

# City of Rochelle, Illinois

Annual Comprehensive Financial Report  
For the Year Ended  
December 31, 2021



Prepared by:  
Finance Department

**Chris Cardott**  
Finance Director

**CITY OF ROCHELLE, ILLINOIS**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2021

Prepared by  
Finance Department

Chris Cardott  
Finance Director

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CITY OF ROCHELLE, ILLINOIS

List of Elected and Appointed Officers and Officials

December 31, 2021

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**Mayor**

John Bearrows

**City Council**

Rosaelia Arteaga

John Gruben

Bil Hayes

Kathryn Shaw-Dickey

Dan McDermott

Tom McDermott

**City Clerk**

Sue Messer

**City Manager**

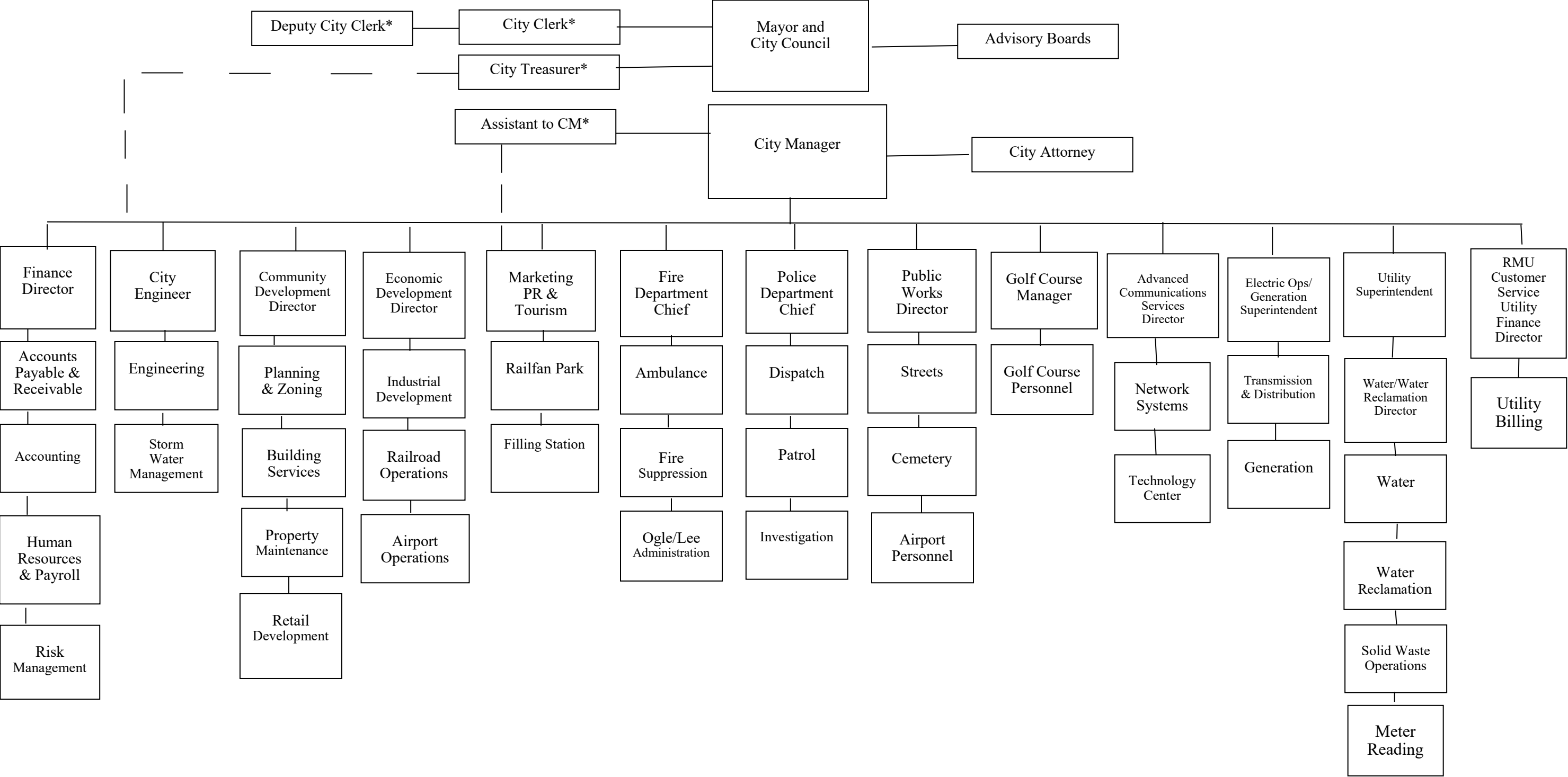
Jeff Fiegenschuh

**Finance Director**

Chris Cardott



CITY OF ROCHELLE  
Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Rochelle  
Illinois**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO



420 N 6<sup>th</sup> Street | Rochelle, Illinois | [www.cityofrochelle.net](http://www.cityofrochelle.net)

June 17, 2022

Mayor John Bearrows & Rochelle City Council  
Citizens of Rochelle

Submitted for your review and consideration is the Comprehensive Annual Financial Report of the City of Rochelle, for the calendar year ended December 31, 2021. Illinois State Statute requires that municipal governments, following the close of each fiscal year, publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants. This Comprehensive Annual Financial Report was prepared by the City's Administrative Services Department and is issued by the City of Rochelle in response to this requirement.

We believe the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and capital assets of the City. All disclosures needed to enable the reader to understand the City's financial activities have been included. The organization and content of the report follows the standards for annual financial reporting promulgated by the Governmental Accounting Standards Board (GASB).

To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework to protect the assets of the City and to compile sufficiently reliable information for the preparation of the City of Rochelle's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's internal control framework has been designated to provide reasonable rather than absolute assurance that the financial statements are free from material misstatements. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Rochelle for the calendar year ended December 31, 2021, are free from material misstatements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluation of

the overall financial statement presentation. The independent auditors concluded, based on their audit procedures, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the calendar year ended December 31, 2021, are presented fairly and in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Governmental Accounting Standards Board Statement Number 34 requires that the City provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A is found immediately following the report of the independent auditors.

## **PROFILE OF THE CITY OF ROCHELLE**

The City of Rochelle, a non-home rule community as defined by the Illinois Constitution, was founded in 1853 and is located 80 miles west of Chicago, with quick access to state and interstate highways. Population as reported by the 2020 census is 8,968. The total population decreased 6.1% between 2010 and 2020. The median age in Rochelle (36.1) was lower than in Ogle County (42.4). The City of Rochelle is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done as economic development warrants.

The employment sectors with the largest share of employment for Rochelle residents included manufacturing, health care, and social assistance. The employment sectors with the highest projected growth in Rochelle are retail trade and transportation/warehousing.

The City of Rochelle operates under the Council-Manager form of government that was approved by public referendum in 1994. This form of government combines the strong political leadership of elected officials with the strong managerial experience of an appointed city manager. All power and authority to set policy rests with an elected governing body which includes a mayor or chairperson and members of the council. The governing body hires a nonpartisan manager who has very broad authority to run the organization in a transparent, responsive, and accountable structure. The City Manager prepares a budget for the Council's consideration; recruits, hires, terminates, and supervises government staff; serves as the Council's chief advisor; and carries out the Council's policies and the City's adopted Strategic Plan and Performance Measures.

