPA Loans \$20,000,000 IEPA wastewater treatment works loan payable; due in semiannual installments of \$394,615, no interest through May 1, 2031.	6,923,077	384,615

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

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

	Total	Current Portion
IEPA Loans (Continued)		
\$5,481,335 IEPA wastewater treatment facility and watermain/lift station 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.	\$ 1,983,401	\$ 187,404
\$654,443 IEPA lift station 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.	243,106	12,090
\$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.	182,949	19,615
\$938,938 IEPA wastewater treatment works loan payable of which \$759,624 is required to be repaid; due in semiannual installments of \$15,567 including interest of 1% through September 5, 2039.	498,357	26,212
Capital Leases (direct placement)		
\$508,432 capital lease for 2 2020 Altec Diggers; due in annual installments of \$136,557 through March 2023, including interest at 5%.	130,050	130,050
Compensated absences	276,669	41,500
Asset retirement obligation	30,000	-
Bond premium	273,805	21,420
Total other postemployment benefit liability	166,057	5,204
<b>TOTAL</b>	<b>\$ 20,002,471</b>	<b>\$ 1,478,110</b>



**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

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

Fiscal Year Ending April 30,	Business-Type Activities			
	GO Alternate Revenue Source Bonds		Illinois IEPA Loans	
	Principal	Interest	Principal	Interest
2023	\$ 650,000	\$ 340,320	\$ 629,936	\$ 32,354
2024	670,000	317,570	1,049,647	32,189
2025	695,000	292,808	1,053,341	28,495
2026	720,000	265,955	1,057,085	24,750
2027	745,000	237,878	1,060,880	20,955
2028-2032	3,725,000	754,000	4,756,211	55,159
2033-2037	2,090,000	164,400	147,743	7,927
2038-2040	-	-	76,047	1,154
<b>TOTAL</b>	<b>\$ 9,295,000</b>	<b>\$ 2,372,931</b>	<b>\$ 9,830,890</b>	<b>\$ 202,983</b>

**Asset Retirement Obligation**

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon its water wells at the end of its estimated useful life in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated useful life of the water wells is 100 years.

f. Capital Leases (Direct Placement)

The City has a capital lease obligation, with a total annual payment of \$136,557, with an interest rate of 5%. Future minimum lease payments under the capital lease at April 30, 2022 are as follows:

Year Ending April 30,	
2023	\$ 136,557
Subtotal	136,557
Less amount representing interest	6,507
<b>TOTAL</b>	<b>\$ 130,050</b>

The cost of such equipment acquired through capital lease was \$508,432 with an accumulated depreciation of \$163,425 at April 30, 2022.

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

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
Illinois EPA Loan - Drinking Water	Water Revenues	\$ 191,872	November 19, 2026	\$ 1,750,566	\$ 42,638	2%
Illinois EPA Loan - Treatment Plant	Sanitary Sewer Revenues	6,923,077	May 1, 2031	3,384,534	769,230	23%
Illinois EPA Loan - Treatment Plant	Sanitary Sewer Revenues	2,327,742	March 19, 2032	3,384,534	211,613	6%
Illinois EPA Loan - Lift Station Rehabilitation	Sanitary Sewer Revenues	258,584	November 19, 2031	3,384,534	27,219	1%
Illinois EPA Loan - Wastewater Treatment Works	Sanitary Sewer Revenues	544,846	September 5, 2039	3,384,534	31,134	1%
2017B GO Alternate Revenue Source	Broadband System Revenues	2,441,005	October 1, 2031	341,531	269,905	79%
2018A GO Alternate Revenue Source	Electric System Revenues	7,284,400	October 1, 2035	12,679,162	518,800	4%
2018B GO Alternate Revenue Source	Water Revenues	1,056,425	October 1, 2033	1,750,566	88,275	5%
2018C GO Alternate Revenue Source	Sanitary Sewer Revenues	886,100	October 1, 2029	3,384,534	109,900	3%

**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](http://www.imrf.org). The Police Pension Plan and Firefighters' Pension Plan do not issue separate reports.

**6. DEFINED BENEFIT PENSION PLANS (Continued)**

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.

*Plan Membership*

At December 31, 2021 (the measurement date), IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	56
Inactive employees entitled to but not yet receiving benefits	33
Active employees	<u>44</u>
<b>TOTAL</b>	<u><b>133</b></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.

**6. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*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 fiscal year ended April 30, 2022 was 8.51%.

*Actuarial Assumptions*

The City's net pension liability was measured as of December 31, 2021 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, 2021
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Asset valuation method	Fair value

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**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 7.25%. 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, 2021	<u>\$ 18,475,257</u>	<u>\$ 19,418,129</u>	<u>\$ (942,872)</u>
Changes for the period			
Service cost	290,730	-	290,730
Interest	1,318,363	-	1,318,363
Difference between expected and actual experience	(46,069)	-	(46,069)
Changes in assumptions	-	-	-
Employer contributions	-	278,913	(278,913)
Employee contributions	-	141,820	(141,820)
Net investment income	-	3,281,437	(3,281,437)
Benefit payments and refunds	(872,606)	(872,606)	-
Other	-	(26,863)	26,863
Net changes	<u>690,418</u>	<u>2,802,701</u>	<u>(2,112,283)</u>
BALANCES AT DECEMBER 31, 2021	<u>\$ 19,165,675</u>	<u>\$ 22,220,830</u>	<u>\$ (3,055,155)</u>

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**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	\$ (909,403)
Business-type activities (proprietary funds)	<u>(2,145,752)</u>
<b>TOTAL NET PENSION LIABILITY (ASSET)</b>	<b><u>\$ (3,055,155)</u></b>

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

For the year ended April 30, 2022, the City recognized pension expense of \$(420,133).

At December 31, 2021, 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	\$ 158,528	\$ 34,555	\$ 123,973
Changes in assumption	-	59,763	(59,763)
Net difference between projected and actual earnings on pension plan investments	-	2,538,648	(2,538,648)
Contributions after measurement date	<u>70,484</u>	<u>-</u>	<u>70,484</u>
<b>TOTAL</b>	<b><u>\$ 229,012</u></b>	<b><u>\$ 2,632,966</u></b>	<b><u>\$ (2,403,954)</u></b>

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

Governmental activities	\$ (715,565)
Business-type activities (proprietary funds)	<u>(1,688,389)</u>
<b>NET DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ (2,403,954)</u></b>

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**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)*

\$70,484 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Fiscal Year Ending April 30,	
2023	\$ (492,110)
2024	(980,514)
2025	(623,617)
2026	<u>(378,197)</u>
TOTAL	<u>\$ (2,474,438)</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 7.25% 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ (782,339)	\$ (3,055,155)	\$ (4,869,447)

**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, 2022, the measurement date, the Police Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	20
Inactive plan members entitled to benefits but not yet receiving them	5
Current employees	<u>21</u>
<b>TOTAL</b>	<b><u><u>46</u></u></b>

*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 greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or 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 1<sup>st</sup> 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 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2022, the City's contribution was 49.53% of covered payroll. The City's policy to fund 100% of the past service costs by 2040 using the entry-age normal actuarial cost method.

**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
Corporate Bonds	6%	2.71%
Domestic Equity	30%	9.51%
International Developed	10%	0.51%
Fixed Income	54%	3.61%

The long-term expected real rates of return are net of a 2.89% 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.

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**6. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*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 fiscal year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (5.31%). 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, 2022:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 2,117,128	\$ 260,060	\$ 1,857,068	\$ -	\$ -
Corporate bonds	1,826,279	150,345	1,675,934	-	-
Municipal bonds	120,694	-	120,694	-	-
Mortgage pools	21,850	-	1,619	14,829	5,402
<b>TOTAL</b>	<b>\$ 4,085,951</b>	<b>\$ 410,405</b>	<b>\$ 3,655,315</b>	<b>\$ 14,829</b>	<b>\$ 5,402</b>

**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, 2022: 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, corporate bonds, mortgage pools and municipal 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*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, corporate bonds rated within the three highest ratings categories at the time of purchase by at least two standard rating services, and municipal bonds rated at the time of purchase within the four highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions. The Fund's investment in corporate bonds are rated at BBB+ to AA+, municipal bonds at AA- and U.S. Treasuries at AAA 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.

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**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, 2021	\$ 17,399,044	\$ 8,868,167	\$ 8,530,877
Changes for the period			
Service cost	383,415	-	383,415
Interest	1,139,969	-	1,139,969
Benefit changes	-	-	-
Difference between expected and actual experience	(489,273)	-	(489,273)
Changes in assumptions	227,124	-	227,124
Employer contributions	-	694,029	(694,029)
Employee contributions	-	143,643	(143,643)
Net investment income	-	(448,340)	448,340
Benefit payments and refunds	(942,682)	(942,682)	-
Administrative expense	(31,169)	(31,169)	-
Net changes	287,384	(584,519)	871,903
BALANCES AT APRIL 30, 2022	\$ 17,686,428	\$ 8,283,648	\$ 9,402,780

As of April 30, 2022, the plan's fiduciary net position was 46.84% of the total pension liability.

Changes in assumptions related to mortality assumptions were made in 2022.

**6. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2022 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2022
Actuarial cost method	Entry-age normal
Salary increases	4.50%
Interest rate	6.75%, net of investment expenses
Cost of living adjustments	2.50%
Asset valuation method	Market

Mortality rates were based on the PubS-2010 base rates projected to 2022 with scale MP2021.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.75%. 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, 2022, the City recognized pension expense of \$1,141,442.

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**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, 2022, 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	\$ 454,594	\$ 468,137
Changes in assumptions	415,705	94,311
Net difference between projected and actual earnings on pension plan investments	453,300	-
	<hr/>	<hr/>
TOTAL	\$ 1,323,599	\$ 562,448
	<hr/>	<hr/>

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,	
2023	\$ 303,368
2024	169,721
2025	81,230
2026	228,589
2027	(18,196)
Thereafter	(3,561)
	<hr/>
TOTAL	\$ 761,151
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**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 6.75% 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 (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 11,824,483	\$ 9,402,780	\$ 7,420,522

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 of Trustees 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, 2022, the measurement date, the Firefighters' Pension Plan membership consisted of:

Inactive plan members currently receiving benefits	17
Inactive plan members entitled to benefits but not yet receiving them	1
Current employees	<u>13</u>
<b>TOTAL</b>	<b><u>31</u></b>

*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 greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or 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 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

**6. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided (Continued)*

(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 1<sup>st</sup> 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 90% of the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2022, the City's contribution was 62.54% of covered payroll. The City's policy is to fund 100% of the past service costs by 2040 using the entry-age normal actuarial cost method.

*Illinois Firefighters' Pension Investment Fund*

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

*Deposits with Financial Institutions*

The Plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Plan. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the Plan.

**6. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Deposits with Financial Institutions (Continued)*

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires that any funds deposited directly in financial institutions should be made with fully federally insured financial institutions and that any deposits in excess of FDIC insurance should be collateralized at 100% of the fair market value of the deposits. The collateral will be held in a safekeeping by a third party and evidenced by a written agreement.

*Investments*

Investments of the Plan are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2021. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at [www.ifpif.org](http://www.ifpif.org).

*Fair Value Measurement*

The Plan categorizes fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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 Plan held no investments subject to fair value measurement at April 30, 2022.

*Net Asset Value*

The Net Asset Value (NAV) of the Plan's pooled investment in IFPIF was \$7,883,177 at April 30, 2022. The pooled investments consist of the investments as noted in the target allocation table available at [www.ifpif.org](http://www.ifpif.org). Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2022. The Plan may redeem shares by giving notice by 5:00 pm central time on the 1<sup>st</sup> of each month. Requests properly submitted on or before the 1<sup>st</sup> of each month will be processed for redemption by the 14<sup>th</sup> of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

*Investment Policy*

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS).

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**6. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Policy (Continued)*

The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

*Investment Rate of Return*

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (6.28)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2021	\$ 13,123,721	\$ 8,738,717	\$ 4,385,004
Changes for the period			
Service cost	353,759	-	353,759
Interest	766,052	-	766,052
Benefit changes	-	-	-
Difference between expected and actual experience	378,988	-	378,988
Changes in assumptions	(107,721)	-	(107,721)
Employer contributions	-	544,025	(544,025)
Employee contributions	-	80,659	(80,659)
Net investment income	-	(527,598)	527,598
Benefit payments and refunds	(657,574)	(657,574)	-
Administrative expense	(29,796)	(29,796)	-
Net changes	703,708	(590,284)	1,293,992
BALANCES AT APRIL 30, 2022	\$ 13,827,429	\$ 8,148,433	\$ 5,678,996

**6. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Changes in the Net Pension Liability (Continued)*

As of April 30, 2022, the plan's fiduciary net position was 58.93% of the total pension liability.

