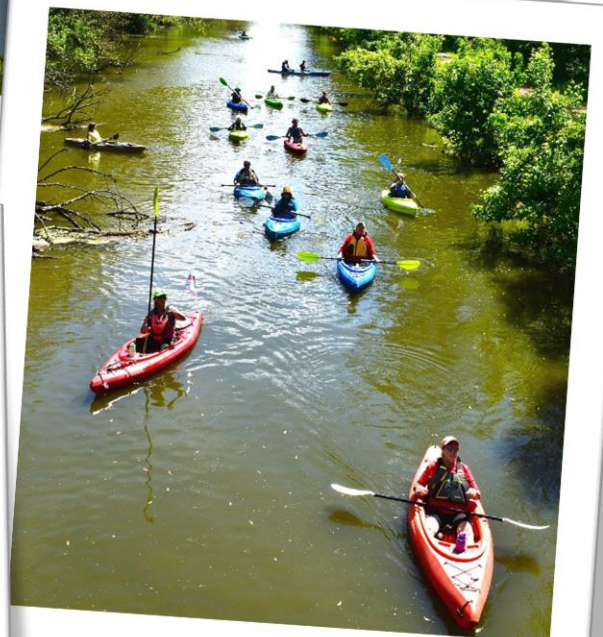


City of Rock Falls

FY 22

Popular Annual Financial Report



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About the Popular Annual Financial Report

This Popular Annual Financial Report (PAFR) is specifically designed as a summary document and is intended to convey select information about the major aspects of the City's FY 22 year-end budget (unaudited), current debt, analysis of revenues and expenditures and financial status in a condensed and easily understandable format. The primary focus of the report is the City's General Fund, Electric Fund, Wastewater Fund and Water Fund. These are considered to be the City's major and most significant funds. The City maintains several other accounting funds which will be included, but not as detailed.

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

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FY 22 General Fund Revenue

Property Tax

The General Fund revenues were higher than predicted in most areas and were 14.38% higher than budgeted overall. Property tax revenues were 6.31% higher than estimates with the exception of the Personal Property Replacement Tax for Fire & Police which was over 200% higher than budgeted. Personal property replacement taxes (PPRT) are revenues collected by the state of Illinois and paid to local governments to replace money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away.

In 1979, a law was enacted to provide for statewide taxes to replace the monies lost to local governments.

Corporations pay a 2.5 percent replacement tax on their net Illinois income.

Partnerships, trusts, and S corporations pay a 1.5 percent replacement tax on their net Illinois income.

Public utilities pay a 0.8 percent tax on invested capital.

	Revenue Account	FY 22	
Acct. #	Descriptions	Budget	Actual
PROPERTY TAX REVENUE			
1001-4000	Prop. Tax-Corporate	\$ 202,715.00	\$ 202,600.60
4001	Prop. Tax-Street & Bridge	\$ 60,000.00	\$ 63,249.16
4002	Prop. Tax-Police Protection	\$ 60,815.00	\$ 60,780.57
4003	Prop. Tax-Fire Protection	\$ 60,815.00	\$ 60,780.57
4004	Prop. Tax-Audit	\$ -	\$ -
4006	Prop. Tax-Police Pension	\$ 661,484.00	\$ 666,475.13
	PPRT Police/Fire	\$ 16,000.00	\$ 55,107.58
4010	Prop. Tax-Emergency Vehicle	\$ 57,272.00	\$ 57,782.61
0808-4013	Prop. Tax-Tort	\$ 184,296.00	\$ 186,005.29
4408	Trans/Work Comp & Gen Liab	\$ 230,000.00	\$ 269,105.76
4360	Rural Fire Protection Tax	\$ 265,000.00	\$ 289,933.61
	Property Tax Subtotal	\$ 1,798,397.00	\$ 1,911,820.88

Sales Tax Revenue

Sales tax revenues realized a significant increase of almost 20% over budgetary predictions. Inflationary cost increases of goods such as gasoline and durable products have led to increased amounts of state and local taxes collected.

Although this may seem like a windfall of revenue, the cost for goods and services paid by the City of Rock Falls has increased at the same if not higher inflationary levels.

Governing magazine recently stated, *“Even assuming the economy doesn’t head into recession, state and local government are having to contend with a range of fiscal challenges. Inflation is at a 40-year high, meaning the cost of capital projects and even routine service delivery is going up.”*

SALES TAX REVENUE		Budget	Actual
4309	State Sales Tax	\$ 1,130,000.00	\$ 1,396,991.91
4307	Non-Home Rule Sales Tax	\$ 804,000.00	\$ 1,036,123.79
4301	State Use Tax	\$ 391,600.00	\$ 347,901.10
4304	Cannabis Tax	\$ 8,184.00	\$ 14,192.98
	Sales Tax - Subtotal	\$ 2,333,784.00	\$ 2,795,209.78

Local Government Distributive Fund Revenue

The Local Government Distributive Fund (LGDF) was estimated by Illinois Municipal League to be slightly under \$1 million however, actual revenue was realized at 33% over that estimation and came in at \$1.3 million.

INCOME TAX REVENUE		Budget	Actual
4300	State Income Tax (LGDF)	\$ 975,920.00	\$ 1,304,518.52
	Income Tax - Subtotal	\$ 975,920.00	\$ 1,304,518.52

Franchise/Usage/Other Tax Revenue

Franchise/Usage/Taxes also experienced an increase over predictions by 4%.