Rochelle Municipal Utilities (RMU) (circa 1896) provides reliable and cost-effective electric, water, water reclamation, and advanced communication services. The Rochelle Municipal Airport and City Industrial Short Line Railroad (CIR) are additional enterprises. Beyond these general activities, the Police and Fire Pension Plans have also been included in the reporting entity in accordance with GAAP.

The City Council is required to adopt an initial budget for the calendar year no later than December 31 preceding the beginning of the calendar year on January 1. This annual budget

together with the Strategic Plan serve as the foundation for the City's financial plan and organizational strategy. The budget is prepared by fund and department. Department heads may transfer resources within a department as they deem necessary. The City Manager may transfer resources between departments; however, transfers between funds require approval by the City Council.

## **MISSION, VISION, AND GOALS**

**Mission.** To provide a safe, connected, and innovative community with professional, personalized, and impartial services.

**Vision.** A vibrant community where all can thrive.

**Values.** The City of Rochelle's Strategic Plan is guided by three fundamental elements: our mission, our vision, and our core values. Our Mission Statement is based on the principles of high quality and continuous improvement. Our Vision Statement presents a compelling future toward which our Strategic Plan is directed. Both our mission and our vision are founded on the following basic values that guide all our actions and that reflect what we expect from our employees and elected officials. Single words are used to further explain our commitments.

**Economic and Business Development** means we create a simplified range of opportunities for all types of business recruitment and retention. We value strong collaborations with elected officials and regional economic development organizations to promote and market the region for industrial and commercial growth. (Capable, Business-friendly, Growing, Intentional)

**Financial Management and Stability** means we believe integrity, fiscal responsibility, and the prudent stewardship of public funds is essential for citizen confidence in government. We are committed to attainable performance measures based on a secure strategic plan. (Transparent, Stable, Accountable, Stewards)

**Community Inclusivity and Engagement**, means we value the cultural and social diversity that is reflected in our community. We welcome the changes and new perspectives that this diversity brings. (Individuals, Respectful, Compassionate, Ethical)

**Infrastructure Effectiveness and Improvement** means we provide a maintained and reliable infrastructure for all members of the community while continuing to find innovative ways to improve the delivery of services. (Affordable, Local, Sustainable, Strategic Planners)

**Core Service Delivery** means we encourage employees to exercise independent judgment in meeting customer needs through professional behavior. We support continuing education and training for all staff members. (Proactive, Servants, Best Practices, Dedicated)

To achieve these goals department-wide performance measures were created in 2019.

## MAJOR CITY INITIATIVES

The City staff, following specific directives from the City Council and City Manager, has been involved in a variety of projects and initiatives throughout the 2021 Calendar Year. The most significant of these projects and initiatives are identified below:

**Strategic Priorities.** The City of Rochelle engaged the Center for Governmental Studies (CGS) at Northern Illinois University (NIU) to facilitate a strategic planning process and workshop with Council and senior staff. Prior to the workshop sessions, several community stakeholder focus groups were held to gather input on their vision for Rochelle to lay the foundation for executive-level planning. Five Strategic Priority Areas were adopted: Economic and Business Development, Financial Management and Stability, Community Inclusivity and Engagement, and Core Service Delivery which became the City's values.

**Strategic Goals.** Another outcome of the process was the creation of key organizational goals helping ensure that employees and other stakeholders are working toward common strategic priorities. Participants were asked to classify a list of goals according to a matrix model of time and complexity. The goals were classified as short or long-term and as complex or routine. In total the group developed 13 short-term routine goals, 5 short-term complex goals, 5 long-term routine goals, and 13 long-term complex goals. Following the classification exercise, the Council was asked to delineate, via an online ranking exercise, which goals should be given a higher priority than others. The top goals based on the Council's average scores from each category represent the most important strategic goals or priority areas for the Council and staff to address in the next 2-7 years.

**Construction of a new RMU Substation and Distribution Systems Analysis:** RMU completed construction on a new \$14 million substation to provide service to the south and east sides of town. The facility consists of two 50 MVA 138kv to 34.5kv transformers and one 20 MVA 138kv to 13.8kv transformer. The substation also includes 4 138kv breakers for reliability and ease of maintenance. It will have a modular blockhouse with Eaton switchgear and the newest generation of SEL relays. This substation is a large step in improving our serviceability to large industrial customers.

Last year the City hired BHMG to conduct reliability analysis of its electric distribution system. The system analysis was completed and the City Council will use the analysis to help us shape our capital projects in the next 10 years.

**Radium.** Radium levels exceeding the standard limit set by the Illinois Environmental Protection Agency (IEPA) is an ongoing issue in Rochelle. In 2018, Rochelle Municipal Utilities (RMU) constructed the City's first radium removal plant at Well 11. The \$2.7 million plant is the culmination of a two-year project to rid Rochelle's water supply of excess radium. The plant utilizes state-of-the-art technology and supervisory control and data acquisition (SCADA) safety



measures to communicate to plant operators electronically and to immediately alert staff of any potential problems. The project was financed through the low-interest Illinois Environmental Protection Agency Loan Program which offered forgiveness of \$500,000 of the project.

In 2020, RMU completed its second radium removal plant at Well 12 located south of the City's industrial park. Like the Well 11 project, this project was financed through the low-interest Illinois Environmental Protection Agency Loan Program. Other projects include the \$300,000 rehabilitation to Well 8 and the rehabilitation and potential construction of a new radium removal facility located at Well 4 and rehabilitation and painting of the Highway 251 Water Tower.

**Water Reclamation Plant Upgrades (Phases I & II):** Phase 1 was a \$7 million dollar project funded by a State of IL EPA Revolving Loan. The project consisted of a complete rehabilitation of the 10-million-gallon anaerobic lagoon and gas handling equipment, new headworks barscreen and grit washer, new system 1 lift station, conversion of the biological treatment to A2O for phosphorous removal, new turbo blower with automated controls, conversion to a certified lab and new office. Phase 2, which is also being funded through the IEPA, will consist of rehabilitating approximately 30 million gallons of excess flow lagoons, a 2<sup>nd</sup> barscreen at the headworks, new tertiary filters, and rehab of the secondary clarifiers.

**Implementation of a new ERP & Asset Management System:** Throughout 2021, the ERP committee, under the direction of the City Manager, began the process of converting to a new software system or Enterprise Resource Planning (ERP) system to address inefficiencies and meet citizen expectations for customer service. For the previous 22 years the City had been using the same Caselle software for accounting, utility billing, accounts payable, accounts receivable, inventory and project management. Gaps in system functionality result in significant staff time spent on manual calculations, data entry, and manual tracking of information in addition to lost opportunities for customer service. Ultimately the tools supporting staff and residents is built on technology that is more than 20 years old.

During the assessment through evaluating the existing process challenges, the City also identified there was a significant gap in the Street, Cemetery, Water, Water Reclamation, Electric, and IT departments' ability to effectively communicate and collaborate to respond to citizen requests. This gap hinders staff's ability to provide customer service as there is no way for departments to communicate, track and follow up on such requests across departments. The challenge to quickly and efficiently receive, communicate and address complaints, arises from the fact that the City has been using multiple separate stand-alone software programs for inventory, work orders, and asset tracking with none of them integrating with the current software.