Changes in assumptions related to mortality assumptions in 2022.

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2022 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2022
Actuarial cost method	Entry-age normal
Salary increases	3.25%
Interest rate	6.00%
Cost of living adjustments	2.50%
Asset valuation method	Market

Mortality rates were based on the PubS-2010 base rates projected to 2022 with scale MP2021.

*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.

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**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, 2022, the City recognized pension expense of \$728,117.

At April 30, 2022, 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	\$ 327,366	\$ 376,793
Assumption changes	111,240	179,725
Net difference between projected and actual earnings on pension plan investments	384,931	-
<b>TOTAL</b>	<b>\$ 823,537</b>	<b>\$ 556,518</b>

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,	
2023	\$ 55,188
2024	38,605
2025	(31,271)
2026	173,880
2027	30,617
Thereafter	-
<b>TOTAL</b>	<b>\$ 267,019</b>

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**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	\$ 7,631,737	\$ 5,678,996	\$ 4,083,470

b. Pension Segment Information

Plan Net Position

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash	\$ 440,821	\$ 254,761	\$ 695,582
Investments			
Pooled investments	-	7,883,177	7,883,177
U.S. Treasury obligations	2,117,128	-	2,117,128
Common stock	745,480	-	745,480
Mutual funds	2,975,595	31	2,975,626
Corporate bonds	1,826,279	-	1,826,279
Municipal bonds	120,694	-	120,694
Mortgage pools	21,850	-	21,850
Accrued interest receivable	27,365	-	27,365
Accrued contributions receivable	10,621	10,621	21,242
Prepaid items	530	483	1,013
Total assets	8,286,363	8,149,073	16,435,436
<b>LIABILITIES</b>			
Accounts payable	2,715	640	3,355
Total liabilities	2,715	640	3,355
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 8,283,648</b>	<b>\$ 8,148,433</b>	<b>\$ 16,432,081</b>

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. DEFINED BENEFIT PENSION PLANS (Continued)**

b. Pension Segment Information (Continued)

Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 694,029	\$ 544,025	\$ 1,238,054
Employee contributions	143,643	80,659	224,302
Total contributions	837,672	624,684	1,462,356
Investment income			
Net depreciation in fair value investments	(833,548)	(608,011)	(1,441,559)
Interest	405,976	85,052	491,027
Total investment income	(427,572)	(522,959)	(950,531)
Less investment expense	(20,768)	(4,639)	(25,407)
Net investment income	(448,340)	(527,598)	(975,938)
Total additions	389,332	97,086	486,418
<b>DEDUCTIONS</b>			
Benefits and refunds	942,682	657,574	1,600,256
Other	31,169	29,796	60,965
Total deductions	973,851	687,370	1,661,221
<b>NET INCREASE</b>	(584,519)	(590,284)	(1,174,803)
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
May 1	8,868,167	8,738,717	17,606,884
April 30	\$ 8,283,648	\$ 8,148,433	\$ 16,432,081



## **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.

### **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 \$9,800,000 of coverage after a \$5,000 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.

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**8. CONTRACTS, COMMITMENTS AND CONTINGENCIES (Continued)**

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. INDIVIDUAL FUND DISCLOSURES**

a. Due To/From Other Funds

\$7,753 is due from the Building Code Demolition fund (nonmajor governmental fund) to the General Fund. The purpose of the due from/to other funds are cash flow loans to fund operations. Repayment is expected within one year.

b. Advances To/From Other Funds

	Advance From	Advance To
General Fund	\$ 380,592	\$ 631,991
Municipal Water Fund	-	30,000
Municipal Electric Fund	-	1,581,710
Municipal Sewer Fund	-	1,241,119
Municipal Garbage	-	10,000
Fiber Optic Broadband	3,114,228	-
TOTAL	\$ 3,494,820	\$ 3,494,820

The purposes of significant advances to/from other funds are as follows:

\$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.

\$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. Repayment is not expected within one year.

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**9. INDIVIDUAL FUND DISCLOSURES (Continued)**

b. Advances To/From Other Funds (Continued)

\$631,991 was advanced from the General Fund to the Fiber Optic Broadband Fund to fund cash flow shortages. Repayment is not expected within one year.

\$2,482,237 was advanced from the Electric Fund and Sewer Fund to the Fiber Optic Broadband Fund to fund the defeasance of the 2017A bonds. Repayment is not expected within one year.

c. Interfund Transfers

	Transfer In	Transfer Out
General Fund	\$ 649,195	\$ -
Nonmajor Governmental Funds	16,684	285,963
Municipal Water Fund	-	60,293
Municipal Electric Fund	-	179,173
Municipal Sewer Fund	-	62,588
Municipal Garbage Fund	-	77,862
TOTAL	<u>\$ 665,879</u>	<u>\$ 665,879</u>

The purposes of significant transfers are as follows:

\$269,106 was transferred from Nonmajor Governmental funds to the General Fund to pay for the worker's compensation and general liability insurance premium.

Other significant transfers were used to move revenues collected in special revenue, enterprise and internal service funds to fund the General Fund for expenditures.

**10. 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.

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

a. Plan Description (Continued)

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 proprietary fund and business-type activities columns in the government-wide financial statements at April 30, 2022.

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. For certain disabled employees who qualify under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for retirees and their dependents for their lifetime.

The City must contribute the amount beyond fund member payments necessary to fund the actuarial liability for OPEB. The City may change inactive fund member payment requirements through its collective bargaining agreements and employee compensation plans.

c. Membership

At April 30, 2022, the measurement date, membership consisted of:

Retirees and beneficiaries currently receiving benefits	11
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>82</u>
<b>TOTAL</b>	<u><u>93</u></u>
Participating employers	<u><u>1</u></u>

d. Total OPEB Liability

The City's total OPEB liability of \$1,765,519 was based upon an actuarial valuation performed as of April 30, 2021 rolled forward to April 30, 2022.

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2022, as determined by an actuarial valuation as of that date, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry-age normal
Actuarial value of assets	N/A
Salary increases	3.50%
Discount rate	3.42%
Healthcare cost trend rates	7.25% Initial 4.50% Ultimate

The discount rate was based on the Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2021	<u>\$ 2,050,670</u>
Changes for the period	
Service cost	129,407
Interest	42,649
Differences between expected and actual experience	-
Changes in assumptions	(253,628)
Benefit payments	<u>(77,875)</u>
Net changes	<u>(159,447)</u>
BALANCES AT APRIL 30, 2022	<u>\$ 1,891,223</u>

Changes in assumptions related to the discount rate were made in 2022.

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

f. Changes in the Total OPEB Liability (Continued)

Total OPEB liability was reported as follows in the statement of net position:

Governmental activities	\$ 1,725,166
Business-type activities	<u>166,057</u>
<b>TOTAL OPEB LIABILITY</b>	<b><u>\$ 1,891,223</u></b>

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 3.42% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.42%) or 1 percentage point higher (4.42%) than the current rate:

	1% Decrease (2.42%)	Current Discount Rate (3.42%)	1% Increase (4.42%)
Total OPEB liability	\$ 2,080,550	\$ 1,891,223	\$ 1,723,697

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 7.25% to 4.50% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (6.25% to 3.50%) or 1 percentage point higher (8.25% to 5.50%) than the current rate:

	1% Decrease (6.25% to 3.50%)	Current Healthcare Rate (7.25% to 4.50%)	1% Increase (8.25% to 5.50%)
Total OPEB liability	\$ 1,680,337	\$ 1,891,223	\$ 2,148,354

**CITY OF ROCK FALLS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

- h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2021, the City recognized OPEB expense of \$172,325. At April 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 58,098
Changes in assumptions	286,810	242,095
<b>TOTAL</b>	<b>\$ 286,810</b>	<b>\$ 300,193</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending April 30,</u>	
2023	\$ 269
2024	269
2025	269
2026	269
2027	269
Thereafter	(14,728)
<b>TOTAL</b>	<b>\$ (13,383)</b>

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

Governmental activities	\$ (12,208)
Business-type activities	(1,175)
<b>NET DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ (13,383)</b>

**CITY OF ROCK FALLS, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**11. RENTAL INCOME**

The City leases their fiber optic system to Surf Air under the terms of an operating lease. The term of the lease began December 1, 2020 and commences for 10 years, ending October 31, 2030.

The total rental income recognized by the City for the year ended April 30, 2022, was approximately \$342,162.

Future minimum lease payments to be received by the City as of April 30, 2022, are as follows:

<u>Year Ending April 30,</u>	<u>Amount</u>
2023	\$ 277,200
2024	277,200
2025	277,200
2026	253,242
2027	229,284
2028-2031	<u>802,494</u>
 TOTAL	 <u>\$ 2,116,620</u>

As of April 30, 2022, the cost of the fiber assets being leased is \$3,515,036, accumulated depreciation is \$755,847, resulting in a \$2,759,189 book value.



## **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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes	\$ 5,238,158	\$ 6,761,947	\$ 1,523,789
Licenses and permits	113,000	142,231	29,231
Intergovernmental	296,035	261,853	(34,182)
Fines and fees	423,500	382,509	(40,991)
Charges for services	892,159	888,615	(3,544)
Investment income	5,000	5,391	391
Reimbursements	143,223	159,686	16,463
Miscellaneous	77,500	45,802	(31,698)
Total revenues	7,188,575	8,648,034	1,459,459
<b>EXPENDITURES</b>			
Current			
General government	1,256,106	1,063,555	(192,551)
Public safety	5,719,140	5,142,781	(576,359)
Street and highways	2,375,259	744,579	(1,630,680)
Public property division	276,705	343,632	66,927
Capital outlay	128,411	220,703	92,292
Debt service			
Principal	107,540	150,499	42,959
Interest and fiscal charges	20,734	23,350	2,616
Total expenditures	9,883,895	7,689,099	(2,194,796)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(2,695,320)	958,935	3,654,255
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	613,921	649,195	35,274
Issuance of capital lease	-	78,060	78,060
Total other financing sources (uses)	613,921	727,255	113,334
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,081,399)</u>	1,686,190	<u>\$ 3,767,589</u>
<b>FUND BALANCES, MAY 1</b>		<u>2,637,421</u>	
<b>FUND BALANCES, APRIL 30</b>		<u>\$ 4,323,611</u>	

(See independent auditor's report.)

**CITY OF ROCK FALLS, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Four Fiscal Years

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>TOTAL OPEB LIABILITY</b>				
Service cost	\$ 74,615	\$ 82,152	\$ 97,468	\$ 129,407
Interest	61,094	60,016	50,284	42,649
Differences between expected and actual experience	(51,717)	(37,691)	(24,809)	-
Changes of assumptions	(9,746)	107,143	237,268	(253,628)
Benefit payments, including refunds of member contributions	(55,141)	(59,277)	(75,060)	(77,875)
Net change in total OPEB liability	19,105	152,343	285,151	(159,447)
Total OPEB liability - beginning	1,594,071	1,613,176	1,765,519	2,050,670
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 1,613,176</b>	<b>\$ 1,765,519</b>	<b>\$ 2,050,670</b>	<b>\$ 1,891,223</b>
Covered payroll	\$ 4,408,277	\$ 4,562,567	\$ 5,061,499	\$ 5,238,652
Employer's total OPEB liability as a percentage of covered payroll	36.59%	38.70%	40.52%	36.10%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

2019: There were changes in assumptions related to the discount rate, mortality assumptions and withdrawal, disability and retirement rates. 2020: There were changes in assumptions related to the discount rate. 2021: There were changes in assumptions related to the discount rate. 2022: There were changes in assumptions related to the discount rate.

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 EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Seven Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Actuarially determined contribution	\$ 291,340	\$ 291,216	\$ 266,688	\$ 237,819	\$ 226,475	\$ 262,623	\$ 264,031
Contributions in relation to the actuarially determined contribution	291,340	291,216	266,688	237,819	226,475	262,623	264,031
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 2,654,803	\$ 2,736,280	\$ 2,739,117	\$ 2,748,739	\$ 2,888,096	\$ 2,989,353	\$ 3,103,535
Contributions as a percentage of covered payroll	10.97%	10.64%	9.74%	8.65%	7.84%	8.79%	8.51%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 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 22 years until the remaining period reaches ten years (then ten-year rolling period); the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually and price inflation of 2.50%.