ROCK FALLS FY 22 YEAR-END PAFR

	FRANCHISE/USAGE/TAXES	Budget	Actual
4370	Comcast Franchise Fee	\$ 130,000.00	\$ 125,158.94
4355	Simplified Tele. Maint. Fee	\$ 150,000.00	\$ 99,137.63
4354	Natural Gas Utility Tax	\$ 115,000.00	\$ 178,846.49
4371	Utility Service Partners Royalty	\$ 5,000.00	\$ 54,747.57
10-12 48	Wireless Tower Rental Fee	\$ 10,000.00	\$ 13,267.31
4353	Nicor Franchise Fee	\$ 15,500.00	\$ 17,297.59
4350	Street Maintenance-IDOT	\$ 46,973.00	\$ 18,149.08
	Franchise/Usage/Other Taxes	\$ 472,473.00	\$ 506,604.61

Contributions from Utilities & Proprietary Funds to the General Fund

American Public Power's most recent data show the median amount contributed by public power utilities was 5.6 percent of operating revenues.

This number is far higher than contributions made by Investor-Owned Utilities (IOUs) which was 4.2 percent of their operating revenues paid to state and local governments through taxes and fees. The FY 22 actual contribution percentages of operating revenues that were contributed to the general fund were as follows:

- ✓ Electric - \$649,953. = 4.95%
- ✓ Wastewater - \$61,593. = 3.33%
- ✓ Water - \$60,293. = 4.46%
- ✓ Garbage - \$77,862. = 11.8 %
- ✓ Tourism - \$26,506 = 7.95%

With a total combined operating revenue of \$17,297,523. their contribution to the General Fund of \$926,994. represents 5.36% of their operating revenues well within the national median average of 5.6%.

	UTILITY & PROPRIETARY	Budget	Actual
4143	Capital Cost Recovery	\$ 490,000.00	\$ 465,780.67
4420	Rent - Utility Office	\$ 48,786.00	\$ 50,786.00
4405	Cont Electric - Electric Usage	\$ 96,000.00	\$ 96,000.05
4406	Cont Electric - Utility Tax	\$ 1,200.00	\$ 1,200.00
4409	Cont Electric - Cap Cost	\$ 4,800.00	\$ 4,800.00
4410	Cont Sewer - Sewer Usage	\$ 4,800.00	\$ 4,800.00
4411	Cont Water - Water Usage	\$ 3,500.00	\$ 3,500.00
4802	Contribution from Electric	\$ 5,000.00	\$ 5,000.00
4803	Contribution from Water	\$ 37,500.00	\$ 37,500.00
4804	Contribution from Sewer	\$ 37,500.00	\$ 37,500.00
4805	Contribution from Garbage	\$ 65,000.00	\$ 65,000.00
1002-4802	Contribution Electric City Administrator	\$ 77,173.07	\$ 77,173.07
1002-4803	Contribution Water City Administrator	\$ 19,293.27	\$ 19,293.24
1002-4804	Contribution Sewer City Administrator	\$ 19,293.27	\$ 19,293.27
1002-4805	Contribution Garbage City Adminis	\$ 12,862.17	\$ 12,862.17
4014	Tourism Rent	\$ 12,000.00	\$ 12,000.00
4015	Tourism Admin Fee	\$ 10,000.00	\$ 14,506.41
	Contribution from Utilities to GF	\$ 944,707.78	\$ 926,994.88

Grant Revenue

Grant reimbursements were close to budget predictions, however, less was spent on the Limestone clean-up grant than anticipated so reimbursement for those costs were under budget. In addition, the Fire Department received \$26,000 in grant funds from the Illinois Fire Marshall which was used to purchase Motorola portable radios.

	GRANTS	Budget	Actual
4012	Reimbursement-Grant Funds	\$ 200,000.00	\$ 168,820.28
*4585	Police Grants	\$ 1,500.00	
*4585	Fire Grants	\$ 1,500.00	\$ 26,000.00
	Grants subtotal	\$ 203,000.00	\$ 194,820.28
	FIRE/POLICE REVENUE	Budget	Actual

Fire & Police Revenue

Fire & Police revenue was up significantly from budgeted amounts the most significant was the increase in video gaming income. Video gaming revenue was predicted to be close to pre-covid figures at \$250,000 however, the actual revenues jumped by 55% to \$387,000. Overall, the increased revenue in this category was 38.36% higher than expected.

ROCK FALLS FY 22 YEAR-END PAFR

	FIRE/POLICE REVENUE	Budget	Actual
*4293	Emergency Rescue	\$ 9,000.00	\$ 14,600.00
*4294	Non Res. Emergency Response Fee	\$ 1,000.00	\$ 1,700.00
*4295	Hazardous Chemical Release	\$ -	\$ -
40-40-4300	Video Gaming	\$ 250,000.00	\$ 387,072.46
40-40-4700	Bail/Warrant Fee	\$ 12,000.00	\$ 27,243.85
4330	Fines	\$ 60,000.00	\$ 33,670.72
4335	Police Reports	\$ 1,000.00	\$ 994.45
10-07	Code Hearing Income	\$ 30,400.00	\$ 38,803.37
10-06-4371	Charitable Games	\$ 3,000.00	\$ 2,020.61
4400	Sex Offender Registration	\$ 2,500.00	\$ 4,300.00
	Fire/Police subtotal	\$ 368,900.00	\$ 510,405.46

License/Permit/Fees Revenue

Revenues in this category were 28% higher than budgeted. The biggest increase was realized in the liquor license revenue which jumped to \$103,000, which was 38% higher expected. In addition, “other licenses” more than doubled expectations at \$34,845.