Using the information gained from the assessment and the subsequent review of its EAM (Enterprise Asset Management) system(s) as well as solutions available on the market, the City Council authorized the City Manager to execute a contract with Incode ERP solution and DTS/VUEWorks EAM solutions for the new ERP and Asset Management Systems. The total authorized expenditures for the projects is not to exceed \$881,567.

**Infrastructure Improvements.** The City of Rochelle extended \$4.5 million of general obligation bonds in 2018 to fund top infrastructure projects throughout the community. The transaction did not affect property tax rates as the bond payment is tied to sales tax revenues. The City was able to take advantage of a low interest rate of 3.5%. Improvements in 2021 include but are not limited to 2<sup>nd</sup> Avenue street urbanization and drainage improvements, 4<sup>th</sup> Avenue drainage and street improvements, downtown storm sewer and drainage improvements including street and sidewalk reconstruction as needed, 6<sup>th</sup> Street reconstruction project including utilities, South Main Street widening, Mulford Road reconstruction, general street improvements including curb and gutter, stormwater, sidewalks, pavement and offsite drainage improvements, right-of-way acquisition, and professional and surveying fees.

**City of Rochelle Railroad (CIR):** The City's railroad system (CIR) was expanded to include more than 12,000 LF of new track, a 4-track rail bridge and the construction of the Rochelle Transloading Center. Due to the rail systems ability to store and switch a larger number of railcars, provide transloading services to dozens of industries across the region and attract more rail served industries to Rochelle, the CIR will more than triple its income potential. The total cost for the project was \$7.5M. It was funded by the EDA (48%), IDOT (37%) and the City of Rochelle (15%).

**City of Rochelle Airport:** The airport had one construction project in the fall of 2021. Most of the center ramp (75%), which had been asphalt, was removed and replaced with concrete. This provides a much stronger base to accommodate the heavier jets we have had parking here recently. It also provides a fuel resistant surface. This was a \$962,000 project, of which, the city paid \$48,000(5%).

**Industrial Development:** A major industrial development was the sale of the Nippon Sharyo manufacturing campus to Zekelman Industries. The new owner is converting the facility into a new use which will become the largest power user in the RMU electrical distribution operations once it opens. It is estimated this industry will create 125-150 new jobs beginning in Q3 2022. The facility will also be a large water user which is timely with the new well #12 coming online in 2020. The completion of the Rochelle Transloading Center (RTC) now provides industries within 75 miles a point of access to the UP and BNSF Railroads. A new stream of revenue will come online later this year as we finalize several agreements for use of the RTC.

**Downtown & Community Development:** Several utility and infrastructure projects have been completed or are currently underway. Private development has occurred with the opening of the Scale House Bar & Grill, Pickin Station, Bronco Truck Repair, R.P. Home & Harvest, Midwestern Clothing Company, Grupo Casa Zepeda Phone Services, Rocky's Smoke Shop, Majeska Motors, Breakthru Beverage, Steder Tattoo, Brown Tire Service and AJ Homes.

Our Downtown & Southern Gateway Tax Increment Financing (TIF) District has been in place for several years. We have been able to utilize our TIF District funds for several redevelopment agreements and anticipate more in the future as the funds grow.



Other initiatives that continue to assist our community is the Downtown Façade Improvement Program and our Small Business Permit Fee Waiver Program. In 2021, the Façade Program assisted 6 businesses with grant funds of \$22,179.17. \$2,090.00 in permit fees were waived for small businesses.

Beginning during the pandemic in 2020 and running through the end of 2021, the RMU Shop Local Program infused a total of \$2,980,136 into local businesses. Rochelle Municipal Utilities credited \$538,320 to our customer utility bills. The RMU Shop Local Program was a great program for residents and local businesses during a very difficult time.

The Hickory Grove Facility located in our Northern Gateway TIF is another property the City has purchased and demolished. The city secured a grant to assist with the demolition. A Request for Proposal, to redevelop the parcel, will be shared in 2022.

**Inclusivity.** With the launch of the City's new website, a tool was added for ease in translation into multiple languages. Using Google Translate, the site may be translated into over 100 different languages. The City Clerk's Office remodified the municipal codebook through MuniCode, a service that publishes legal documents for municipalities throughout the U.S. The codebook also includes a search feature which makes finding specific areas of the codebook easy for visitors to the site. 24.3% of the population in Rochelle is recognized as Hispanic/Latino.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment in which the City operates.

**Local Economy.** Rochelle, Illinois is home to several Fortune 500 Companies (Walmart, Allstate, Tyson Foods, CHS, Union Pacific, NextEra Energy, Aramark, ConAgra Brands, Hormel Foods, Murphy USA, Frontier Communications, Edward Jones Financial, Casey's General Store, TreeHouse Foods, Northern Trust, etc.), two hydroponic greenhouses (MightyVine and BrightFarms), industries, commercial, retail, and small entrepreneurial businesses, and a variety of community not-for-profits. The City of Rochelle boasts a rich transportation, cold storage and food distribution heritage; two Class 1 Railroads (Union Pacific and Burlington Northern Santa Fe); Union Pacific Global III, two Interstates (I-39 and I-88); two State Highways (Routes 38 and 251); its own Short Line Railroad – City Industrial Rail (CIR); and Rochelle Municipal Airport (Koritz Field).

Over \$1.5B of capital investment has been made in Rochelle since 1989; \$60M in public infrastructure improvements, 6M square feet of industrial space added, a 1,000-acre industrial park, 15 new industries, and well over 2,500 jobs have been created. National commercial and retail development is on the rise at the northern and southern gateways.

**Pension and Other Post-Employment Benefits.** The City of Rochelle recognizes that increased annual pension obligations are a major factor affecting financial condition. That additional

expense would cause a reduction in critical services to the citizens. To address this issue, the City council dedicated all future gaming revenues to be split equally between the police and fire pension plans. This is in addition to the amount levied annual to meet the actuarial recommendations.

The City relies on allocations of Local Government Distributive Fund (LGDF) from the State of Illinois. Income tax, use tax, and motor fuel tax is allocated on a per capita basis. With citizens moving out of Illinois and the lower 2020 census, the City may see a reduction in these General Services revenues. In past years, the city implemented an early separation incentive to reduce salary and benefit costs. To date, more than nine employees have taken advantage of this program. Many of these positions were absorbed by existing staff. As positions open, the organization assess the need to fill or consolidate. The City Manager's office has tasked HR with ensuring all new nonunion employees are trained across multiple job functions.

## **AWARDS AND ACKNOWLEDGEMENTS**

**Awards.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2020. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized report that satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current audit continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The 2021 City of Rochelle budget was submitted to the Government Finance Officers Association (GFOA) and was awarded the Distinguished Budget Award for the second time. The award represents a significant achievement by the City. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. To receive the budget award, the City had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as a policy document, a financial plan, an operations guide, and a communications device.

A Distinguished Budget Award is valid for a period of one year. We believe that the 2022 budget continues to meet the Distinguished Budget Award Program requirements and have submitted it to the GFOA to determine its eligibility for another award.