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 EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND**

Last Eight Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Actuarially determined contribution	\$ 236,405	\$ 267,066	\$ 272,414	\$ 348,352	\$ 477,809	\$ 511,820	\$ 598,140	\$ 693,508
Contributions in relation to the actuarially determined contribution	308,239	290,412	353,782	487,114	462,953	523,580	600,304	694,029
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (71,834)</b>	<b>\$ (23,346)</b>	<b>\$ (81,368)</b>	<b>\$ (138,762)</b>	<b>\$ 14,856</b>	<b>\$ (11,760)</b>	<b>\$ (2,164)</b>	<b>\$ (521)</b>
Covered payroll	\$ 1,102,613	\$ 1,064,782	\$ 1,104,186	\$ 1,189,107	\$ 1,275,696	\$ 1,501,786	\$ 1,426,306	\$ 1,401,104
Contributions as a percentage of covered payroll	27.96%	27.27%	32.04%	40.96%	36.29%	34.86%	42.09%	49.53%

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 19 years; the asset valuation method was five-year smoothed; and the significant actuarial assumptions were an investment rate of return of 6.75% annually, projected salary increase assumption of 4.50% 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.

(See independent auditor's report.)

**CITY OF ROCK FALLS, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' PENSION FUND**

Last Eight Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Actuarially determined contribution	\$ 85,627	\$ 95,127	\$ 128,854	\$ 273,915	\$ 379,803	\$ 393,984	\$ 489,058	\$ 550,304
Contributions in relation to the actuarially determined contribution	114,533	138,388	280,059	268,245	465,846	416,296	465,694	544,025
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (28,906)</b>	<b>\$ (43,261)</b>	<b>\$ (151,205)</b>	<b>\$ 5,670</b>	<b>\$ (86,043)</b>	<b>\$ (22,312)</b>	<b>\$ 23,364</b>	<b>\$ 6,279</b>
Covered payroll	\$ 762,207	\$ 752,088	\$ 765,539	\$ 810,351	\$ 823,260	\$ 853,361	\$ 797,504	\$ 869,882
Contributions as a percentage of covered payroll	15.03%	18.40%	36.58%	33.10%	56.59%	48.78%	58.39%	62.54%

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 19 years; the asset valuation method was five-year smoothed and the significant actuarial assumptions were an investment rate of return of 6% annually, projected salary increase assumption of 3.25% 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.

(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 Seven Calendar Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>TOTAL PENSION LIABILITY</b>							
Service cost	\$ 279,863	\$ 279,969	\$ 294,864	\$ 265,810	\$ 278,949	\$ 295,057	\$ 290,730
Interest	1,136,096	1,156,943	1,180,963	1,178,669	1,208,962	1,250,342	1,318,363
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(350,021)	(310,072)	(122,986)	(88,953)	(44,789)	415,668	(46,069)
Changes of assumptions	19,649	(20,106)	(518,345)	479,955	-	(156,703)	-
Benefit payments, including refunds of member contributions	(787,185)	(787,019)	(841,981)	(859,112)	(905,499)	(855,343)	(872,606)
Net change in total pension liability	298,402	319,715	(7,485)	976,369	537,623	949,021	690,418
Total pension liability - beginning	15,401,612	15,700,014	16,019,729	16,012,244	16,988,613	17,526,236	18,475,257
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 15,700,014</b>	<b>\$ 16,019,729</b>	<b>\$ 16,012,244</b>	<b>\$ 16,988,613</b>	<b>\$ 17,526,236</b>	<b>\$ 18,475,257</b>	<b>\$ 19,165,675</b>
<b>PLAN FIDUCIARY NET POSITION</b>							
Contributions - employer	\$ 279,323	\$ 297,091	\$ 264,612	\$ 263,245	\$ 199,793	\$ 289,613	\$ 278,913
Contributions - member	115,831	120,442	121,630	183,755	127,710	137,626	141,820
Net investment income	71,834	987,473	2,604,966	(930,092)	2,878,880	2,469,634	3,281,437
Benefit payments, including refunds of member contributions	(787,185)	(787,019)	(841,981)	(859,112)	(905,499)	(855,343)	(872,606)
Other (net transfer)	7,758	(181,091)	(342,393)	51,791	(141,716)	13,792	(26,863)
Net change in plan fiduciary net position	(312,439)	436,896	1,806,834	(1,290,413)	2,159,168	2,055,322	2,802,701
Plan fiduciary net position - beginning	14,562,761	14,250,322	14,687,218	16,494,052	15,203,639	17,362,807	19,418,129
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 14,250,322</b>	<b>\$ 14,687,218</b>	<b>\$ 16,494,052</b>	<b>\$ 15,203,639</b>	<b>\$ 17,362,807</b>	<b>\$ 19,418,129</b>	<b>\$ 22,220,830</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 1,449,692</b>	<b>\$ 1,332,511</b>	<b>\$ (481,808)</b>	<b>\$ 1,784,974</b>	<b>\$ 163,429</b>	<b>\$ (942,872)</b>	<b>\$ (3,055,155)</b>

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021
Plan fiduciary net position as a percentage of the total pension liability	90.77%	91.68%	103.01%	89.49%	99.07%	105.10%	115.94%
Covered payroll	\$ 2,560,252	\$ 2,676,502	\$ 2,702,890	\$ 2,756,491	\$ 2,837,977	\$ 3,058,370	\$ 3,151,563
Employer's net pension liability (asset) as a percentage of covered payroll	56.62%	49.79%	(17.83%)	64.76%	5.76%	(30.83%)	(96.94%)
Changes of assumptions							
2017 - Inflation, salary increases, retirement age and mortality rate							
2018 - Discount rate							
2020 - Inflation, salary increases and mortality rate							

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 Eight Fiscal Years

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>TOTAL PENSION LIABILITY</b>								
Service cost	\$ 216,465	\$ 274,906	\$ 317,509	\$ 324,172	\$ 325,973	\$ 380,337	\$ 437,133	\$ 383,415
Interest	769,429	872,412	880,069	923,645	1,009,612	1,022,084	1,081,031	1,139,969
Changes of benefit terms	-	-	-	-	-	30,852	-	-
Differences between expected and actual experience	369,331	(207,901)	160,355	139,752	(166,876)	316,061	375,195	(489,273)
Changes of assumptions	700,021	723,408	-	618,890	352,790	(48,274)	(97,999)	227,124
Benefit payments, including refunds of member contributions	(557,596)	(744,632)	(634,475)	(756,029)	(738,614)	(769,698)	(818,108)	(942,682)
Other	-	(33,159)	(39,547)	(48,872)	(29,978)	(31,858)	(36,618)	(31,169)
Net change in total pension liability	1,497,650	885,034	683,911	1,201,558	752,907	899,504	940,634	287,384
Total pension liability - beginning	10,537,846	12,035,496	12,920,530	13,604,441	14,805,999	15,558,906	16,458,410	17,399,044
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 12,035,496</b>	<b>\$ 12,920,530</b>	<b>\$ 13,604,441</b>	<b>\$ 14,805,999</b>	<b>\$ 15,558,906</b>	<b>\$ 16,458,410</b>	<b>\$ 17,399,044</b>	<b>\$ 17,686,428</b>
<b>PLAN FIDUCIARY NET POSITION</b>								
Contributions - employer	\$ 308,239	\$ 292,074	\$ 353,782	\$ 487,114	\$ 462,953	\$ 523,580	\$ 600,304	\$ 694,029
Contributions - member	104,929	111,587	107,338	118,679	118,253	209,997	155,222	143,643
Net investment income	381,236	(52,930)	440,037	336,052	446,933	179,269	1,376,214	(448,340)
Benefit payments, including refunds of member contributions	(557,595)	(744,632)	(634,475)	(756,030)	(738,615)	(769,698)	(818,108)	(942,682)
Administrative expense	(34,233)	(20,016)	(21,877)	(30,512)	(29,977)	(31,858)	(36,618)	(31,169)
Net change in plan fiduciary net position	202,576	(413,917)	244,805	155,303	259,547	111,290	1,277,014	(584,519)
Plan fiduciary net position - beginning	7,234,125	7,234,125	6,820,208	7,065,013	7,220,316	7,479,863	7,591,153	8,868,167
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 7,234,124</b>	<b>\$ 6,820,208</b>	<b>\$ 7,065,013</b>	<b>\$ 7,220,316</b>	<b>\$ 7,479,863</b>	<b>\$ 7,591,153</b>	<b>\$ 8,868,167</b>	<b>\$ 8,283,648</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 4,801,372</b>	<b>\$ 6,100,322</b>	<b>\$ 6,539,428</b>	<b>\$ 7,585,683</b>	<b>\$ 8,079,043</b>	<b>\$ 8,867,257</b>	<b>\$ 8,530,877</b>	<b>\$ 9,402,780</b>

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018	2019	2020	2021	2022
Plan fiduciary net position as a percentage of the total pension liability	60.11%	52.79%	51.93%	48.77%	48.07%	46.12%	50.97%	46.84%
Covered payroll	\$ 1,102,613	\$ 1,064,782	\$ 1,104,186	\$ 1,189,107	\$ 1,275,696	\$ 1,501,786	\$ 1,426,306	\$ 1,401,104
Employer's net pension liability as a percentage of covered payroll	435.45%	572.92%	592.24%	637.93%	633.30%	590.45%	598.11%	671.10%

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.

2019 - There was a change with respect to actuarial assumptions from the prior year with respect to the discount rate and projected salary increases.

2020 - There was a change with respect to actuarial assumptions from the prior year with respect to mortality rates and retirement age.

2022 - There was a change with respect to actuarial assumptions from the prior year with respect to the 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 Eight Fiscal Years

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>TOTAL PENSION LIABILITY</b>								
Service cost	\$ 167,256	\$ 291,703	\$ 333,605	\$ 319,389	\$ 362,061	\$ 340,589	\$ 387,953	\$ 353,759
Interest	434,427	554,370	604,643	626,860	703,413	746,768	772,342	766,052
Changes of benefit terms	-	-	-	-	-	16,883	-	-
Differences between expected and actual experience	74,024	504,859	(21,802)	208,429	(148,811)	33,414	(511,836)	378,988
Changes of assumptions	1,781,627	-	-	684,577	409,288	(85,223)	(78,027)	(107,721)
Benefit payments, including refunds of member contributions	(426,303)	(452,555)	(482,662)	(515,017)	(537,351)	(572,808)	(625,706)	(657,574)
Administrative expense	-	(42,515)	(47,634)	(36,267)	(46,810)	(24,728)	(32,303)	(29,796)
Net change in total pension liability	2,031,031	855,862	386,150	1,287,971	741,790	454,895	(87,577)	703,708
Total pension liability - beginning	7,453,599	9,484,630	10,340,492	10,726,642	12,014,613	12,756,403	13,211,298	13,123,721
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 9,484,630</b>	<b>\$ 10,340,492</b>	<b>\$ 10,726,642</b>	<b>\$ 12,014,613</b>	<b>\$ 12,756,403</b>	<b>\$ 13,211,298</b>	<b>\$ 13,123,721</b>	<b>\$ 13,827,429</b>
<b>PLAN FIDUCIARY NET POSITION</b>								
Contributions - employer	\$ 114,533	\$ 138,388	\$ 280,059	\$ 268,245	\$ 465,846	\$ 416,296	\$ 465,694	\$ 544,025
Contributions - member	71,025	70,592	71,527	75,968	77,496	79,219	77,588	80,659
Net investment income	371,945	(9,699)	470,151	386,831	435,718	191,879	1,358,547	(527,598)
Benefit payments, including refunds of member contributions	(426,303)	(452,555)	(482,662)	(515,017)	(537,351)	(572,808)	(625,706)	(657,574)
Administrative expense	(17,739)	(42,515)	(28,103)	(16,841)	(26,988)	(24,728)	(32,303)	(29,796)
Net change in plan fiduciary net position	113,461	(295,789)	310,972	199,186	414,721	89,858	1,243,820	(590,284)
Plan fiduciary net position - beginning	6,662,488	6,775,949	6,480,160	6,791,132	6,990,318	7,405,039	7,494,897	8,738,717
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 6,775,949</b>	<b>\$ 6,480,160</b>	<b>\$ 6,791,132</b>	<b>\$ 6,990,318</b>	<b>\$ 7,405,039</b>	<b>\$ 7,494,897</b>	<b>\$ 8,738,717</b>	<b>\$ 8,148,433</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 2,708,681</b>	<b>\$ 3,860,332</b>	<b>\$ 3,935,510</b>	<b>\$ 5,024,295</b>	<b>\$ 5,351,364</b>	<b>\$ 5,716,401</b>	<b>\$ 4,385,004</b>	<b>\$ 5,678,996</b>

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Plan fiduciary net position as a percentage of the total pension liability	71.44%	62.67%	63.31%	58.18%	58.05%	56.73%	66.59%	58.93%
Covered payroll	\$ 762,207	\$ 752,088	\$ 765,539	\$ 810,351	\$ 823,260	\$ 853,361	\$ 797,504	\$ 869,882
Employer's net pension liability as a percentage of covered payroll	355.37%	513.28%	514.08%	620.01%	650.02%	669.87%	549.84%	652.85%

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.

2019 - There was a change with respect to actuarial assumptions from the prior year with respect to projected salary increases.