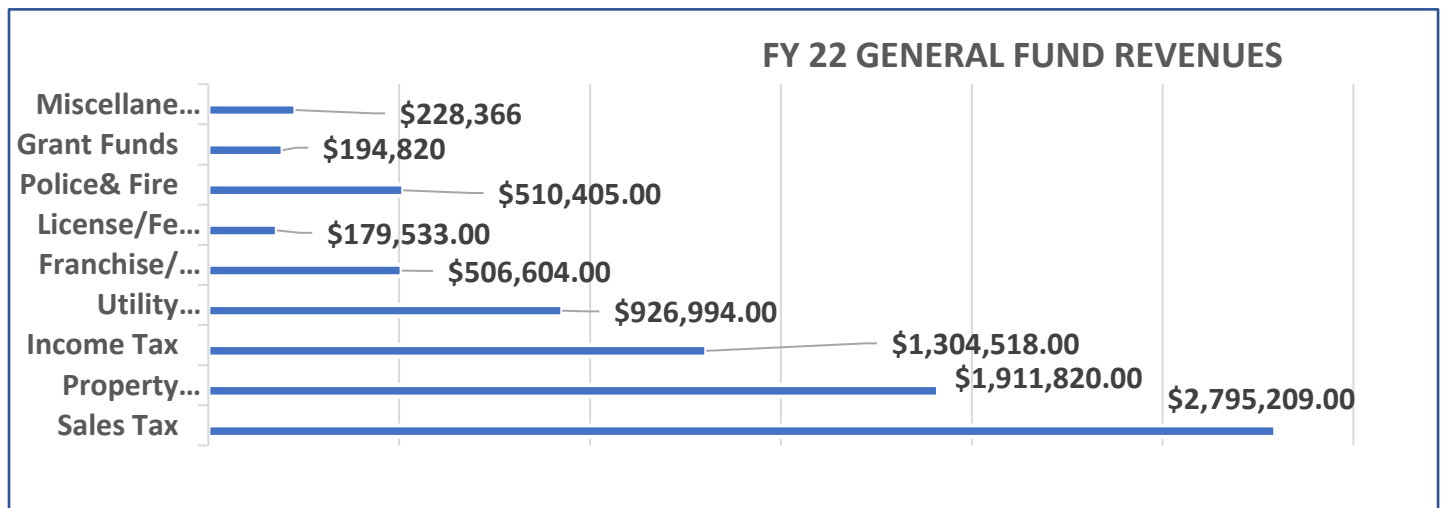
	LICENSE/PERMITS/FEES	Budget	Actual
4310	Liquor Licenses	\$ 75,000.00	\$ 103,650.00
4311	Tobacco/Liq. Violation Fines	\$ -	\$ -
4315	Electric/Drain Layers Lic.	\$ -	\$ -
4329	Other Licenses	\$ 15,000.00	\$ 34,845.00
4340	Building Permits	\$ 30,000.00	\$ 27,688.03
1004-4350	Inspection Fees	\$ 10,000.00	\$ 1,600.00
4345	Contractors Registration	\$ 10,000.00	\$ 11,750.00
4346	Electrical Business License	\$ -	\$ -
	License/Permits/Fees Subtotal	\$ 140,000.00	\$ 179,533.03

Miscellaneous Revenue

There were no significant differences in this revenue category.

	MISCELLANEOUS	Budget	Actual
4040	Interest/Investments	\$ 5,000.00	\$ 4,684.39
4380	Sale of Junk	\$ -	\$ 322.86
4800	Miscellaneous	\$ 45,000.00	\$ 38,512.68
	Schmitt/Hallman Revenue	\$ 40,000.00	\$ 25,160.00
4100	Health Ins Reimb Mayor/Retirees	\$ 143,222.36	\$ 159,686.22
	Miscellaneous Subtotal	\$ 233,222.36	\$ 228,366.15