The Standard and Poor's Bond Rating for the City of Rochelle is A+ with an AA rating with insurance.

**Acknowledgements.** The preparation of this report was a team effort and could not have been accomplished without the efficient and dedicated services of the entire Finance Team. We would like to express our appreciation to members of the Finance Department who assisted and contributed to the preparation of this report.

On behalf of the Finance Department, we would like to thank the Mayor and City Council and TEAM Rochelle for their commitment to addressing the financial and infrastructure challenges facing this community.

Submitted by:



Jeff Fiegenschuh  
City Manager



Chris Cardott  
Finance Director

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor  
Members of the City Council  
City of Rochelle, Illinois

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rochelle, Illinois (the City) as of and for the year ended December 31, 2021 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 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 Rochelle, Illinois, as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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. 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 management's discussion and analysis and 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.

### *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 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion 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 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  
June 17, 2022

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Rochelle offers all persons interested in the financial position of the City this narrative overview and analysis of the City's financial performance during the fiscal year ending December 31, 2021. You are invited to read this narrative in conjunction with the City's financial statements.

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### FINANCIAL HIGHLIGHTS

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- The assets and deferred outflows of resources of the City of Rochelle exceeded its liabilities and deferred inflows of resources by \$173,149,102 (net position). Of this amount, \$27,607,865 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$6,813,163 is restricted for specific purposes (restricted net position), and \$138,728,074 is the net investment in capital assets.
- The City's total net position decreased by \$116,729. Governmental activities net position increased by \$1,580,373, while business-type net position decreased by \$1,697,102.
- The increase in net position for governmental activities of \$1,580,373 is primarily due to an increase in sales tax and actual expenditures coming in under budget.
- On December 31, 2021, the City's governmental funds reported combined fund balances of \$22,682,189, an increase of \$910,733 from December 31, 2020. Unassigned fund balance was \$9,247,072 at year end.
- Revenues for the governmental activities did not change from the previous year. Expenses decreased by 11%. The decreases were due to prior year grant funding for capital projects.
- The assets and deferred outflows of resources of the Electric Utility exceed its liabilities and deferred inflows of resources by \$57,893,129 (net position). Of this amount, \$18,180,205 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$39,712,924 is the net investment in capital assets.
- The assets and deferred outflows of resources of the Water Utility exceeded its liabilities and deferred inflows of resources by \$21,098,090 (net position). Of this amount, \$3,406,434 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$96,626 is restricted for debt service (restricted net position), and \$17,595,030 is the net investment in capital assets.
- The assets and deferred outflows of resources of the Water Reclamation Utility exceeded its liabilities and deferred inflows of resources by \$24,073,942 (net position). Of this amount, \$4,928,456 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, and \$19,145,486 is the net investment in capital assets.
- Operating revenues for the Electric Utility decreased 3% while expenses were up 4%. The decrease in revenues is from waiving penalties and offering a Shop Local Program that gave credits to customers that provided receipts from local businesses.
- Operating revenues for the Water Utility increased 4%, while operating expenses were up 10%. The increase is due to a rate increase plus higher materials and supplies expenses.
- Operating revenues for the Water Reclamation Utility increased 9%, while operating expenses were up 10%. The increase in revenue is from additional commercial and industrial customers.



## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of City government, reporting the City's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

### ***GOVERNMENT-WIDE STATEMENTS***

The government-wide statements report information about the City using accounting methods similar to those used by private-sector companies. The statement of net position includes all the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net Position – the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

### ***FUND FINANCIAL STATEMENTS***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental Funds* – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)**

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***FUND FINANCIAL STATEMENTS (cont.)***

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Improvement Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

*Proprietary Funds* – The City maintains eight proprietary funds, six of which are enterprise funds and two internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

*Notes to the Financial Statements* – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

*Other Information* – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the general fund to demonstrate compliance with the budget as well as information concerning the City's funding of pension benefit obligations to its employees. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

An analysis of the City's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the City's net position and changes therein. It should be noted that the financial position could also be affected by non-financial factors, including economic conditions, population growth and new regulations.

A summary of the City's Statement of Net Position is presented below in Table 1.

**Table 1**  
**Condensed Statements of Net Position**

|                                     | 12/31/21<br>Governmental<br>Activities | 12/31/20<br>Governmental<br>Activities | 12/31/21<br>Business-type<br>Activities | 12/31/20<br>Business-type<br>Activities | 12/31/21<br>Total     | 12/31/20<br>Total     |
|-------------------------------------|--|--|---|---|-----------------------|-----------------------|
| Current Assets                      | \$ 23,149,307                          | \$ 21,364,785                          | \$ 46,150,056                           | \$ 41,856,224                           | \$ 69,299,363         | \$ 63,221,009         |
| Capital Assets                      | 61,716,179                             | 62,720,875                             | 98,596,715                              | 94,231,409                              | 160,312,894           | 156,952,284           |
| Total Assets                        | <u>84,865,486</u>                      | <u>84,085,660</u>                      | <u>144,746,771</u>                      | <u>136,087,633</u>                      | <u>229,612,257</u>    | <u>220,173,293</u>    |
| Deferred Outflows of<br>Resources   | 2,257,863                              | 3,055,823                              | 1,444,291                               | 1,736,489                               | 3,702,154             | 4,792,312             |
| Long-term Liabilities               | 16,522,622                             | 21,253,327                             | 25,322,996                              | 17,122,079                              | 41,845,618            | 38,375,406            |
| Other Liabilities                   | 1,353,534                              | 1,366,448                              | 4,953,057                               | 4,330,527                               | 6,306,591             | 5,696,975             |
| Total Liabilities                   | <u>17,876,156</u>                      | <u>22,619,775</u>                      | <u>30,276,053</u>                       | <u>21,452,606</u>                       | <u>48,152,209</u>     | <u>44,072,381</u>     |
| Deferred Inflows of<br>Resources    | 9,390,948                              | 6,245,837                              | 2,622,151                               | 1,381,556                               | 12,013,099            | 7,627,393             |
| Net investment in capital<br>assets | 56,052,242                             | 58,859,625                             | 82,675,832                              | 79,346,069                              | 138,728,074           | 138,205,694           |
| Restricted                          | 6,716,537                              | 5,013,689                              | 96,626                                  | 563,537                                 | 6,813,163             | 5,577,226             |
| Unrestricted (Deficit)              | <u>(2,912,535)</u>                     | <u>(5,597,443)</u>                     | <u>30,520,400</u>                       | <u>35,080,354</u>                       | <u>27,607,865</u>     | <u>29,482,911</u>     |
| Total Net Position                  | <u>\$ 59,856,244</u>                   | <u>\$ 58,275,871</u>                   | <u>\$ 113,292,858</u>                   | <u>\$ 114,989,960</u>                   | <u>\$ 173,149,102</u> | <u>\$ 173,265,831</u> |

The largest portion of the City's net position (80%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (16%) may be used to meet the government's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City reported positive balances in all three categories of net position for the City as a whole.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