2020 - There was a change with respect to actuarial assumptions from the prior year with respect to mortality rates and retirement age.

2021 - There was a change with respect to actuarial assumptions from the prior year with respect to projected salary increases.

2022 - There was a change with respect to actuarial assumptions from the prior year with respect to the 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 Eight Fiscal Years

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<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019*</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Annual money-weighted rate of return, net of investment expense	5.75%	(1.06%)	4.87%	1.76%	2.59%	2.71%	18.68%	(5.31%)

\*This information is for the period September 30, 2018 through April 30, 2019 due to a change in investment advisor during the fiscal year.

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 INVESTMENT RETURNS**  
**FIREFIGHTERS' PENSION FUND**

Last Eight Fiscal Years

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<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Annual money-weighted rate of return, net of investment expense	5.64%	(0.04%)	7.27%	5.61%	6.25%	2.56%	18.03%	(6.28%)

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

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2022

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### 1. 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 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 was passed on July 6, 2021. All annual appropriations lapse at fiscal year end. There was also a supplemental appropriation ordinance for the current fiscal year passed on April 19, 2022.

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.

### 2. EXCESS EXPENDITURES OVER APPROPRIATIONS

The following fund over expended appropriations in fiscal year 2022:

Fund	Appropriations	Expenditures	Excess
Workers' Compensation Fund	\$ -	\$ 1,976	\$ (1,976)
Tobacco Grant Fund	100	400	(300)
Drug Fund	8,800	9,400	(600)

**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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property taxes			
General	\$ 202,715	\$ 202,601	\$ (114)
Police protection	60,815	60,781	(34)
Fire protection	60,815	60,781	(34)
Emergency vehicle	-	57,783	57,783
Police pension	661,484	666,475	4,991
Fire pension	512,625	516,471	3,846
Road and bridge	60,000	63,249	3,249
Total property taxes	1,558,454	1,628,141	69,687
State income/use/photo tax	975,920	1,583,500	607,580
Non-home rule sales tax	804,000	1,097,822	293,822
State sales tax	1,130,000	1,427,591	297,591
State use tax	391,600	341,193	(50,407)
Personal property replacement tax	-	55,108	55,108
Video gaming	250,000	419,182	169,182
Cannabis use tax	8,184	15,409	7,225
Utility	120,000	194,001	74,001
Total taxes	5,238,158	6,761,947	1,523,789
License and permits			
Liquor	75,000	108,700	33,700
Other	38,000	33,531	(4,469)
Total license and permits	113,000	142,231	29,231
Intergovernmental			
Grant funds	203,000	194,820	(8,180)
School resource officer reimbursement	93,035	67,033	(26,002)
Total intergovernmental	296,035	261,853	(34,182)

(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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES (Continued)</b>			
Fines and fees			
Circuit court	\$ 86,000	\$ 68,424	\$ (17,576)
Bail and warrant fees	12,000	27,244	15,244
Building permits	30,000	27,688	(2,312)
Nicor franchise fee	15,500	17,298	1,798
Telecommunication maintenance	150,000	118,841	(31,159)
Cablevision	130,000	123,014	(6,986)
Total fines and fees	423,500	382,509	(40,991)
Charges for services			
Street excavation/sidewalk repair	46,973	18,149	(28,824)
Rent	60,786	83,946	23,160
Capital cost recovery	490,000	451,744	(38,256)
Wireless tower rental	-	13,267	13,267
Administrative fees	19,400	19,696	296
Fire protection	275,000	301,813	26,813
Total charges for services	892,159	888,615	(3,544)
Investment income	5,000	5,391	391
Reimbursements	143,223	159,686	16,463
Miscellaneous	77,500	45,802	(31,698)
<b>TOTAL REVENUES</b>	<b>\$ 7,188,575</b>	<b>\$ 8,648,034</b>	<b>\$ 1,459,459</b>

(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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT</b>			
Legislative expense			
Elected officials salaries	\$ 51,600	\$ 56,100	\$ 4,500
Mayor's expenses	2,000	341	(1,659)
Codification or ordinances	6,000	1,570	(4,430)
Policy manual compliance	-	1,301	1,301
Dues and subscriptions	1,500	972	(528)
GIS/IT technician expense	1,546	1,546	-
Meetings and seminars	1,000	1,031	31
Telephone	1,000	622	(378)
Office expenses	1,500	3,668	2,168
Miscellaneous	3,200	5,071	1,871
Contingency	52,026	-	(52,026)
	<hr/>	<hr/>	<hr/>
Total legislative expense	121,372	72,222	(49,150)
	<hr/>	<hr/>	<hr/>
City Clerk			
Salaries	159,727	146,476	(13,251)
Insurance expense	51,080	40,666	(10,414)
Dues and subscriptions	1,150	1,150	-
Office expense	20,333	20,343	10
Meetings and seminars	150	-	(150)
Telephone	1,215	1,205	(10)
IT expense	2,318	2,318	-
Miscellaneous charges	400	199	(201)
Contingency	23,637	-	(23,637)
	<hr/>	<hr/>	<hr/>
Total City Clerk	260,010	212,357	(47,653)
	<hr/>	<hr/>	<hr/>
City Administrator			
Salaries	96,455	96,456	1
Health insurance	24,547	22,598	(1,949)
Telephone	1,974	1,755	(219)
IT expense	1,546	1,545	(1)
Meetings and seminars	1,000	734	(266)
Vehicle allowance	1,800	1,800	-
Miscellaneous	300	-	(300)
Office supplies	1,000	606	(394)
Contingency	12,862	-	(12,862)
	<hr/>	<hr/>	<hr/>
Total City Administrator	141,484	125,494	(15,990)
	<hr/>	<hr/>	<hr/>
Planning Commission			
Printing/publishing ordinances	100	65	(35)
Dues and subscriptions	275	-	(275)
Postage and office supplies	750	79	(671)
Legal expenses	2,500	1,071	(1,429)
Meetings and seminars	450	-	(450)
Contingency	408	-	(408)
	<hr/>	<hr/>	<hr/>
Total Planning Commission	4,483	1,215	(3,268)
	<hr/>	<hr/>	<hr/>

(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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT (Continued)</b>			
Building inspector			
Salary	\$ 174,729	\$ 174,387	\$ (342)
Insurance expense	85,027	86,301	1,274
Vehicle, gas, oil and maintenance	3,000	4,428	1,428
Dues and subscriptions	1,800	1,252	(548)
Postage and office supplies	-	423	423
Public awareness	400	-	(400)
Telephone expense	1,600	1,685	85
IT expense	1,546	1,546	-
Office expense	5,500	6,514	1,014
Meetings and seminars	1,500	18	(1,482)
Legal expense	2,000	78	(1,922)
Emergency code enforcement	250	-	(250)
Miscellaneous	500	889	389
Contingency	27,785	-	(27,785)
Total building inspector	<u>305,637</u>	<u>277,521</u>	<u>(28,116)</u>
Code hearing			
Software	3,600	3,300	(300)
MSI commission	7,500	5,362	(2,138)
Legal expenses	500	-	(500)
Professional expense	9,000	8,810	(190)
Office supplies	2,500	965	(1,535)
Miscellaneous	1,000	-	(1,000)
Contingency	2,410	-	(2,410)
Total code hearing	<u>26,510</u>	<u>18,437</u>	<u>(8,073)</u>
Other expenses			
Legal and professional	68,560	55,226	(13,334)
Auditing	23,000	21,785	(1,215)
Union drainage tax	5,000	-	(5,000)
Insurance (general liability)	270,820	269,306	(1,514)
Insurance (employee)	23,230	3,992	(19,238)
Chamber general office expense	6,000	6,000	-
Total other expenses	<u>396,610</u>	<u>356,309</u>	<u>(40,301)</u>
Total general government	<u>1,256,106</u>	<u>1,063,555</u>	<u>(192,551)</u>
<b>PUBLIC SAFETY</b>			
Police department			
Salaries	1,698,011	1,640,056	(57,955)
Health insurance	404,945	379,292	(25,653)
ICMA contribution	5,981	5,884	(97)
Pension contribution	661,484	694,029	32,545
Commissioners secretary	-	250	250
Commissioner expense	10,288	4,438	(5,850)
Uniform allowance	15,075	13,284	(1,791)
Postage	7,220	3,582	(3,638)

(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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC SAFETY (Continued)</b>			
Police department (Continued)			
Printing	\$ 500	\$ 1,103	\$ 603
Photographic expense	500	-	(500)
Legal and professional expense	3,000	6,170	3,170
Repairs and maintenance	6,125	1,449	(4,676)
Telephone	7,800	7,358	(442)
Service contracts	46,056	43,789	(2,267)
Dues	4,580	3,348	(1,232)
Investigation	2,000	1,557	(443)
Training	12,000	7,686	(4,314)
Police supplies	500	410	(90)
Janitor supplies	1,000	725	(275)
Animal control	6,000	4,881	(1,119)
Radio expense	5,150	4,216	(934.0)
Electric expense	11,240	11,814	574
Physicals	260	-	(260)
Safety	1,000	1,142	142
Towing	500	938	438
Gas and oil	30,000	38,836	8,836
Vehicle operations and maintenance	15,000	27,347	12,347
Maintenance (building)	11,200	3,391	(7,809)
Heating gas	1,500	2,003	503
Community policing	200	219	19
Consolidated dispatch	180,000	227,732	47,732
Miscellaneous	32,956	32,846	(110)
Contingency	324,118	-	(324,118)
Total police department	3,506,189	3,169,775	(336,414)
Fire department			
Salaries	981,184	961,811	(19,373)
Health insurance	212,318	229,175	16,857
ICMA contributions	2,862	6,858	3,996
Pension contribution	512,625	544,025	31,400
Fire investigation	50	-	(50)
Dues and subscriptions	4,080	3,489	(591)
Postage and office supplies	2,300	3,371	1,071
Maintenance (building)	10,000	5,008	(4,992)
Maintenance (equipment)	11,000	11,190	190
ESDA equipment	530	80	(450)
Maintenance (vehicles)	25,000	9,531	(15,469)
Commissioner's secretary	-	250	250
Commissioner expense	5,288	2,659	(2,629)
Telephone	5,855	5,062	(793)
Consolidated dispatch	180,000	116,080	(63,920)
IT expense	-	4,619	4,619
Meetings and seminars	7,000	2,038	(4,962)
Legal expense	2,500	4,929	2,429
Uniform allowance	5,000	5,316	316
Electric	8,150	11,814	3,664
Heating	3,000	7,052	4,052
Physicals	500	55	(445)

(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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC SAFETY (Continued)</b>			
Fire department (Continued)			
Training materials	\$ 2,500	\$ 2,624	\$ 124
Supplies (equipment)	1,875	2,178	303
Radio expense	3,000	1,133	(1,867)
Safety expense	100	12,000	11,900
Operating supplies	1,500	1,543	43
Janitorial supplies	1,000	1,340	340
Gas and oil	10,000	10,773	773
Miscellaneous	4,346	7,003	2,657
Contingency	209,388	-	(209,388)
Total fire department	2,212,951	1,973,006	(239,945)
Total public safety	5,719,140	5,142,781	(576,359)
<b>PUBLIC WORKS</b>			
Streets and highways			
Salaries	335,350	334,314	(1,036)
Health insurance	94,178	88,378	(5,800)
Maintenance (building)	2,000	3,638	1,638
Maintenance (streets)	5,000	6,129	1,129
Maintenance (snow removal)	500	-	(500)
Maintenance (service vehicles)	20,000	15,235	(4,765)
Information technology	773	773	-
Radio expense	250	-	(250)
Alarm expense	2,350	2,682	332
Vehicle gas and oil	13,500	18,440	4,940
Small tools and supplies	1,000	90	(910)
Telephone	3,500	4,726	1,226
Vehicle operation and maintenance	20,000	27,340	7,340
Tree and stump removal	7,500	2,600	(4,900)
Sign material	7,000	531	(6,469)
Legal expenses	250	1,306	1,056
Uniform allowance	1,100	1,226	126
Janitor supplies	4,000	4,822	822
Physicals	375	-	(375)
Postage and office supplies	250	336	86
Engineering	10,000	12,981	2,981
Barricade expose	500	-	(500)
Paint and painting supplies	10,000	8,277	(1,723)
Heating gas expense	3,000	10,048	7,048
Sales tax project - infrastructure	1,600,000	183,244	(1,416,756)
Safety expense	2,000	3,012	1,012
Miscellaneous	10,135	14,451	4,316
Contingency	220,748	-	(220,748)
Total streets and highways	2,375,259	744,579	(1,630,680)

(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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC WORKS (Continued)</b>			
Public property division			
New equipment	\$ -	\$ 44	\$ 44
Maintenance (equipment)	1,000	28	(972)
Maintenance (grounds)	1,000	-	(1,000)
Maintenance (building)	20,000	1,295	(18,705)
Equipment gas and oil	200	-	(200)
Heater and A/C repairs	3,000	-	(3,000)
Limestone building expenses	150,000	211,940	61,940
Schmitt property expenses	5,000	-	(5,000)
Hallman property expenses	5,000	8,146	3,146
City park maintenance	-	30,324	30,324
Janitor supplies	1,000	816	(184)
Miscellaneous	63,250	86,799	23,549
Public address system	-	80	80
Safety expense	-	157	157
Fire alarm service expense	600	1,254	654
Heating gas expense	1,500	2,749	1,249
Contingency	25,155	-	(25,155)
Total public property division	276,705	343,632	66,927
<b>CAPITAL OUTLAY</b>			
Legislative expense			
Property acquisition	54,309	54,308	(1)
Public works			
Sidewalk repairs	-	10,758	10,758
New equipment	15,000	13,050	(1,950)
Police department			
New cars	46,102	-	(46,102)
New equipment	13,000	20,195	7,195
Fire department			
Equipment	-	26,214	26,214
New cars	-	96,178	96,178
Total capital outlay	128,411	220,703	92,292
<b>DEBT SERVICE</b>			
Principal	107,540	150,499	42,959
Interest	20,734	23,350	2,616
Total debt service	128,274	173,849	45,575
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,883,895</b>	<b>\$ 7,689,099</b>	<b>\$ (2,194,796)</b>

(See independent auditor's report.)



**NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF ROCK FALLS, ILLINOIS**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

April 30, 2022

	<b>Special Revenue</b>		
	<b>Tourism</b>	<b>Industrial Development</b>	<b>Motor Fuel Fuel Tax</b>
<b>ASSETS</b>			
Cash and investments	\$ 856,762	\$ 57,935	\$ 1,497,234
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	-	-	-
Accounts	30,746	-	-
Interest	1,192	-	81
Due from other governments	-	-	31,093
<b>TOTAL ASSETS</b>	<b>\$ 888,700</b>	<b>\$ 57,935</b>	<b>\$ 1,528,408</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 4,110	\$ 1,091	\$ 2,177
Accrued payroll	2,167	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	6,277	1,091	2,177
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property taxes	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	6,277	1,091	2,177
<b>FUND BALANCES</b>			
Restricted for maintenance of streets	-	-	1,526,231
Restricted for tourism	882,423	-	-
Restricted for economic development	-	56,844	-
Restricted for public safety	-	-	-
Restricted for retirement	-	-	-
Restricted for workers' compensation	-	-	-
Unrestricted			
Assigned for economic development	-	-	-
Unassigned (deficit)	-	-	-
Total fund balances (deficit)	882,423	56,844	1,526,231
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)</b>	<b>\$ 888,700</b>	<b>\$ 57,935</b>	<b>\$ 1,528,408</b>

Special Revenue						
IMRF	Downtown Redevelopment	DUI	Drug	Tobacco Grant	Building Code Demolition	
\$ 541,657	\$ 518,832	\$ 20,063	\$ 46,196	\$ 1,097	\$ -	
176,051	181,164	-	-	-	-	
-	-	2,700	-	-	-	
84	-	-	-	-	-	
-	-	-	-	-	-	
\$ 717,792	\$ 699,996	\$ 22,763	\$ 46,196	\$ 1,097	\$ -	
\$ -	\$ 150	\$ -	\$ -	\$ -	\$ 841	
5,866	-	-	-	-	-	
-	-	-	-	-	7,487	
-	-	-	-	1,141	-	
5,866	150	-	-	1,141	8,328	
176,051	181,164	-	-	-	-	
176,051	181,164	-	-	-	-	
181,917	181,314	-	-	1,141	8,328	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	22,763	46,196	-	-	
535,875	-	-	-	-	-	
-	-	-	-	-	-	
-	518,682	-	-	-	-	
-	-	-	-	(44)	(8,328)	
535,875	518,682	22,763	46,196	(44)	(8,328)	
\$ 717,792	\$ 699,996	\$ 22,763	\$ 46,196	\$ 1,097	\$ -	

(This schedule is continued on the following page.)

**CITY OF ROCK FALLS, ILLINOIS**

COMBINING BALANCE SHEET (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2022

	<b>Special Revenue</b>			
	<b>Foreign Fire Insurance</b>	<b>Workers' Compensation</b>	<b>Safe Passage</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and investments	\$ 34,096	\$ 111,377	\$ 5,300	\$ 3,690,549
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	-	269,439	-	626,654
Accounts	-	-	-	33,446
Interest	-	-	-	1,357
Due from other governments	-	-	-	31,093
<b>TOTAL ASSETS</b>	<b>\$ 34,096</b>	<b>\$ 380,816</b>	<b>\$ 5,300</b>	<b>\$ 4,383,099</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 510	\$ -	\$ 8,879
Accrued payroll	-	-	-	8,033
Due to other funds	-	-	-	7,487
Unearned revenue	-	-	-	1,141
Total liabilities	-	510	-	25,540
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	-	269,439	-	626,654
Total deferred inflows of resources	-	269,439	-	626,654
Total liabilities and deferred inflows of resources	-	269,949	-	652,194
<b>FUND BALANCES</b>				
Restricted for maintenance of streets	-	-	-	1,526,231
Restricted for tourism	-	-	-	882,423
Restricted for economic development	-	-	-	56,844
Restricted for public safety	34,096	-	5,300	108,355
Restricted for retirement	-	-	-	535,875
Restricted for workers' compensation	-	110,867	-	110,867
Unrestricted (deficit)				
Assigned for economic development	-	-	-	518,682
Unassigned (deficit)	-	-	-	(8,372)
Total fund balances (deficit)	34,096	110,867	5,300	3,730,905
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)</b>	<b>\$ 34,096</b>	<b>\$ 380,816</b>	<b>\$ 5,300</b>	<b>\$ 4,383,099</b>

(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, 2022

	<b>Special Revenue</b>		
	<b>Tourism</b>	<b>Industrial Development</b>	<b>Motor Fuel Tax</b>
<b>REVENUES</b>			
Taxes	\$ 293,354	\$ -	\$ -
Intergovernmental	122,000	-	572,942
Fines and fees	-	-	-
Investment income	1,233	76	1,772
Reimbursements	1,796	-	-
Miscellaneous	40,119	551	-
Total revenues	458,502	627	574,714
<b>EXPENDITURES</b>			
Current			
General government	-	-	-
Public safety	-	-	-
Streets and highways	-	-	117,241
Development	271,400	2,396	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	271,400	2,396	117,241
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	187,102	(1,769)	457,473
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers (out)	(16,864)	-	-
Total other financing sources (uses)	(16,864)	-	-
NET CHANGE IN FUND BALANCES	170,238	(1,769)	457,473
FUND BALANCES (DEFICIT), MAY 1	712,185	58,613	1,068,758
<b>FUND BALANCES (DEFICIT), APRIL 30</b>	<b>\$ 882,423</b>	<b>\$ 56,844</b>	<b>\$ 1,526,231</b>

Special Revenue						
IMRF	Downtown Redevelopment	DUI	Drug	Tobacco Grant	Building Code Demolition	
\$ 177,396	\$ 176,669	\$ -	\$ -	\$ -	\$ -	
89,912	-	-	-	400	17,033	
-	-	14,254	2,174	-	-	
741	711	-	-	-	56	
-	-	-	-	-	-	
-	9,024	-	21,209	-	6,047	
268,049	186,404	14,254	23,383	400	23,136	
108,463	-	-	-	400	36,835	
-	-	2,804	9,400	-	-	
66,478	-	-	-	-	-	
-	30,164	-	-	-	-	
-	-	-	-	-	-	
-	90,000	-	-	-	-	
-	56,400	-	-	-	-	
174,941	176,564	2,804	9,400	400	36,835	
93,108	9,840	11,450	13,983	-	(13,699)	
-	16,684	-	-	-	-	
-	-	-	-	-	-	
-	16,684	-	-	-	-	
93,108	26,524	11,450	13,983	-	(13,699)	
442,767	492,158	11,313	32,213	(44)	5,371	
\$ 535,875	\$ 518,682	\$ 22,763	\$ 46,196	\$ (44)	\$ (8,328)	

(This schedule is continued on the following page.)

**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, 2022

	<b>Special Revenue</b>			
	<b>Foreign Fire Insurance</b>	<b>Workers' Compensation</b>	<b>Safe Passage</b>	<b>Total</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ 185,664	\$ -	\$ 833,083
Intergovernmental	23,350	-	-	825,637
Fines and fees	-	-	-	16,428
Investment income	50	368	-	5,007
Reimbursements	-	-	-	1,796
Miscellaneous	-	-	8,321	85,271
Total revenues	23,400	186,032	8,321	1,767,222
<b>EXPENDITURES</b>				
Current				
General government	-	1,976	-	147,674
Public safety	15,657	-	7,966	35,827
Streets and highways	-	-	-	183,719
Development	-	-	-	303,960
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	90,000
Interest and fiscal charges	-	-	-	56,400
Total expenditures	15,657	1,976	7,966	817,580
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	7,743	184,056	355	949,642
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	16,684
Transfers (out)	-	(269,099)	-	(285,963)
Total other financing sources (uses)	-	(269,099)	-	(269,279)
<b>NET CHANGE IN FUND BALANCES</b>	7,743	(85,043)	355	680,363
<b>FUND BALANCES (DEFICIT), MAY 1</b>	26,353	195,910	4,945	3,050,542
<b>FUND BALANCES (DEFICIT), APRIL 30</b>	\$ 34,096	\$ 110,867	\$ 5,300	\$ 3,730,905

(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, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Hotel/motel taxes	\$ 200,000	\$ 200,000	\$ 293,354	\$ 93,354
Investment income	5,000	5,000	1,233	(3,767)
Intergovernmental	-	-	122,000	122,000
Reimbursements	1,570	1,570	1,796	226
Miscellaneous	19,300	19,300	40,119	20,819
Total revenues	225,870	225,870	458,502	232,632
<b>EXPENDITURES</b>				
Current				
Development				
Salaries	70,826	80,246	82,159	1,913
Other services	142,994	163,574	158,611	(4,963)
Miscellaneous	24,500	24,500	30,630	6,130
Contingency	-	-	-	-
Capital outlay	23,832	23,832	-	(23,832)
Total expenditures	262,152	292,152	271,400	(20,752)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(36,282)	(66,282)	187,102	253,384
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer (out)	-	-	(16,864)	(16,864)
Total other financing sources (uses)	-	-	(16,864)	(16,864)
NET CHANGE IN FUND BALANCE	<u>\$ (36,282)</u>	<u>\$ (66,282)</u>	170,238	<u>\$ 236,520</u>
FUND BALANCE, MAY 1			<u>712,185</u>	
FUND BALANCE, APRIL 30			<u>\$ 882,423</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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Investment income	\$ 50	\$ 76	\$ 26
Miscellaneous	850	551	(299)
Total revenues	900	627	(273)
<b>EXPENDITURES</b>			
Current			
Development			
Commodities	100	2	(98)
Other services	600	-	(600)
Miscellaneous	6,000	2,394	(3,606)
Contingency	670	-	(670)
Total expenditures	7,370	2,396	(4,974)
NET CHANGE IN FUND BALANCE	<u>\$ (6,470)</u>	(1,769)	<u>\$ 4,701</u>
FUND BALANCE, MAY 1		<u>58,613</u>	
FUND BALANCE, APRIL 30		<u>\$ 56,844</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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental			
Motor fuel tax allotments	\$ 313,476	\$ 267,609	\$ (45,867)
Rebuild Illinois grant	-	305,333	305,333
Investment income	-	1,772	1,772
Total revenues	313,476	574,714	261,238
<b>EXPENDITURES</b>			
Current			
Streets and highways			
Contractual services	50,000	18,088	(31,912)
Maintenance	655,170	99,153	(556,017)
Contingency	70,517	-	(70,517)
Total expenditures	775,687	117,241	(658,446)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (462,211)</u>	457,473	<u>\$ 919,684</u>
<b>FUND BALANCE, MAY 1</b>		<u>1,068,758</u>	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 1,526,231</u>	

(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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 175,988	\$ 177,396	\$ 1,408
Replacement taxes	22,000	89,912	67,912
Investment income	200	741	541
Total revenues	198,188	268,049	69,861
<b>EXPENDITURES</b>			
Current			
General government			
IMRF contributions	114,748	108,463	(6,285)
Streets and highways			
IMRF contributions	70,331	66,478	(3,853)
Contingency	18,508	-	(18,508)
Total expenditures	203,587	174,941	(28,646)
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (5,399)</u></u>	93,108	<u><u>\$ 98,507</u></u>
<b>FUND BALANCE, MAY 1</b>		<u>442,767</u>	
<b>FUND BALANCE, APRIL 30</b>		<u><u>\$ 535,875</u></u>	

(See independent auditor's report.)