General Fund Revenue Summary



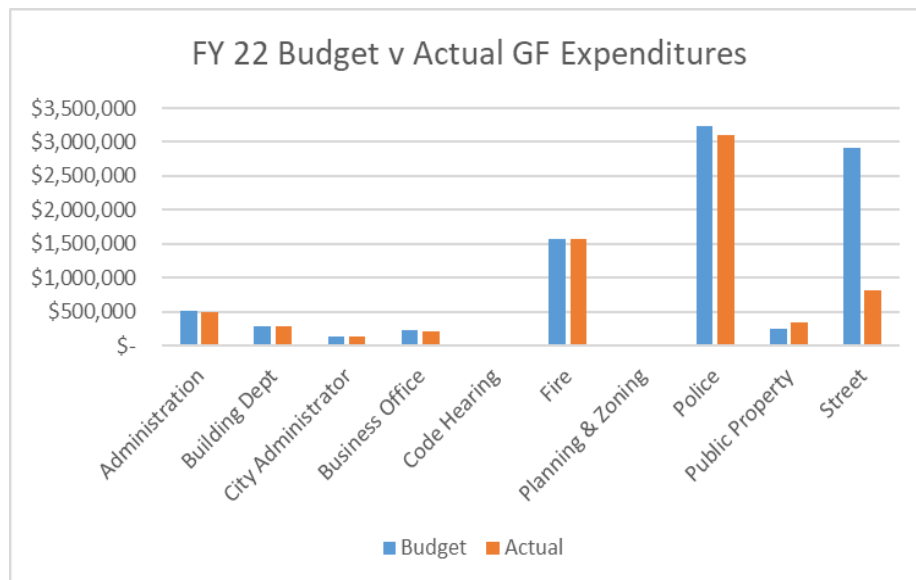
	FY 22 Budget	FY 22 Actual
Projected Revenue	\$ 9,165,231.36	\$ 9,746,424.05
Other Financing Sources	\$ -	\$ -
IMRF/SS Contribution	\$ 198,188.00	\$ 267,975.65
Revenue Totals	\$ 9,363,419.36	\$ 10,014,399.70

FY 22 General Fund Expenditures

General Fund expenditures were significantly under budget by \$2.8 million. Most of that is accounted for in the Street Department budget which did not do street projects on 3rd Avenue or Dixon Avenue, both of which were in the FY 22 budget. Although most departments came in under budget on expenses, the only one that was significantly over predicted expenses was Public Property. Two categories in the Public Property budget accounted for the increased expenses. Three City parks; Veterans', Kiwanis and Bennett all had unbudgeted work totaling \$30,000 and the Limestone site clean-up was \$70,000 more than expected however, 80% of that cost was reimbursed through the US EPA Clean Up Grant.

Department Expenses	FY 22 Budget	FY 22 Actual
Administration	\$ 520,264.50	\$ 482,808.84
Building Dept.	\$ 277,852.00	\$ 277,143.46
City Administrator	\$ 128,621.78	\$ 124,787.15
Business Office	\$ 236,373.00	\$ 212,949.33
Code Hearing Dept.	\$ 24,100.00	\$ 19,410.83
Fire Dept.	\$ 1,575,959.82	\$ 1,561,413.44
Planning & Zoning	\$ 4,075.00	\$ 1,215.11
Police Dept.	\$ 3,230,884.30	\$ 3,107,128.96
Police/Fire Commission	\$ 15,575.00	\$ 7,416.66
Public Property	\$ 251,550.00	\$ 346,697.28
Street Dept.	\$ 2,912,643.72	\$ 818,664.99
Sub-Total Expenses	\$ 9,177,899.12	\$ 6,959,636.05
IMRF/Social Sec.	\$ 185,077.87	\$ 174,798.59
Expense Total	\$ 9,362,976.99	\$ 7,134,434.64
Surplus/(Deficit)	\$ 442.37	\$ 2,879,965.06

FY 22 General Fund Expenditures Budget v Actual



The General Fund department heads continue to do an excellent job of budgeting and remain careful to make sure all expenditures are necessary and within budget. The three largest General Fund budgets continue to be Police, Fire and Street.

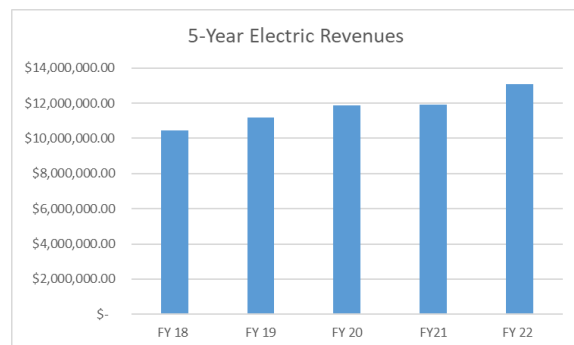
Revenue Definition for Utilities

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

FY 22 Electric Fund

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

Electric Fund Revenue



The projected Electric revenues were over projections by close to \$1 million or 8%.

Although electric rates have not increased in the past two fiscal years, the increased revenue was realized mostly due to conservative revenue expectations allowing for potential Covid related closures of commercial and retail businesses occurring.

The Electric Department Superintendent has standing permission to sell Renewable Energy Credits (RECs) at any time that the market hits \$5.00 per REC. The City held 9,891 RECs and in FY 22, the RECs hit a high of \$21.25 per REC which generated \$160,000 of unexpected additional revenue.