**Table 2**  
**Condensed Statement of Activities**

|                                    | 12/31/21<br>Governmental<br>Activities | 12/31/20<br>Governmental<br>Activities | 12/31/21<br>Business-type<br>Activities | 12/31/20<br>Business-type<br>Activities | 12/31/21<br>Total  | 12/31/20<br>Total  |
|------------------------------------|--|--|---|---|--------------------|--------------------|
| <b>Revenues:</b>                   |  |  |   |   |                    |                    |
| Program Revenues                   |  |  |   |   |                    |                    |
| Charges for Services               | \$ 2,771,822                           | \$ 2,518,101                           | \$ 45,098,708                           | \$ 45,553,145                           | \$ 47,870,530      | \$ 48,071,246      |
| Operating Grants and contributions | 441,057                                | 1,255,248                              | -                                       | -                                       | 441,057            | 1,255,248          |
| Capital Grants and Contributions   | 295,321                                | 1,623,130                              | 54,167                                  | 387,556                                 | 349,488            | 2,010,686          |
| General Revenues                   |  |  |   |   |                    |                    |
| Property Taxes                     | 4,359,008                              | 3,747,149                              | 59,398                                  | 59,498                                  | 4,418,406          | 3,806,647          |
| Other Taxes                        | 5,632,096                              | 5,563,992                              | -                                       | -                                       | 5,632,096          | 5,563,992          |
| Other                              | 1,451,298                              | 3,961,231                              | 189,104                                 | 10,500,055                              | 1,640,402          | 14,461,286         |
| Total Revenues                     | <u>14,950,602</u>                      | <u>18,668,851</u>                      | <u>45,401,377</u>                       | <u>56,500,254</u>                       | <u>60,351,979</u>  | <u>75,169,105</u>  |
| <b>Expenses:</b>                   |  |  |   |   |                    |                    |
| General Government                 | 2,383,960                              | 2,333,766                              | -                                       | -                                       | 2,383,960          | 2,333,766          |
| Public Safety                      | 6,284,213                              | 6,689,478                              | -                                       | -                                       | 6,284,213          | 6,689,478          |
| Public Works                       | 6,255,947                              | 4,385,718                              | -                                       | -                                       | 6,255,947          | 4,385,718          |
| Conservation and Development       | 399,595                                | 376,860                                | -                                       | -                                       | 399,595            | 376,860            |
| Public Service Enterprises         | 212,432                                | 140,131                                | -                                       | -                                       | 212,432            | 140,131            |
| Landfill                           | -                                      | -                                      | 555,521                                 | 445,106                                 | 555,521            | 445,106            |
| Airport                            | -                                      | -                                      | 589,650                                 | 489,087                                 | 589,650            | 489,087            |
| Electric                           | -                                      | -                                      | 35,116,085                              | 35,499,007                              | 35,116,085         | 35,499,007         |
| Water                              | -                                      | -                                      | 3,332,190                               | 3,063,276                               | 3,332,190          | 3,063,276          |
| Water Reclamation                  | -                                      | -                                      | 4,213,447                               | 3,276,009                               | 4,213,447          | 3,276,009          |
| Communications                     | -                                      | -                                      | -                                       | -                                       | -                  | -                  |
| Technology Center                  | -                                      | -                                      | 890,176                                 | 870,283                                 | 890,176            | 870,283            |
| Interest and Fiscal Charges        | 235,492                                | 258,405                                | -                                       | -                                       | 235,492            | 258,405            |
| Total Expenses                     | <u>15,771,639</u>                      | <u>14,184,358</u>                      | <u>44,697,069</u>                       | <u>43,642,768</u>                       | <u>60,468,708</u>  | <u>57,827,126</u>  |
| Income (Loss) Before Transfers     | (821,037)                              | 4,484,493                              | 704,308                                 | 12,857,485                              | (116,729)          | 17,341,978         |
| Transfers                          | <u>2,401,410</u>                       | <u>1,585,858</u>                       | <u>(2,401,410)</u>                      | <u>(1,585,858)</u>                      | <u>-</u>           | <u>-</u>           |
| Changes in Net Position            | <u>1,580,373</u>                       | <u>6,070,351</u>                       | <u>(1,697,102)</u>                      | <u>11,271,628</u>                       | <u>(116,729)</u>   | <u>17,341,979</u>  |
| Net Position, January 1            | <u>58,275,871</u>                      | <u>52,205,520</u>                      | <u>114,989,960</u>                      | <u>103,718,332</u>                      | <u>173,265,831</u> | <u>155,923,852</u> |
| Net Position, December 31          | <u>59,856,244</u>                      | <u>58,275,871</u>                      | <u>113,292,858</u>                      | <u>114,989,960</u>                      | <u>173,149,102</u> | <u>173,265,831</u> |

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

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As previously noted, the Condensed Statements of Net Position (Table 1) shows the change in financial position of net position. The specific nature or source of these changes then becomes more evident in the Condensed Statement of Activities as shown above in Table 2.

#### ***GOVERNMENTAL ACTIVITIES***

Governmental activities increased the City's net position by \$1,580,373. This increase is primarily a result of the following item:

- ARPA grant.
- Increase in tax revenues towards the end of COVID.

#### ***BUSINESS-TYPE ACTIVITIES***

Business-type activities decreased the City's net position by \$1,697,102. This decrease is primarily a result of the following items:

- Waiving of penalties during COVID.
- Offering Shop Local Program to credit customer bills if they shopped at a local business.
- Rising building and supply costs.

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### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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#### ***GOVERNMENTAL FUNDS***

The focus of the City of Rochelle's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

On December 31, 2021, the City's governmental funds reported combined fund balances of \$18,010,321. Approximately 51% of this amount, \$9,247,072, constitutes unrestricted, unassigned fund balance, which is available to meet the City's current and future needs. The remaining \$8,763,249 is nonspendable in form (prepaid items and advances to other funds) or restricted or assigned for various capital improvements, tourism/employee benefits, and other specific purposes.

#### ***General Fund***

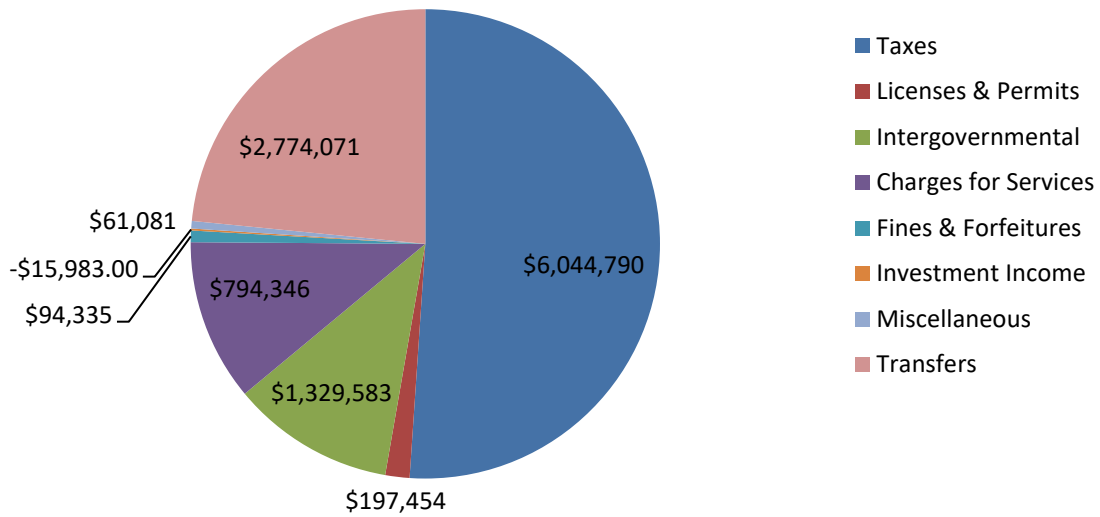
The City's general fund is the chief operating fund of the City. Total fund balance in the general fund increased \$995,665. Unrestricted, unassigned fund balance increased \$1,021,557. The increase is attributable primarily to the increase in sales tax revenue and expenditures coming in under budget.