**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, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 150,000	\$ 150,000	\$ 176,669	\$ 26,669
Investment income	-	-	711	711
Miscellaneous	1,500	1,500	9,024	7,524
Total revenues	151,500	151,500	186,404	34,904
<b>EXPENDITURES</b>				
Current				
Development				
Commodities	-	30,000	27,288	(2,712)
Contractual services	2,500	2,500	897	(1,603)
Miscellaneous	-	-	1,979	1,979
Contingency	14,890	14,890	-	(14,890)
Debt service				
Principal	90,000	90,000	90,000	-
Interest	56,400	56,400	56,400	-
Total expenditures	163,790	193,790	176,564	(17,226)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(12,290)	(42,290)	9,840	52,130
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	-	-	16,684	16,684
Total other financing sources (uses)	-	-	16,684	16,684
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (12,290)</u>	<u>\$ (42,290)</u>	26,524	<u>\$ 68,814</u>
<b>FUND BALANCE, MAY 1</b>			<u>492,158</u>	
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 518,682</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, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Fines and fees	\$ 4,200	\$ 5,200	\$ 14,254	\$ 9,054
Total revenues	4,200	5,200	14,254	9,054
<b>EXPENDITURES</b>				
Current				
Public safety				
Other services	2,000	3,000	2,804	(196)
Contingency	200	200	-	(200)
Total expenditures	2,200	3,200	2,804	(396)
NET CHANGE IN FUND BALANCE	<u>\$ 2,000</u>	<u>\$ 2,000</u>	11,450	<u>\$ 9,450</u>
FUND BALANCE, MAY 1			<u>11,313</u>	
FUND BALANCE, APRIL 30			<u>\$ 22,763</u>	

(See independent auditor's report.)

**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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Fines and fees	\$ 4,000	\$ 2,174	\$ (1,826)
Miscellaneous	-	21,209	21,209
Total revenues	4,000	23,383	19,383
<b>EXPENDITURES</b>			
Current			
Public safety			
Other services	8,000	9,400	1,400
Contingency	800	-	(800)
Total expenditures	8,800	9,400	600
NET CHANGE IN FUND BALANCE	<u>\$ (4,800)</u>	13,983	<u>\$ 18,783</u>
FUND BALANCE, MAY 1		<u>32,213</u>	
FUND BALANCE, APRIL 30		<u>\$ 46,196</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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 400	\$ 400
Total revenues	-	400	400
<b>EXPENDITURES</b>			
Current			
General government	-	400	400
Contingency	100	-	(100)
Total expenditures	100	400	300
NET CHANGE IN FUND BALANCE	<u>\$ (100)</u>	-	<u>\$ 100</u>
FUND BALANCE (DEFICIT), MAY 1		<u>(44)</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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 80,000	\$ 17,033	\$ (62,967)
Investment income	-	56	56
Miscellaneous income	600	6,047	5,447
Total revenues	80,600	23,136	(57,464)
<b>EXPENDITURES</b>			
Current			
General government			
Contractual services	51,500	24,860	(26,640)
Other services	31,000	11,975	(19,025)
Contingency	8,250	-	(8,250)
Total expenditures	90,750	36,835	(53,915)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,150)	(13,699)	(3,549)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of asset	5,000	-	(5,000)
Total other financing sources (uses)	5,000	-	(5,000)
NET CHANGE IN FUND BALANCE	<u>\$ (5,150)</u>	<u>(13,699)</u>	<u>\$ (8,549)</u>
FUND BALANCE, MAY 1		<u>5,371</u>	
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (8,328)</u>	

(See independent auditor's report.)



**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, 2022

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Property taxes	\$ 184,196	\$ 185,664	\$ 1,468
Investment income	100	368	268
Total revenues	184,296	186,032	1,736
<b>EXPENDITURES</b>			
Current			
General government			
Contractual services	-	1,976	1,976
Total expenditures	-	1,976	1,976
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	184,296	184,056	(240)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	(270,820)	(269,099)	1,721
Total other financing sources (uses)	(270,820)	(269,099)	1,721
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (86,524)</u>	<u>(85,043)</u>	<u>\$ 1,481</u>
<b>FUND BALANCE, MAY 1</b>		<u>195,910</u>	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 110,867</u>	

(See independent auditor's report.)

**CITY OF ROCK FALLS, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SAFE PASSAGE FUND**

For the Year Ended April 30, 2022

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ 8,700	\$ 8,321	\$ (379)
Total revenues	-	8,700	8,321	(379)
<b>EXPENDITURES</b>				
Current				
Public safety				
Miscellaneous	-	8,700	7,966	(734)
Total expenditures	-	8,700	7,966	(734)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	355	<u>\$ 355</u>
FUND BALANCE, MAY 1			<u>4,945</u>	
FUND BALANCE, APRIL 30			<u>\$ 5,300</u>	

(See independent auditor's report.)

## **MAJOR ENTERPRISE FUNDS**

**CITY OF ROCK FALLS, ILLINOIS**

**COMBINING STATEMENT OF NET POSITION  
FIBER OPTIC BROADBAND SUBFUNDS**

April 30, 2022

	<b>Taxable Fiber Optic Broadband</b>	<b>Non-Taxable Fiber Optic Broadband</b>	<b>Eliminations</b>	<b>Total</b>
<b>CURRENT ASSETS</b>				
Restricted cash	\$ 289,531	\$ (289,531)	\$ -	\$ -
Receivables				
Accounts	210	-	-	210
Unbilled	226	-	-	226
Other	2,006	-	-	2,006
<b>Total current assets</b>	<b>291,973</b>	<b>(289,531)</b>	<b>-</b>	<b>2,442</b>
<b>NONCURRENT ASSETS</b>				
Net pension asset	192,516	-	-	192,516
<b>CAPITAL ASSETS</b>				
Depreciable	-	3,515,036	-	3,515,036
Accumulated depreciation	-	(755,847)	-	(755,847)
<b>Net capital assets</b>	<b>-</b>	<b>2,759,189</b>	<b>-</b>	<b>2,759,189</b>
<b>Total assets</b>	<b>484,489</b>	<b>2,469,658</b>	<b>-</b>	<b>2,954,147</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB items	2,259	-	-	2,259
Pension items - IMRF	14,432	-	-	14,432
<b>Total deferred outflows of resources</b>	<b>16,691</b>	<b>-</b>	<b>-</b>	<b>16,691</b>
<b>Total assets and deferred outflows of resources</b>	<b>501,180</b>	<b>2,469,658</b>	<b>-</b>	<b>2,970,838</b>

(This schedule is continued on the following page.)

**CITY OF ROCK FALLS, ILLINOIS**

COMBINING STATEMENT OF NET POSITION (Continued)  
FIBER OPTIC BROADBAND SUBFUNDS

April 30, 2022

	<b>Taxable Fiber Optic Broadband</b>	<b>Non-Taxable Fiber Optic Broadband</b>	<b>Eliminations</b>	<b>Total</b>
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ -	\$ 13,621	\$ -	\$ 13,621
Accrued interest payable	6,031	-	-	6,031
Total other postemployment benefit liability, current	466	-	-	466
Bonds payable, current	200,000	-	-	200,000
Total current liabilities	206,497	13,621	-	220,118
<b>LONG-TERM LIABILITIES</b>				
Advance from other funds	-	3,114,228	-	3,114,228
Total other postemployment benefit liability, noncurrent	14,433	-	-	14,433
Bonds payable, noncurrent	1,875,000	-	-	1,875,000
Total long-term liabilities	1,889,433	3,114,228	-	5,003,661
Total liabilities	2,095,930	3,127,849	-	5,223,779
<b>DEFERRED INFLOWS OF RESOURCES</b>				
OPEB items	2,365	-	-	2,365
Pension items - IMRF	165,912	-	-	165,912
Total deferred inflows of resources	168,277	-	-	168,277
Total liabilities and deferred inflows of resources	2,264,207	3,127,849	-	5,392,056
<b>NET POSITION</b>				
Net investment in capital assets (deficit)	(2,075,000)	2,759,189	-	684,189
Unrestricted (deficit)	311,973	(3,417,380)	-	(3,105,407)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (1,763,027)</b>	<b>\$ (658,191)</b>	<b>\$ -</b>	<b>\$ (2,421,218)</b>

(See independent auditor's report.)

**CITY OF ROCK FALLS, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FIBER OPTIC BROADBAND SUBFUNDS**

For the Year Ended April 30, 2022

	<b>Taxable Fiber Optic Broadband</b>	<b>Non-Taxable Fiber Optic Broadband</b>	<b>Eliminations</b>	<b>Total</b>
<b>OPERATING REVENUES</b>				
Fiber lease	\$ 342,909	\$ -	\$ -	\$ 342,909
Total operating revenues	342,909	-	-	342,909
<b>OPERATING EXPENSES</b>				
Personnel				
Salaries	54,373	-	-	54,373
Payroll taxes	(49,774)	-	-	(49,774)
Payroll benefits	5,891	-	-	5,891
Total personnel	10,490	-	-	10,490
Commodities	100	-	-	100
Contractual services	857	-	-	857
Depreciation and amortization	-	227,978	-	227,978
Total operating expenses	11,447	227,978	-	239,425
OPERATING INCOME (LOSS)	331,462	(227,978)	-	103,484
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Reimbursements	1,177	-	-	1,177
Other miscellaneous revenue	23,763	-	-	23,763
Interest and fiscal charges	(74,483)	-	-	(74,483)
Total non-operating revenues (expenses)	(49,543)	-	-	(49,543)
CHANGE IN NET POSITION	281,919	(227,978)	-	53,941
NET POSITION (DEFICIT), MAY 1	(2,044,946)	(430,213)	-	(2,475,159)
<b>NET POSITION (DEFICIT), APRIL 30</b>	<b>\$ (1,763,027)</b>	<b>\$ (658,191)</b>	<b>\$ -</b>	<b>\$ (2,421,218)</b>

(See independent auditor's report.)

**CITY OF ROCK FALLS, ILLINOIS**

**COMBINING STATEMENT OF CASH FLOWS  
FIBER OPTIC BROADBAND SUBFUNDS**

For the Year Ended April 30, 2022

	<b>Taxable Fiber Optic Broadband</b>	<b>Non-Taxable Fiber Optic Broadband</b>	<b>Eliminations</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 343,461	\$ -	\$ -	\$ 343,461
Payments to suppliers	(957)	-	-	(957)
Payments to employees	(77,349)	-	-	(77,349)
Net cash from operating activities	265,155	-	-	265,155
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Receipt of loan from other funds	-	51,972	-	51,972
Repayment of loan from other funds	-	(72,162)	-	(72,162)
Receipt of other miscellaneous revenue	24,940	-	-	24,940
Net cash from noncapital financing activities	24,940	(20,190)	-	4,750
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal payments on long-term debt	(195,000)	-	-	(195,000)
Interest payments on long-term debt	(74,905)	-	-	(74,905)
Net cash from capital and related financing activities	(269,905)	-	-	(269,905)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
None	-	-	-	-
Net cash from investing activities	-	-	-	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	20,190	(20,190)	-	-
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	269,341	(269,341)	-	-
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	\$ 289,531	\$ (289,531)	\$ -	\$ -

(This schedule is continued on the following page.)

**CITY OF ROCK FALLS, ILLINOIS**

COMBINING STATEMENT OF CASH FLOWS (Continued)  
FIBER OPTIC BROADBAND SUBFUNDS

For the Year Ended April 30, 2022

	<b>Taxable Fiber Optic Broadband</b>	<b>Non-Taxable Fiber Optic Broadband</b>	<b>Eliminations</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 331,462	\$ (227,978)	\$ -	\$ 103,484
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation and amortization	-	227,978	-	227,978
Changes in assets and liabilities				
Accounts receivable	552	-	-	552
Deferred outflows - pension items - IMRF	13,659	-	-	13,659
Deferred outflows - pension items - OPEB	(438)	-	-	(438)
Accrued payroll	(2,292)	-	-	(2,292)
Compensated absences	(5,082)	-	-	(5,082)
Net pension liability	(133,102)	-	-	(133,102)
Total other postemployment benefit liability	(1,107)	-	-	(1,107)
Deferred inflows - pension items - IMRF	59,694	-	-	59,694
Deferred inflows - OPEB	1,809	-	-	1,809
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 265,155</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 265,155</b>

(See independent auditor's report.)