20-20 ACCT#	Electric Fund Income ACCOUNT DESCRIPTION	FY 22	
		Budget	Actual
4100	Employee Helath Insur Reimbur	\$ 34,826.00	\$ 27,497.09
4016	Issuance of Bond	\$ -	
4020	Bond Premium	\$ -	
4040	Interest	\$ 20,000.00	\$ 17,768.26
4103	Fiber Lease/Maintenance Fee	\$ 36,860.00	\$ -
4125	Residential Revenue	\$ 6,039,715.97	\$ 6,449,058.95
4126	Commercial Revenue	\$ 2,524,985.07	\$ 2,703,496.41
4127	Municipal Revenue	\$ 854,081.67	\$ 832,068.39
4130	General Service Revenue	\$ 1,680,311.78	\$ 1,244,164.74
4135	Demand Charge	\$ -	\$ -
4136	Capacity Component Credit	\$ 131,500.00	\$ 131,438.40
4138	Fuel Reimbursement Credit	\$ 100,000.00	\$ 142,222.37
4139	Generation Payment Credit	\$ 278,088.00	\$ 280,165.32
4140	Purchase Power Adjustment	\$ 60,594.00	\$ 466,198.89
4145	Urban Lights	\$ 39,000.00	\$ 52,871.70
4190	State Electric Excise Tax	\$ 215,446.00	\$ 212,860.05
4200	Renewable Energy Income	\$ 60,000.00	\$ 210,183.75
4250	Penalties	\$ 85,000.00	\$ 88,323.02
4260	Hook-up Fees/New Service	\$ -	\$ 1,183.46
4270	Pole Attachment	\$ 26,500.00	\$ 27,236.00
4280	Rehook Fees	\$ 10,000.00	\$ 19,075.00
4336	Traffic Signal Reimbursement	\$ 15,000.00	\$ 36,696.91
4380	Sale of Material/Junk	\$ 1,000.00	\$ 30,914.82
4499	Transfer from Other funds	\$ -	\$ -
4585	Grant Funds	\$ -	\$ -
4800	Miscellaneous	\$ 15,000.00	\$ 132,765.87
4801	Contribution from Fiber Fund	\$ -	
4920	Gain		
XXXX	Ave A Bonds	\$ -	\$ -
	Projected Uncollected Debt	\$ (112,813.29)	\$ -
	Total	\$ 12,115,095.20	\$ 13,106,189.40

Electric Fund Expenditures

Electric operation and maintenance expenditures during FY 22 were lower than predicted by \$1.3 million or 12%. Capital project spending also came in below budget by \$200,000.

ROCK FALLS FY 22 YEAR-END PAFR

	FY 22 Budget	FY 22 Actual
Revenues	\$ 12,115,095.20	\$ 13,106,189.40
Transfer from Reserves	\$ -	\$ -
Total Income	\$ 12,115,095.20	\$ 13,106,189.40
Expenses	\$ 12,133,882.00	\$ 9,367,797.53
Capital & Debt Expenses	\$ 1,455,962.00	\$ 1,240,807.91
Total Expenses	\$ 13,589,844.00	\$ 10,608,605.44
Transfer to Reserves	\$ (1,474,748.80)	\$ 2,497,583.96

Due to the supply chain shortages and inflationary cost increases, no purchases are made unless it is necessary to the sustainability of the electric system. Supply chain shortages are becoming a crisis for the electric industry and will be important for Rock Falls electric users to understand the effect it could have in the future.

June 29 (Reuters) - U.S. power companies are facing supply crunches that may hamper their ability to keep the lights on as the nation heads into the heat of summer and the peak hurricane season.

Extreme weather events such as storms, wildfires and drought are becoming more common in the United States. Consumer power use is expected to hit all-time highs this summer, which could strain electric grids at a time when federal agencies are warning the weather could pose reliability issues. Transformers, which often sit on top of electrical poles and convert high-voltage energy to the power used in homes, are in short supply.

New Jersey-based Public Service Enterprise Group Inc. Chief Executive Ralph Izzo told Reuters the company has had to look at alternate supply options for low voltage transformers.

"You don't want to deplete your inventory because you don't know when that storm is coming, but you know it's coming," Izzo said.

Some utilities are facing waiting times of more than a year for transformer parts, the National Rural Electric Cooperative Association and the American Public Power Association told U.S.

Energy Secretary Jennifer Granholm in a May letter.

Summer is just starting, but U.S. weather so far this year has already been about 21% warmer than the 30-year norm, according to data provider Refinitiv.

"If we have successive days of 100-degree-heat, those pole top transformers, they start popping like Rice Krispies, and we would not have the supply stack to replace them," Izzo said.

Fortunately, Rock Falls Electric Utility has an adequate inventory at this time, but high winds or storm damage may deplete that inventory prior to easing of the supply chain.

Electric Fund Debt

The Electric Department's current debt stands at \$6.6 million in General Obligation Bonds issues in 2018 for the rebuild of the Avenue A electrical substation.

		FY 22	
Debt Service Budget		Budget	Actual
2410	Bond Payment Series 2018A Prin	\$ 295,000.00	\$ 295,000.00
2065	Bond Payment Series 2018A Inter	\$ 223,800.00	\$ 223,800.00
Debt Service Total		\$ 518,800.00	\$ 518,800.00

FY 22 Wastewater Fund

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

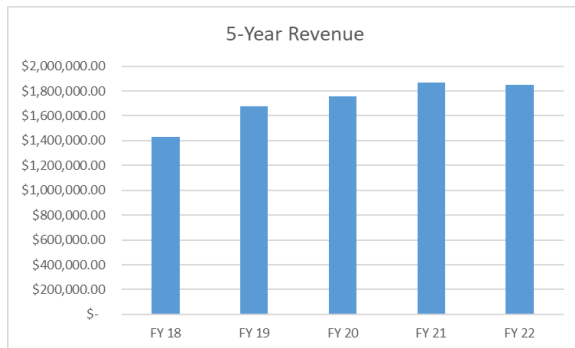
ROCK FALLS FY 22 YEAR-END PAFR

Wastewater Fund Revenue

Wastewater operating and maintenance revenues generated were slightly less than budgeted by \$38,000 or 2%. Both residential and commercial revenues were below expectations.