#### ***Capital Improvement Fund***

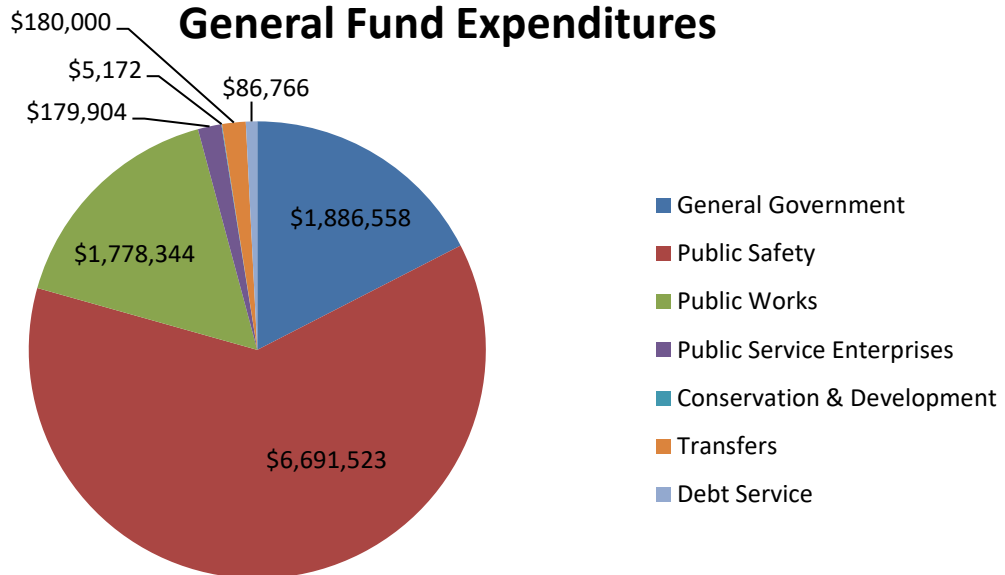
Fund balance in the capital improvement fund decreased by \$1,732,885, which included a planned drawdown of fund balance for ongoing capital projects.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)

### General Fund Revenues



### General Fund Expenditures



**FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)**

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**GOVERNMENTAL FUNDS (cont.)**

***Non-major Governmental Funds***

Fund balance of all other governmental funds is \$8,578,625, of which all but \$39,849 (unassigned deficit) are restricted or assigned for future projects and expenditures.

***Proprietary Funds***

The City of Rochelle's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities. The City's four major enterprise funds include electric, water, water reclamation, and technology center. The total net position of the electric fund is \$57,893,129. Of that, \$39,712,924 is the net investment of capital assets. The water net position is \$21,098,090. That includes \$96,626 restricted for debt service and \$17,595,030 for the net investment in capital assets. The water reclamation net position is \$24,073,942. That includes \$19,145,486 for the net investment in capital assets. The net position of the technology center is \$2,099,468 and includes \$2,266,447 for the net investment in capital assets. Additional information on the major proprietary funds is as follows:

***Electric Operations***

Electric operations decreased the 2021 utility's net position by \$1,615,218. This decrease is primarily a result of the following items:

- Construction of a substation to serve additional industrial customers.
- Increase in personnel cost due to COVID.

***Water Operations***

Water operations decreased the 2021 utility's net position by \$141,034. This decrease is primarily a result of the following items:

- Increase in personnel cost due to COVID.

***Water Reclamation Operations***

Water reclamation operations decreased the 2021 utility's net position by \$601,127. This decrease is primarily a result of the following items:

- Increase in personnel cost due to COVID.
- Increase in supply and chemical costs.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)

#### *Technology Center*

Technology Center and Communication operations increased the 2021 utility's net position by \$551,759. This decrease is the result of the following item:

- Increase in fiber customers.
- New or renewed colocation contracts.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The final General Fund budget had total appropriations of \$10,839,849. Actual expenditures, excluding transfers out were \$10,628,266, resulting in a \$211,583 favorable variance. This is mainly due to the delay of SCBA equipment purchase at the fire department.

Total revenues and other sources were \$11,803,931, \$783,783 higher than the final budget.

### CAPITAL ASSETS

**Table 3**  
**Capital Assets**

|   | 12/31/21<br>Governmental<br>Activities | 12/31/20<br>Governmental<br>Activities | 12/31/21<br>Business-type<br>Activities | 12/31/20<br>Business-type<br>Activities | 12/31/21<br>Total         | 12/31/20<br>Total         |
|---|--|--|---|---|---------------------------|---------------------------|
| Construction in progress                    | \$ -                                   | \$ 5,497,543                           | \$ 16,117,483                           | \$ 19,497,761                           | \$ 16,117,483             | \$ 24,995,304             |
| Land and other assets not being depreciated | 7,712,237                              | 6,612,411                              | 3,810,426                               | 3,810,426                               | 11,522,663                | 10,422,837                |
| Buildings and improvements                  | 3,780,421                              | 3,780,421                              | 7,488,749                               | 7,488,749                               | 11,269,170                | 11,269,170                |
| Machinery and equipment                     | 9,800,361                              | 9,551,047                              | 10,909,817                              | 10,829,817                              | 20,710,178                | 20,380,864                |
| Infrastructure and utility plant            | 79,435,199                             | 73,890,588                             | 158,221,978                             | 144,962,943                             | 237,657,177               | 221,410,997               |
| <br>Total Capital Assets                    | <br>100,728,218                        | <br>99,332,010                         | <br>196,548,453                         | <br>186,589,696                         | <br>297,276,671           | <br>285,921,706           |
| <br>Less: Accumulated Depreciation          | <br>(39,012,039)                       | <br>(36,611,135)                       | <br>(97,951,738)                        | <br>(92,358,284)                        | <br>(136,963,777)         | <br>(128,969,419)         |
| <br>Net Capital Assets                      | <br><u>\$ 61,716,179</u>               | <br><u>\$ 62,720,875</u>               | <br><u>\$ 98,596,715</u>                | <br><u>\$ 94,231,412</u>                | <br><u>\$ 160,312,894</u> | <br><u>\$ 156,952,287</u> |



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **CAPITAL ASSETS (cont.)**

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At the end fiscal year 2021, the City had invested a total of \$160,312,894 in capital assets. This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

Major capital asset events during the current fiscal year included the following:

- Improvements to City sidewalks, streets, and alleys
- General system upgrades and extensions to electric, water, and wastewater
- Wastewater treatment plant upgrades
- Construction of an electric substation
- Extension of the rail system

See note 3 on pages 37-38 for more information on the City's capital assets.