## **INTERNAL SERVICE FUNDS**

**CITY OF ROCK FALLS, ILLINOIS**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS**

April 30, 2022

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	<b>Health Insurance</b>	<b>GIS IT</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 320,352	\$ 221,642	\$ 541,994
Receivables			
Accrued interest	200	-	200
Total current assets	320,552	221,642	542,194
Total assets	320,552	221,642	542,194
<b>CURRENT LIABILITIES</b>			
Accounts payable	59	248	307
Total liabilities	59	248	307
<b>NET POSITION</b>			
Unrestricted	320,493	221,394	541,887
<b>TOTAL NET POSITION</b>	<u>\$ 320,493</u>	<u>\$ 221,394</u>	<u>\$ 541,887</u>

(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, 2022

	<b>Health Insurance</b>	<b>GIS IT</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services			
Contributions	\$ 1,213,998	\$ 77,283	\$ 1,291,281
Total operating revenues	1,213,998	77,283	1,291,281
<b>OPERATING EXPENSES</b>			
Administration			
Personnel			
Employee benefits	1,223,659	-	1,223,659
Contractual services	-	91,389	91,389
Total operating expenses	1,223,659	91,389	1,315,048
OPERATING INCOME (LOSS)	(9,661)	(14,106)	(23,767)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	611	290	901
Miscellaneous income	8,240	-	8,240
Total non-operating revenues (expenses)	8,851	290	9,141
CHANGE IN NET POSITION	(810)	(13,816)	(14,626)
NET POSITION, MAY 1	321,303	235,210	556,513
<b>NET POSITION, APRIL 30</b>	<b>\$ 320,493</b>	<b>\$ 221,394</b>	<b>\$ 541,887</b>

(See independent auditor's report.)

**CITY OF ROCK FALLS, ILLINOIS**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS**

For the Year Ended April 30, 2022

	<b>Health Insurance</b>	<b>GIS IT</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from interfund service transactions	\$ 1,213,998	\$ 77,283	\$ 1,291,281
Payments to suppliers	(1,223,600)	(98,187)	(1,321,787)
Net cash from operating activities	(9,602)	(20,904)	(30,506)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Receipt of miscellaneous revenue	8,240	-	8,240
Net cash from noncapital financing activities	8,240	-	8,240
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
None	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received on investments	611	290	901
Net cash from investing activities	611	290	901
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(751)	(20,614)	(21,365)
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	321,103	242,256	563,359
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	\$ 320,352	\$ 221,642	\$ 541,994
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (9,661)	\$ (14,106)	\$ (23,767)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Changes in assets and liabilities			
Accounts payable	59	(6,798)	(6,739)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	\$ (9,602)	\$ (20,904)	\$ (30,506)
<b>CASH AND INVESTMENTS</b>			
Cash and cash equivalents	\$ 320,352	\$ 221,642	\$ 541,994
<b>TOTAL CASH AND INVESTMENTS</b>	\$ 320,352	\$ 221,642	\$ 541,994

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

**CITY OF ROCK FALLS, ILLINOIS****COMBINING STATEMENT OF PLAN NET POSITION  
PENSION TRUST FUNDS**

April 30, 2022

	<b>Pension Trust</b>		
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and short-term investments	\$ 440,821	\$ 254,761	\$ 695,582
Investments			
Pooled investments	-	7,883,177	7,883,177
U.S. Treasury obligations	2,117,128	-	2,117,128
Common stock	745,480	-	745,480
Mutual funds	2,975,595	31	2,975,626
Corporate bonds	1,826,279	-	1,826,279
Municipal bonds	120,694	-	120,694
Mortgage pools	21,850	-	21,850
Receivables			
Accrued interest	27,365	-	27,365
Contributions	10,621	10,621	21,242
Prepaid items	530	483	1,013
Total assets	8,286,363	8,149,073	16,435,436
<b>LIABILITIES</b>			
Accounts payable	2,715	640	3,355
Total liabilities	2,715	640	3,355
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	\$ 8,283,648	\$ 8,148,433	\$ 16,432,081

(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, 2022

	<b>Pension Trust</b>		
	<b>Police</b>	<b>Firefighters'</b>	
	<b>Pension</b>	<b>Pension</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 694,029	\$ 544,025	\$ 1,238,054
Employee contributions	143,643	80,659	224,302
Total contributions	837,672	624,684	1,462,356
Investment income			
Net depreciation in fair value of investments	(833,548)	(608,011)	(1,441,559)
Interest	405,976	85,052	491,028
Total investment income	(427,572)	(522,959)	(950,531)
Less investment expense	(20,768)	(4,639)	(25,407)
Net investment income	(448,340)	(527,598)	(975,938)
Total additions	389,332	97,086	486,418
<b>DEDUCTIONS</b>			
Benefits and refunds	942,682	657,574	1,600,256
Administrative expenses	31,169	29,796	60,965
Total deductions	973,851	687,370	1,661,221
NET DECREASE	(584,519)	(590,284)	(1,174,803)
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
May 1	8,868,167	8,738,717	17,606,884
April 30	\$ 8,283,648	\$ 8,148,433	\$ 16,432,081

(See independent auditor's report.)

## **SUPPLEMENTAL INFORMATION**



**CITY OF ROCK FALLS, ILLINOIS**

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT  
CONSOLIDATED YEAR END FINANCIAL REPORT**

For the Year Ended April 30, 2022

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<b>CSFA Number</b>	<b>Program Name</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
494-00-1488	Motor Fuel Tax Program	\$ 117,161	\$ -	\$ -	\$ 117,161
	Other grant programs and activities	345,853	-	-	345,853
	All other costs not allocated	-	-	24,351,297	24,351,297
	<b>TOTALS</b>	<u>\$ 463,014</u>	<u>\$ -</u>	<u>\$ 24,351,297</u>	<u>\$ 24,814,311</u>

(See independent auditor's report.)

**CITY OF ROCK FALLS, ILLINOIS**

**SCHEDULE OF CAPITAL ASSETS  
MUNICIPAL WATER FUND**

For the Year Ended April 30, 2022

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Construction in progress	\$ 251,578
Water plant and system improvements	12,237,533
Equipment	<u>863,685</u>
Total capital assets	13,352,796
Less accumulated depreciation	<u>7,947,188</u>
<b>CAPITAL ASSETS</b>	<u><u>\$ 5,405,608</u></u>

(See independent auditor's report.)

**CITY OF ROCK FALLS, ILLINOIS**

**SCHEDULE OF CAPITAL ASSETS  
MUNICIPAL ELECTRIC FUND**

For the Year Ended April 30, 2022

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**LAND AND BUILDINGS**

Buildings and substations	\$ 7,137,500
Hydro plant	14,989,323
	<hr/>
Total land and buildings	22,126,823

**IMPROVEMENTS, OTHER THAN BUILDINGS**

Utility office computer	60,781
Computer software	81,077
Fiber build out	686,839
South 14th generators	3,302,388
New services/metering	565,234
Underground/conductors/fixtures	8,078,277
Poles, cross arms and fixtures	8,067,285
Route 30 project	19,042
Riverside trailer court project	4,962
GIS mapping	141,022
Generator upgrades	396,186
Telecomm engineering	109,376
Telecomm legal	2,604
Telecommunications maintenance	6,589
Telecomm project	289,830
	<hr/>
Total improvements, other than buildings	21,811,492

**EQUIPMENT**

Equipment	2,840,002
Computer software - labor	14,842
Centennial Park risers	53,360
	<hr/>

Total equipment	2,908,204
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Total capital assets	46,846,519
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Less accumulated depreciation	29,400,913
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<b>CAPITAL ASSETS</b>	<b>\$ 17,445,606</b>
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(See independent auditor's report.)

**CITY OF ROCK FALLS, ILLINOIS**

**SCHEDULE OF CAPITAL ASSETS  
MUNICIPAL SANITARY SEWERAGE FUND**

For the Year Ended April 30, 2022

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Construction in progress	\$ 8,856
Land	790,161
New sewer plant	25,170,873
Disposal plant property and equipment	12,285,966
Sewer extensions	5,982,148
Equipment	<u>2,063,655</u>
 Total capital assets	 46,301,659
 Less accumulated depreciation	 <u>16,966,995</u>
 <b>CAPITAL ASSETS</b>	 <u><u>\$ 29,334,664</u></u>

(See independent auditor's report.)

**CITY OF ROCK FALLS, ILLINOIS**

**SCHEDULE OF CAPITAL ASSETS  
FIBER OPTIC BROADBAND FUND**

For the Year Ended April 30, 2022

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Headend equipment	\$ 651,097
Buildout engineering	610,912
Building improvements	69,412
Tools, equipment and vehicles	75,263
Network restoration	29,198
Network buildout	1,626,322
Customer drop	85,673
Fiberhood buildout	4,621
Customer premise	15,421
GIS fiber module	23,100
IPV4 block purchase	36,045
Pole make ready	3,037
Improvement projects	<u>284,935</u>
 Total capital assets	 3,515,036
 Less accumulated depreciation	 <u>755,847</u>
 <b>CAPITAL ASSETS</b>	 <u><u>\$ 2,759,189</u></u>

(See independent auditor's report.)

**CITY OF ROCK FALLS, ILLINOIS**

**SCHEDULE OF LONG-TERM DEBT  
DEBT CERTIFICATES, SERIES 2012**

For the Year Ended April 30, 2022

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Date of Issue	October 1, 2012
Authorized Issue	\$ 280,000
Interest Rate	3.50%
Interest Dates	November 1 and May 1
Principal Maturity Date	January 1

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>		
<b>April 30,</b>	<b>Due Serially</b>	<b>November 1</b>		<b>Total</b>
	<b>November 1</b>	<b>and May 1</b>		
2023	\$ 30,000	\$ 1,988	\$	31,988
2024	25,000	938		25,938
	<u>\$ 55,000</u>	<u>\$ 2,926</u>	<u>\$</u>	<u>57,926</u>

(See independent auditor's report.)

**CITY OF ROCK FALLS, ILLINOIS**

**SCHEDULE OF LONG-TERM DEBT  
DEBT CERTIFICATES, SERIES 2020**

For the Year Ended April 30, 2022

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Date of Issue	October 22, 2020
Authorized Issue	\$ 2,427,000
Interest Rate	2.25%
Interest Dates	March 1 and September 1
Principal Maturity Date	March 22, 2028

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	
<b>April 30,</b>	<b>March 22</b>	<b>March 1 and</b>	<b>Total</b>
		<b>September 1</b>	
2023	\$ -	\$ 54,309	\$ 55,336
2024	-	54,309	55,336
2025	-	54,309	55,336
2026	-	54,309	55,336
2027	-	54,309	55,336
2028	2,427,000	57,451	55,336
	<u>\$ 2,427,000</u>	<u>\$ 328,996</u>	<u>\$ 332,016</u>

(See independent auditor's report.)

**CITY OF ROCK FALLS, ILLINOIS**

**SCHEDULE OF LONG-TERM DEBT  
GENERAL OBLIGATION BONDS, SERIES 2016  
(ALTERNATE REVENUE SOURCE)**

For the Year Ended April 30, 2022

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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**

<b>Fiscal Year April 30,</b>	<b>Principal Due Serially October 1</b>	<b>Interest April 1 and October 1</b>	<b>Total</b>
2023	\$ 90,000	\$ 54,600	\$ 144,950
2024	95,000	52,750	148,200
2025	95,000	50,850	146,400
2026	95,000	48,950	143,950
2027	100,000	46,000	146,000
After 2027	1,100,000	209,000	1,309,000
	<u>\$ 1,575,000</u>	<u>\$ 462,150</u>	<u>\$ 2,038,500</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, 2022

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Date of Issue	August 4, 2009
Authorized Issue	\$ 15,000,000
Interest Rate	0%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1 and November 1

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Loans Payable</b>			
<b>Illinois EPA - Treatment Plant Loan</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	
<b>April 30,</b>	<b>May 1 and</b>	<b>May 1 and</b>	<b>Total</b>
	<b>November 1</b>	<b>November 1</b>	
2023	\$ 384,615	\$ -	\$ 384,615
2024	769,231	-	769,231
2025	769,231	-	769,231
2026	769,231	-	769,231
2027	769,231	-	769,231
After 2027	3,461,538	-	3,461,538
	<u>\$ 6,923,077</u>	<u>\$ -</u>	<u>\$ 6,923,077</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, 2022

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Date of Issue	August 10, 2011
Authorized Issue	\$ 4,111,016
Interest Rate	1.25%
Interest Dates	March 19 and September 19
Principal Maturity Date	March 19 and September 19

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Loans Payable</b>			
<b>Illinois EPA - Treatment Plant Loan</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	
<b>April 30,</b>	<b>March 19 and</b>	<b>March 19 and</b>	<b>Total</b>
	<b>September 19</b>	<b>September 19</b>	
2023	\$ 187,404	\$ 24,209	\$ 211,613
2024	189,754	21,859	211,613
2025	192,133	19,479	211,612
2026	194,543	17,070	211,613
2027	196,982	14,631	211,613
After 2027	1,022,585	35,480	1,058,065
	<u>\$ 1,983,401</u>	<u>\$ 132,728</u>	<u>\$ 2,116,129</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, 2022