Wastewater Fund Revenue		FY 22	
30-30 Income Accounts		Budget	Actual
4000	Employee Health Ins. Reimburse	\$ 12,130.00	\$ 11,902.09
4040	Interest Income	\$ 10,000.00	\$ 10,070.16
4016	Issuance of Bonds	\$ -	
4049	Amortization of Bond Premium	\$ -	
4100	Residential Revenue (Billed)	\$ 1,405,719.00	\$ 1,313,981.72
4105	Commercial Revenue (Billed)	\$ 328,610.00	\$ 259,960.11
4110	Industrial Revenue (Billed)	\$ 73,025.00	\$ 154,804.03
4120	Municipal Revenue (Water & Ele	\$ 18,256.00	\$ 18,250.84
4125	Capital Improvements (Billed)	\$ 177,876.00	\$ 196,187.79
4130	Debt Service (Billed)	\$ -	\$ -
4135	Sewer Plant Improvements (Bille	\$ 1,285,200.00	\$ 1,474,454.77
4250	Penalties (Billed)	\$ 25,000.00	\$ 31,539.42
4260	Hook-Up Fees/ New Service	\$ 500.00	\$ 800.00
4291	TV Camera Usages	\$ -	
4292	Sewer/Septic Disposal	\$ 2,000.00	\$ 3,150.00
4380	Sale of Material/Junk	\$ -	\$ 292.30
4450	Settlement Proceeds	\$ -	
4585	Grant Funds	\$ -	\$ 12,000.00
4600	Operating Transfer In	\$ -	
4000	Miscellaneous Income	\$ -	\$ 32,036.95
4920	Gain	\$ -	
Total Revenue		\$ 3,338,316.00	\$ 3,519,430.18
Total O & M Revenue		\$ 1,887,370.00	\$ 1,848,787.62

The 5-Year Wastewater revenue chart below demonstrates the slight increase in revenue each year until FY 22 when revenues fell below the FY 21 levels by \$20,000 or 1%.



Wastewater Fund Expenditures

Wastewater operation and maintenance expenses were \$88,000 or 5% below budget. Due to supply chain issues and inflationary cost increases, very few purchases were made

unless it was necessary for the sustainability of the wastewater system.

Capital expenditures far exceeded budgeted figures due to the purchase of a new Vactor truck which was ordered after the FY 22 budget was finalized. The older Vactor was passed down to the Water Department for their use.

	FY 22	FY 22 Actual
O&M revenues	\$ 1,887,370.00	\$ 1,848,787.62
Transfer from Reserves	\$ -	\$ -
Total O&M Income	\$ 1,887,370.00	\$ 1,848,787.62
O& M Expenses	\$ 1,736,916.27	\$ 1,648,682.53
to Reserves	\$ 150,453.73	\$ 200,105.09
Total O&M Expenses	\$ 1,887,370.00	\$ 1,848,787.62
Capital Improvement Income	\$ 177,876.00	\$ 196,187.79
Transfer from Reserves	\$ -	\$ -
Total Capital Income	\$ 177,876.00	\$ 196,187.79
Capital Exp.	\$ 112,500.00	\$ 679,865.37
Transfer to Reserves	\$ 65,376.00	\$ (483,677.58)
Total Capital Imp. Exp.	\$ 177,876.00	\$ 196,187.79
Plant Rep Income	\$ 1,285,200.00	\$ 1,474,454.77
Transfer from Reserves	\$ -	\$ -
Total Income	\$ 1,285,200.00	\$ 1,474,454.77
Plant Rep Exp	\$ 1,236,755.10	\$ 1,143,635.45
Transfer to Reserves	\$ 48,444.90	\$ 330,819.32
Plant Expense	\$ 1,285,200.00	\$ 1,474,454.77

Wastewater Fund Debt

Wastewater's current debt stands at \$12,752,135, most of which is for the construction of the wastewater treatment facility which was completed in 2011.

Debt Service & New Sewer Plant Budget		FY 22	
		Budget	Actual
2060	Interest Payable-EPA Loan	\$ -	\$ -
2405	Interest on Loans Listed in 2406	\$ 36,624.05	\$ 34,974.88
2406	Principal L17-4786:L17-4568:L17-2650	\$ 1,036,781.05	\$ 1,004,222.24
2001	Backhoe Payment	\$ 37,900.00	\$ -
2065	Bond Payment Series 2018 C Inte	\$ 29,900.00	\$ 24,438.33
2411	Bond Payment Series 2018 C Prin	\$ 95,550.00	\$ 80,000.00
2481	Electric Dept loan	\$ -	
Debt Service Exp. Total		\$ 1,236,755.10	\$ 1,143,635.45
Debt Service Income Total		\$ 1,285,200.00	\$ 1,474,454.77
Difference transferred to/(from) reserve		\$ 48,444.90	\$ 330,819.32

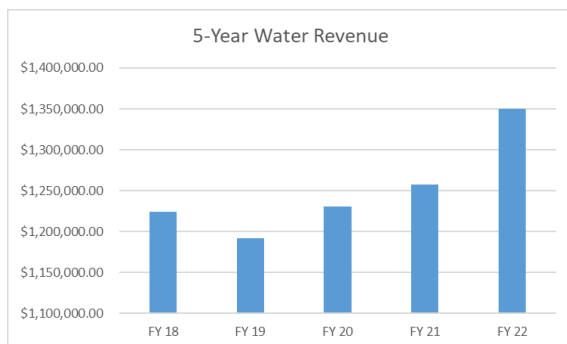
FY 22 Water Fund

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

Water Fund Revenue

The FY 22 Water Department operation and maintenance realized revenue was slightly over prediction by only \$833 or 0.12%.