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### **LONG-TERM DEBT**

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On December 31, 2021, the City had business-type activities debt including \$25,322,996 of long-term debt outstanding. \$1,300,000 is a Direct Placement Loan, \$7,775,000 is an Alternate Revenue Bond, \$11,534,902 is IEPA loans, \$2,245,000 is debt certificates, \$420,000 is a general obligation bond, and \$2,048,094 of other long-term debt (OPEB liability, asset retirement obligation, unamortized premium, and compensated absences). The City also has governmental activities debt outstanding of \$16,522,622. The amount of \$7,422,899 is in the form of general obligation tax increment financing bond, installment purchase contract, and debt certificates, while \$9,099,723 is made up of net pension liabilities, unamortized premium, compensated absences, and the net other postemployment benefit obligation. The debt is payable either through the City's enterprise funds/business type activities, the TIF, or tax levy. See notes 4-6 on pages 39-44 for more information on the City's long-term debt.

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### **CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS**

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All currently known facts and economic conditions were considered in preparing the 2022 City budget. The City Council approved the 2022 Budget on December 13, 2021.

**REQUESTS FOR INFORMATION**

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The financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the City of Rochelle, Chris Cardott, Finance Director, 420 N. 6th St., Rochelle, IL 61068 or e-mail [ccardott@rochelleil.us](mailto:ccardott@rochelleil.us).

## **BASIC FINANCIAL STATEMENTS**

**CITY OF ROCHELLE, ILLINOIS**

**STATEMENT OF NET POSITION**

December 31, 2021

|  | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>    |
|--|------------------------------------|-------------------------------------|-----------------|
| <b>ASSETS</b>  |                                    |                                     |                 |
| Cash and Investments   | \$ 16,611,393                      | \$ 37,124,449                       | \$ 53,735,842   |
| Receivables (Net, Where Applicable,<br>of Allowances for Uncollectibles) |                                    |                                     |                 |
| Property Taxes   | 2,925,239                          | 61,395                              | 2,986,634       |
| Accounts   | 560,526                            | 5,725,792                           | 6,286,318       |
| Accrued Interest   | -                                  | 203                                 | 203             |
| Other  | 71,435                             | 321,188                             | 392,623         |
| Prepaid Expenses   | -                                  | 156                                 | 156             |
| Deposits   | -                                  | 312,294                             | 312,294         |
| Due from Other Governments   | 1,287,371                          | -                                   | 1,287,371       |
| Internal Balances  | 89,929                             | (89,929)                            | -               |
| Inventory  | -                                  | 1,079,683                           | 1,079,683       |
| Restricted Assets  |                                    |                                     |                 |
| Restricted Cash and Investments  | 111,754                            | 184,266                             | 296,020         |
| Cash Held at Paying Agent  | 597,350                            | 51,372                              | 648,722         |
| Special Assessments  | -                                  | 117,064                             | 117,064         |
| Net Pension Asset  | 894,310                            | 1,262,123                           | 2,156,433       |
| Capital Assets   |                                    |                                     |                 |
| Not Depreciated  | 7,712,237                          | 19,927,909                          | 27,640,146      |
| Depreciated (Net of Accumulated Depreciation)                            | 54,003,942                         | 78,668,806                          | 132,672,748     |
| <br>Total Assets   | <br>84,865,486                     | <br>144,746,771                     | <br>229,612,257 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                    |                                    |                                     |                 |
| Pension/OPEB Items   | 2,257,863                          | 917,860                             | 3,175,723       |
| Asset Retirement Obligation  | -                                  | 454,773                             | 454,773         |
| Unamortized Loss on Refunding  | -                                  | 71,658                              | 71,658          |
| <br>Total Deferred Outflows of Resources                                 | <br>2,257,863                      | <br>1,444,291                       | <br>3,702,154   |
| <br>Total Assets and Deferred Outflows of Resources                      | <br>87,123,349                     | <br>146,191,062                     | <br>233,314,411 |

(This statement is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

December 31, 2021

|   | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>   |
|---|------------------------------------|-------------------------------------|----------------|
| <b>LIABILITIES</b>                                  |                                    |                                     |                |
| Accounts Payable                                    | \$ 339,652                         | \$ 4,537,662                        | \$ 4,877,314   |
| Accrued Payroll                                     | 195,344                            | 60,015                              | 255,359        |
| Accrued Interest Payable                            | 75,921                             | 106,881                             | 182,802        |
| Other Payables                                      | -                                  | 208,436                             | 208,436        |
| Deposits Payable                                    | 125,834                            | 30,323                              | 156,157        |
| Unearned Revenue                                    | 616,783                            | 9,740                               | 626,523        |
| Long-Term Liabilities                               |                                    |                                     |                |
| Due Within One Year                                 | 1,494,636                          | 1,762,689                           | 3,257,325      |
| Due in More than One Year                           | 15,027,986                         | 23,560,307                          | 38,588,293     |
| Total Liabilities                                   | 17,876,156                         | 30,276,053                          | 48,152,209     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                                    |                                     |                |
| Pension/OPEB Items                                  | 6,465,709                          | 2,560,756                           | 9,026,465      |
| Deferred Property Taxes                             | 2,925,239                          | 61,395                              | 2,986,634      |
| Total Deferred Inflows of Resources                 | 9,390,948                          | 2,622,151                           | 12,013,099     |
| Total Liabilities and Deferred Inflows of Resources | 27,267,104                         | 32,898,204                          | 60,165,308     |
| <b>NET POSITION</b>                                 |                                    |                                     |                |
| Net Investment in Capital Assets                    | 56,052,242                         | 82,675,832                          | 138,728,074    |
| Restricted for                                      |                                    |                                     |                |
| Audit   | 6,559                              | -                                   | 6,559          |
| Insurance   | 66,966                             | -                                   | 66,966         |
| Maintenance of Roadways                             | 989,573                            | -                                   | 989,573        |
| Tourism   | 221,696                            | -                                   | 221,696        |
| Employee Retirement                                 | 44,100                             | -                                   | 44,100         |
| Capital Improvements                                | 3,650,951                          | -                                   | 3,650,951      |
| Economic Development                                | 1,567,467                          | -                                   | 1,567,467      |
| Public Safety                                       | 46,675                             | -                                   | 46,675         |
| Cemetery  | 122,550                            | -                                   | 122,550        |
| Debt Service  | -                                  | 96,626                              | 96,626         |
| Unrestricted (Deficit)                              | (2,912,534)                        | 30,520,400                          | 27,607,866     |
| <b>TOTAL NET POSITION</b>                           | \$ 59,856,245                      | \$ 113,292,858                      | \$ 173,149,103 |