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Date of Issue	April 5, 2014
Authorized Issue	\$ 654,443
Interest Rate	1.25%
Interest Dates	May 19 and November 19
Principal Maturity Date	May 19 and November 19

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Loans Payable</b>			
<b>Illinois EPA - Lift Station Rehabilitation Loan</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	
<b>April 30,</b>	<b>May 19 and</b>	<b>May 19 and</b>	<b>Total</b>
	<b>November 19</b>	<b>November 19</b>	
2023	\$ 12,090	\$ 1,519	\$ 13,609
2024	24,408	2,812	27,220
2025	24,714	2,506	27,220
2026	25,024	2,196	27,220
2027	25,337	1,882	27,219
After 2027	131,533	4,564	136,097
	<u>\$ 243,106</u>	<u>\$ 15,479</u>	<u>\$ 258,585</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, 2022

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Date of Issue	November 19, 2016
Authorized Issue	\$ 535,517
Interest Rate	1.86%
Interest Dates	May 19 and November 19
Principal Maturity Date	May 19 and November 19

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Loans Payable</b>			
<b>Illinois EPA - Drinking Water Loan</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	
<b>April 30,</b>	<b>May 19 and</b>	<b>May 19 and</b>	<b>Total</b>
	<b>November 19</b>	<b>November 19</b>	
2023	\$ 19,615	\$ 1,704	\$ 21,319
2024	39,779	2,859	42,638
2025	40,522	2,116	42,638
2026	41,279	1,359	42,638
2027	41,754	588	42,342
	\$ 182,949	\$ 8,626	\$ 191,575

(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, 2022

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Date of Issue	September 29, 2019
Authorized Issue	\$938,938 (\$281,681 forgiven)
Interest Rate	1.00%
Interest Dates	March 5 and September 5
Principal Maturity Date	March 5 and September 5

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Loans Payable Illinois EPA - Sewer</b>			
<b>Fiscal Year April 30,</b>	<b>Principal March 5 and September 5</b>	<b>Interest March 5 and September 5</b>	<b>Total</b>
2023	\$ 26,212	\$ 4,922	\$ 31,134
2024	26,475	4,659	31,134
2025	26,741	4,393	31,134
2026	27,009	4,125	31,134
2027	27,280	3,855	31,135
After 2027	364,640	24,197	388,837
	<u>\$ 498,357</u>	<u>\$ 46,151</u>	<u>\$ 544,508</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, 2022

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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)**

<b>Fiscal Year April 30,</b>	<b>Principal Due Starting October 1, 2019</b>	<b>Interest April 1 and October 1</b>	<b>Total</b>
2023	\$ 200,000	\$ 69,570	\$ 269,570
2024	205,000	63,695	268,695
2025	210,000	57,208	267,208
2026	220,000	50,055	270,055
2027	225,000	42,378	267,378
After 2027	1,015,000	83,099	1,098,099
	<u>\$ 2,075,000</u>	<u>\$ 366,005</u>	<u>\$ 2,441,005</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, 2022

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Date of Issue	August 2, 2018
Authorized Issue	\$ 6,475,000
Interest Rates	3% to 4%
Interest Dates	April 1 and October 1
Principal Maturity Date	October 1, 2019 through October 1, 2035

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

**General Obligation Bonds Series 2018A  
(Electric System Alternate Revenue Source)**

<b>Fiscal Year April 30,</b>	<b>Principal Due Starting October 1, 2019</b>	<b>Interest April 1 and October 1</b>	<b>Total</b>
2023	\$ 310,000	\$ 211,700	\$ 521,700
2024	320,000	199,100	519,100
2025	335,000	186,000	521,000
2026	350,000	172,300	522,300
2027	360,000	158,100	518,100
After 2027	3,945,000	737,200	4,682,200
	<u>\$ 5,620,000</u>	<u>\$ 1,664,400</u>	<u>\$ 7,284,400</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, 2022

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Date of Issue	August 2, 2018
Authorized Issue	\$ 1,000,000
Interest Rates	3% to 4%
Interest Dates	April 1 and October 1
Principal Maturity Date	October 1, 2019 through October 1, 2033

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

**General Obligation Bonds Series 2018B  
(Waterworks System Alternate Revenue Source)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	
<b>April 30,</b>	<b>Due Starting</b>	<b>April 1 and</b>	<b>Total</b>
	<b>October 1, 2019</b>	<b>October 1</b>	
2023	\$ 55,000	\$ 31,625	\$ 86,625
2024	60,000	29,900	89,900
2025	60,000	27,800	87,800
2026	60,000	25,400	85,400
2027	65,000	22,900	87,900
After 2027	540,000	78,800	618,800
	<u>\$ 840,000</u>	<u>\$ 216,425</u>	<u>\$ 1,056,425</u>

(This schedule is continued on the following page.)



**CITY OF ROCK FALLS, ILLINOIS**

**SCHEDULE OF GENERAL OBLIGATION BONDS AND  
LOANS PAYABLE OUTSTANDING (Continued)  
UTILITY FUNDS**

For the Year Ended April 30, 2022

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Date of Issue	August 2, 2018
Authorized Issue	\$ 995,000
Interest Rates	3% to 4%
Interest Dates	April 1 and October 1
Principal Maturity Date	October 1, 2019 through October 1, 2029

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

**General Obligation Bonds Series 2018C  
(Alternate Revenue Source)**

<b>Fiscal Year April 30,</b>	<b>Principal Due Starting October 1, 2019</b>	<b>Interest April 1 and October 1</b>	<b>Total</b>
2023	\$ 85,000	\$ 27,425	\$ 112,425
2024	85,000	24,875	109,875
2025	90,000	21,800	111,800
2026	90,000	18,200	108,200
2027	95,000	14,500	109,500
After 2027	315,000	19,300	334,300
	<u>\$ 760,000</u>	<u>\$ 126,100</u>	<u>\$ 886,100</u>

(See independent auditor's report.)

## **STATISTICAL SECTION**

**CITY OF ROCK FALLS, ILLINOIS**

**SCHEDULE OF ASSESSED VALUATIONS, RATES, EXTENSIONS  
AND COLLECTIONS**

Last Six Levy Years  
(Unaudited)

	<b>2021 Levy</b>			<b>2020 Levy</b>		
	<b>Equalized Assessed</b>			<b>Equalized Assessed</b>		
	<b>Valuation - \$80,436,970</b>			<b>Valuation - \$80,436,970</b>		
	<b>Rate per \$100</b>	<b>Taxes Extended</b>	<b>Collections</b>	<b>Rate per \$100</b>	<b>Taxes Extended</b>	<b>Collections</b>
General	0.2500	\$ 206,245	\$ -	0.2500	\$ 201,092	\$ 202,567
IMRF/Social Security	0.2134	176,051	-	0.2189	176,077	177,368
Road and bridge	-	55,852	-	-	63,222	63,249
Police protection	0.0750	61,874	-	0.0750	60,328	60,771
Fire protection	0.0750	61,874	-	0.0750	60,328	60,771
Police Pension	0.7939	654,953	-	0.8224	661,514	666,365
Firefighters' Pension	0.6003	495,236	-	0.6373	512,625	516,386
Audit	0.0243	20,047	-	-	-	-
Liability insurance/workers comp	0.3266	269,439	-	0.2291	184,281	185,632
Lease	0.0695	57,336	-	0.0713	57,352	57,773
Emergency vehicle	-	-	-	-	-	-
	2.4280	\$ 2,058,907	\$ -	2.3790	\$ 1,976,819	\$ 1,990,882

\*Schedule excludes tax increment financing (TIF) collections.

2019 Levy			2018 Levy		
Equalized Assessed Valuation - \$76,280,312			Equalized Assessed Valuation - \$74,742,635		
Rate per \$100	Taxes Extended	Collections	Rate per \$100	Taxes Extended	Collections
0.2438	\$ 185,971	\$ 186,059	0.2500	\$ 186,857	\$ 187,987
0.2308	176,055	176,140	0.1868	139,619	140,464
-	62,092	61,922	-	61,662	61,948
0.0732	55,837	55,864	0.0506	37,820	38,048
0.0732	55,837	55,864	0.0506	37,820	38,048
0.7707	587,892	588,172	0.6802	508,399	511,473
0.5944	453,410	453,627	0.5376	401,816	404,247
0.0328	25,020	25,032	-	-	-
0.3018	230,215	230,324	0.3239	242,091	243,556
-	-	-	-	-	-
-	-	-	-	-	-
2.3207	\$ 1,832,329	\$ 1,833,004	2.0797	\$ 1,616,084	\$ 1,625,771

**CITY OF ROCK FALLS, ILLINOIS**

**SCHEDULE OF ASSESSED VALUATIONS, RATES, EXTENSIONS  
AND COLLECTIONS (Continued)**

Last Six Levy Years  
(Unaudited)

	<b>2017 Levy</b>			<b>2016 Levy</b>		
	<b>Equalized Assessed</b>			<b>Equalized Assessed</b>		
	<b>Valuation - \$73,358,544</b>			<b>Valuation - \$72,276,388</b>		
	<b>Rate</b>	<b>Taxes</b>		<b>Rate</b>	<b>Taxes</b>	
	<b>per \$100</b>	<b>Extended</b>	<b>Collections</b>	<b>per \$100</b>	<b>Extended</b>	<b>Collections</b>
General	0.2500	\$ 183,396	\$ 182,214	0.2500	\$ 180,691	\$ 181,365
IMRF/Social Security	0.2471	181,269	180,101	0.2583	186,690	187,386
Road and bridge	-	60,521	60,098	-	59,628	59,765
Police protection	0.0750	55,019	54,665	0.0750	54,207	54,410
Fire protection	0.0750	55,019	54,665	0.0750	54,207	54,410
Police Pension	0.6240	457,757	454,809	0.6611	477,819	479,602
Firefighters' Pension	0.4634	339,943	337,754	0.3595	259,834	260,803
Audit	-	-	-	-	-	-
Liability insurance/workers comp	0.2836	208,045	206,704	0.2741	198,109	198,847
Lease	-	-	-	-	-	-
Emergency vehicle	-	-	-	0.0342	24,719	24,811
	2.0181	\$ 1,540,969	\$ 1,531,010	1.9872	\$ 1,495,904	\$ 1,501,399

\*Schedule excludes tax increment financing (TIF) collections.

**CITY OF ROCK FALLS, ILLINOIS**

**OPERATING STATISTICS  
MUNICIPAL WATER FUND**

Last Six Fiscal Years  
(Unaudited)

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The following is a schedule of gallons of water billed, pumped and meters connected to the system for the past six fiscal years:

<b>Fiscal Year Ending April 30,</b>	<b>Total Gallons (Thousands) Pumped</b>	<b>Total Gallons (Thousands) Billed</b>	<b>Meters Connected</b>
2017	260,393	203,010	4,143
2018	242,536	200,926	4,140
2019	228,314	195,384	4,158
2020	231,804	202,028	4,137
2021	236,445	190,021	4,134
2022	235,838	193,548	4,158

**CITY OF ROCK FALLS, ILLINOIS**

**OPERATING STATISTICS  
MUNICIPAL ELECTRIC FUND**

Last Six Fiscal Years  
(Unaudited)

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Operating statistics for the last six fiscal years are as follows:

	<b>2021-2022</b>	<b>2020-2021</b>	<b>2019-2020*</b>	<b>2018-2019</b>	<b>2017-2018</b>	<b>2016-2017</b>
Meters in service	5,300	5,349	5,281	5,297	5,297	5,350
Kilowatt hours billed	68,405,528	66,180,324	67,324,475	72,020,830	72,660,413	71,186,871
Kilowatt hours purchased and generated	72,057,011	70,107,195	66,862,245	77,946,543	74,798,855	76,648,319
Percent of loss	5.07%	5.60%	(0.69%)	7.60%	2.86%	7.13%

\*It was noted there was a meter reading error in 2019-2020 regarding the amount of kilowatt hours purchased from ComEd. This is why it appears that more kilowatt hours were billed than purchased.

**CITY OF ROCK FALLS, ILLINOIS**  
**OPERATING STATISTICS**  
**MUNICIPAL SANITARY SEWERAGE FUND**

Last Six Fiscal Years  
(Unaudited)

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The number of customers served by the system for the last six fiscal years are as follows:

	<b>2021-2022</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>	<b>2016-2017</b>
Residential	3,697	3,708	3,707	3,690	3,682	3,712
Commercial/industrial	322	323	326	363	358	354
	4,019	4,031	4,033	4,053	4,040	4,066