The 5-Year revenue chart below indicates that revenues have continued to increase at a steady pace since the historic low set in 2019. Since FY 19 revenues have increased by \$158,000 or 13%.



40-40 Water Fund Revenue		FY 22	
Account Description		Budget	Actual
4000 Employee Health Ins. Reimburseme		\$ 16,443.00	\$ 15,239.71
4016 Issuance of Bonds		\$ -	
4020 Bond Premium		\$ -	
4040 Interest Income		\$ 3,000.00	\$ 3,360.47
4100 Residential Revenue-Billed		\$ 973,102.00	\$ 937,939.91
4105 Commercial Revenue-Billed		\$ 206,265.00	\$ 220,672.09
4110 Industrial Revenue-Billed		\$ 90,636.00	\$ 99,682.64
4120 Municipal Revenue-Billed		\$ 25,641.00	\$ 23,132.37
4125 Capital Improvements-Billed		\$ 191,618.00	\$ 192,757.62
4130 Debt Service-Billed		\$ 266,717.00	\$ 267,048.50
4200 Water Hydrant Rental		\$ -	\$ -
4201 Water Bulk Purchase		\$ -	\$ -
4205 Water Tower Rental		\$ 4,200.00	\$ 6,600.00
4250 Penalties		\$ 13,000.00	\$ 15,431.73
4260 Hook-up Fees/New Service		\$ 4,000.00	\$ 3,467.56
4280 Rehook Up Fees		\$ 12,000.00	\$ 14,625.00
4380 Sale of Material/Junk		\$ 1,000.00	\$ 1,814.04
4400 Groundwater Recharge Donations		\$ -	\$ -
4585 Grant Funds		\$ -	\$ -
4498 Transfer from Customer Service		\$ -	
4800 Miscellaeous Income		\$ -	\$ 8,154.91
4915 Other Finacing Sources transfer In			
Total Revenue		\$ 1,807,622.00	\$ 1,809,926.55
Total O & M Revenue		\$ 1,349,287.00	\$ 1,350,120.43

Water Fund Expenditures

Water Fund operation and maintenance expenditures were also slightly under budget by \$3,000 or 0.24%.

Water Fund capital expenditures were the biggest deviation from budget calculations. The capital expenses were \$326,000 or 75% less than anticipated. Due to extremely high inflationary costs for goods and services, planned capital projects were put on hold until such time that material prices come down.

	FY 22 Budget	FY 22 Actual
O&M revenues	\$ 1,349,287.00	\$ 1,350,120.43
Transfer from Reserves		
Total O&M Income	\$ 1,349,287.00	\$ 1,350,120.43
O& M Expenses	\$ 1,208,692.90	\$ 1,205,692.41
Transfer to Reserves	\$ 140,594.10	\$ 144,428.02
Total O&M Expenses	\$ 1,349,287.00	\$ 1,350,120.43
Capital Imp. Income	\$ 191,618.00	\$ 192,757.62
Transfer from reserve	\$ -	\$ -
Total Capital Income	\$ 191,618.00	\$ 192,757.62
Total Cap Expense	\$ 434,086.00	\$ 108,034.52
Transfer to reserve	\$ (242,468.00)	\$ 84,723.10
Total Capital Expenses	\$ 191,618.00	\$ 192,757.62
Debt Service Income	\$ 266,717.00	\$ 267,048.50
To/(from) Reserves		
Total Debt Service Inc.	\$ 266,717.00	\$ 267,048.50
Debt Service Expenses	\$ 224,000.00	\$ 238,411.88
Transfer to Reserves	\$ 42,717.00	\$ 28,636.62
Total Debt Service Exp	\$ 266,717.00	\$ 267,048.50

Water Fund Debt

Water's current debt stands at \$2,049,722. This figure does not include the IEPA loan for the "Hudson Drive Project" which is \$920,898. After completion, the City is expecting the IEPA to forgive \$400,000, bringing our cost down to \$520,898.

		FY 22	
Debt Service Budget		Budget	Actual
4040-2060	Interest Payable-EPA Loan 175023	\$ 4,283.00	\$ 6,246.39
2410	Bond Payment Series 2018B Princip	\$ 72,050.00	\$ 55,000.00
2065	Bond Payment Series 2018B Interes	\$ 16,225.00	\$ 33,275.00
4040-2400	EPA Loan Payable 175023	\$ 131,442.00	\$ 143,890.49
	Debt Service Total	\$ 224,000.00	\$ 238,411.88
	Debt Service Income Total	\$ 266,717.00	\$ 267,048.50
	Difference transferred to reserve	\$ 42,717.00	\$ 28,636.62

FY 22 Garbage Fund

As a proprietary fund, the Garbage Fund is fully self-supported and receives no tax support.

It operates exclusively on the revenue generated from rates paid by customers. The fees charged need to support the cost of operations for curbside garbage and recycling as well as the operations of the Electronics Recycling Center.

	FY 22 Budget	FY 22 Actual
Revenues	\$ 669,000.00	\$ 659,189.45
Transfer from Reserves	\$ -	
Total Income	\$ 669,000.00	\$ 659,189.45
Expenses	\$ 681,156.59	\$ 668,808.70
Transfer to Reserve	\$ (12,156.59)	\$ (9,619.25)
Total Expense	\$ 669,000.00	\$ 659,189.45

FY 22 Tourism Fund

As a proprietary fund, the Tourism Fund is fully self-supported through the receipt of hotel taxes paid by visitors who stay in our local hotels. Revenues are also collected from businesses who wish to be sponsors for Tourism hosted events such as Art in the

Park, Jammin' on the Rock and the Lumberjack Show.

	FY 22 Budget	FY 22 Actual
Revenues	\$ 225,870.30	\$ 455,238.27
Reserves	\$ -	\$ -
Total Income	\$ 225,870.30	\$ 455,238.27
Expenses	\$ 238,320.06	\$ 238,320.06
Trans to (from) Reser	\$ (12,449.76)	\$ 216,918.21
Total Expenses	\$ 225,870.30	\$ 455,238.27

Tourism's FY 22 revenues realized a substantial increase over past year due to \$122,000 received from the State of Illinois for grants that were paid out to Rock Falls' businesses during Covid. In addition, revenue projections were intentionally held at a conservative level with the unknown future of the Covid pandemic which would drastically effect hotel stays.

FY 22 Other Funds

Demolition Fund

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

	FY 22 Budget	FY 22 Actual
Revenues	\$ 85,600.00	\$ 23,137.44
Reserves		\$ -
Total Income	\$ 85,600.00	\$ 23,137.44
Expenses	\$ 82,500.00	\$ 36,080.72
Trans to (from) Reser	\$ 3,100.00	\$ (12,943.28)
Total Expenses	\$ 85,600.00	\$ 23,137.44

Industrial Development Commission

The Industrial Development Commission is an independent commission of the City who

owns the industrial, commercial & residential property on behalf of the City. Until 2021, an

Industrial Development Commission could not hold title to residential property. The City of Rock Falls worked with State Representative Tony McCombie and had the statute changed to read, *use or disposal of surplus real estate owned by the municipality*.

Illinois and 48 other states use a TIF as an economic development tool. With this development tool, financially strapped local governments can make the improvements, offer development incentives to attract new businesses or help existing businesses expand. The TIF provides that assistance with tapping into the General Fund or raising property taxes.

	FY 22 Budget	FY 22 Actual
Revenues	\$ 900.00	\$ 615.20
Transfer from Reserves		\$ -
Total Income	\$ 900.00	\$ 615.20
Expenditures	\$ 6,700.00	\$ 1,304.40
Trans to/(from) Reserve	\$ (5,800.00)	\$ (689.20)

	FY 22 Budget	FY 22 Actual
Revenues	\$ 151,500.00	\$ 202,993.75
Reserves	\$ -	\$ -
Total Income	\$ 151,500.00	\$ 202,993.75
Total Expenses	\$ 148,900.00	\$ 175,796.94
Transfer to Reserves	\$ 2,600.00	\$ 27,196.81
Unexpended Funds	\$ -	\$ -

Downtown TIF (Tax Increment Finance)

Total of All FY 22 Funds

The total revenues and expenditures for all proprietary and governmental funds result in a \$2,876,402 surplus.

	FY 22 Budget	FY 22 Actual
Total Revenues	\$ 28,650,468.02	\$ 30,692,530.34
Total Expenditures	\$ 28,650,025.65	\$ 27,816,127.51
Surplus/(Deficit) Budget	\$ 442.37	\$ 2,876,402.83

Debt Status

Historically, the City has issued two major forms of debt in order to fund significant capital purchases and projects. General Obligation (GO) bonds are direct obligations and pledge the full faith and credit of the City and are payable from both the governmental funds and proprietary funds as an alternate revenue source. In addition, the Illinois Environmental Protection Agency has extended low and no interest loans to our Water & Wastewater funds for various projects including the construction of a new wastewater treatment facility completed in 2011. As of April 30, 2021, the City has \$15,747,000 of GO Alternate Revenue Source Bonds and \$11,642,751 of IEPA Loans. \$10,704,080 of those IEPA Loans were from the construction of the Wastewater Treatment facility that opened in 2011. That debt will be paid in full in 2031.

City Administration

Mayor.....	Rodney Kleckler
City Administrator.....	Robbin Blackert
City Attorney.....	Matt Cole, Ward, Murray, Pace & Johnson, P.C.
Chairman of Finance Committee.....	Gabriella McKanna, Ward 1 Alderperson
Alderpersns.....	William Wangelin, Ward 1 Alderperson
	Brian Snow, Ward 2 Alderperson
	Casey Babel, Ward 2 Alderperson
	Steve Dowd, Ward 3 Alderperson
	Jessica Devers, Ward 3 Alderperson
	Marshall Doane, Ward 4 Alderperson
	Violet Sobottka, Ward 4 Alderperson