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2021

| <b>FUNCTIONS/PROGRAMS</b>       | <b>Program Revenues</b> |                                 |   |   |
|---------------------------------|-------------------------|---------------------------------|---|---|
|                                 | <b>Expenses</b>         | <b>Charges<br/>for Services</b> | <b>Operating<br/>Grants and<br/>Contributions</b> | <b>Capital<br/>Grants and<br/>Contributions</b> |
| <b>PRIMARY GOVERNMENT</b>       |                         |                                 |   |   |
| Governmental Activities         |                         |                                 |   |   |
| General Government              | \$ 2,383,960            | \$ 1,073,874                    | \$ 7,929  | \$ -  |
| Public Safety                   | 6,284,213               | 1,052,005                       | -   | -   |
| Public Works                    | 6,255,947               | 358,212                         | 433,128   | 295,321   |
| Public Service Enterprises      | 212,432                 | 59,500                          | -   | -   |
| Conservation and Development    | 399,595                 | 228,231                         | -   | -   |
| Interest                        | 235,492                 | -                               | -   | -   |
| Total Governmental Activities   | 15,771,639              | 2,771,822                       | 441,057   | 295,321   |
| Business-Type Activities        |                         |                                 |   |   |
| Electric                        | 35,116,085              | 35,466,187                      | -   | -   |
| Water                           | 3,332,190               | 3,324,397                       | -   | -   |
| Water Reclamation               | 4,213,447               | 3,795,872                       | -   | -   |
| Technology Center               | 890,176                 | 1,439,758                       | -   | -   |
| Landfill                        | 555,521                 | 727,444                         | -   | -   |
| Airport                         | 589,650                 | 345,050                         | -   | 54,167  |
| Total Business-Type Activities  | 44,697,069              | 45,098,708                      | -   | 54,167  |
| <b>TOTAL PRIMARY GOVERNMENT</b> | <b>\$ 60,468,708</b>    | <b>\$ 47,870,530</b>            | <b>\$ 441,057</b>                                 | <b>\$ 349,488</b>                               |

| Net (Expense) Revenue and Change in Net Position |               |                          |                |
|--|---------------|--------------------------|----------------|
| Primary Government                               |               |                          |                |
| Governmental Activities                          |               | Business-Type Activities | Total          |
| \$   | (1,302,157)   | \$ -                     | \$ (1,302,157) |
|  | (5,232,208)   | -                        | (5,232,208)    |
|  | (5,169,286)   | -                        | (5,169,286)    |
|  | (152,932)     | -                        | (152,932)      |
|  | (171,364)     | -                        | (171,364)      |
|  | (235,492)     | -                        | (235,492)      |
| (12,263,439)                                     |               | -                        | (12,263,439)   |
|  |               |                          |                |
|  | -             | 350,102                  | 350,102        |
|  | -             | (7,793)                  | (7,793)        |
|  | -             | (417,575)                | (417,575)      |
|  | -             | 549,582                  | 549,582        |
|  | -             | 171,923                  | 171,923        |
|  | -             | (190,433)                | (190,433)      |
| -  |               | 455,806                  | 455,806        |
| (12,263,439)                                     |               | 455,806                  | (11,807,633)   |
| General Revenues                                 |               |                          |                |
| Taxes  |               |                          |                |
| Property and Replacement                         | 3,925,817     | -                        | 3,925,817      |
| Sales and Use                                    | 4,246,783     | -                        | 4,246,783      |
| Telecommunications                               | 265,957       | -                        | 265,957        |
| Hotel/Motel                                      | 242,022       | -                        | 242,022        |
| Utility  | 536,084       | -                        | 536,084        |
| Other  | 341,250       | -                        | 341,250        |
| Shared Income Tax                                | 1,263,654     | -                        | 1,263,654      |
| Intergovernmental - Unrestricted                 | 75,000        | -                        | 75,000         |
| Replacement Tax                                  | 433,191       | 59,398                   | 492,589        |
| Investment Income                                | 19,020        | 99,271                   | 118,291        |
| Miscellaneous                                    | 93,625        | 89,833                   | 183,458        |
| Transfers In (Out)                               | 2,401,410     | (2,401,410)              | -              |
| Total  | 13,843,813    | (2,152,908)              | 11,690,905     |
| CHANGE IN NET POSITION                           | 1,580,374     | (1,697,102)              | (116,728)      |
| NET POSITION, JANUARY 1                          | 58,275,871    | 114,989,960              | 173,265,831    |
| NET POSITION, DECEMBER 31                        | \$ 59,856,245 | \$ 113,292,858           | \$ 173,149,103 |

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

December 31, 2021

|  | <b>General</b>       | <b>Capital<br/>Improvement</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|----------------------|--------------------------------|--|---|
| <b>ASSETS</b>  |                      |                                |  |   |
| Cash and Investments   | \$ 8,527,132         | \$ 62,371                      | \$ 7,942,430                               | \$ 16,531,933                           |
| Receivables (Net, Where Applicable,<br>of Allowances for Uncollectibles) |                      |                                |  |   |
| Property Taxes   | 2,120,239            | -                              | 805,000                                    | 2,925,239                               |
| Accounts   | 345,025              | -                              | 215,501                                    | 560,526                                 |
| Due from Other Governments   | 899,991              | -                              | 387,380                                    | 1,287,371                               |
| Due from Other Funds   | 555,862              | -                              | 89,929                                     | 645,791                                 |
| Advance to Other Funds   | 22,225               | -                              | -  | 22,225                                  |
| Restricted Assets  |                      |                                |  |   |
| Cash and Investments   | -                    | 111,754                        | -  | 111,754                                 |
| Cash Held at Paying Agent  | -                    | 597,350                        | -  | 597,350                                 |
| <b>TOTAL ASSETS</b>  | <b>\$ 12,470,474</b> | <b>\$ 771,475</b>              | <b>\$ 9,440,240</b>                        | <b>\$ 22,682,189</b>                    |

(This statement is continued on the following page.)



**CITY OF ROCHELLE, ILLINOIS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS (Continued)**

December 31, 2021

|   | <b>General</b> | <b>Capital<br/>Improvement</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|----------------|--------------------------------|--|---|
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b>           |                |                                |  |   |
| <b>LIABILITIES</b>  |                |                                |  |   |
| Accounts Payable  | \$ 183,843     | \$ 112,566                     | \$ 22,627                                  | \$ 319,036                              |
| Accrued Payroll   | 102,913        | -                              | 3,976                                      | 106,889                                 |
| Deposits Payable  | 16,500         | 109,334                        | -  | 125,834                                 |
| Due to Other Funds  | -              | 538,238                        | 17,624                                     | 555,862                                 |
| Advance from Other Funds  | -              | -                              | 22,225                                     | 22,225                                  |
| Unearned Revenue  | 615,283        | -                              | 1,500                                      | 616,783                                 |
| Total Liabilities   | 918,539        | 760,138                        | 67,952                                     | 1,746,629                               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                |                                |  |   |
| Unavailable Property Taxes  | 2,120,239      | -                              | 805,000                                    | 2,925,239                               |
| Total Liabilities and Deferred Inflows<br>of Resources                            | 3,038,778      | 760,138                        | 872,952                                    | 4,671,868                               |
| <b>FUND BALANCES</b>  |                |                                |  |   |
| Nonspendable Advance to Other Funds   | 22,225         | -                              | -  | 22,225                                  |
| Restricted for Audit  | -              | -                              | 6,559                                      | 6,559                                   |
| Restricted for Insurance  | -              | -                              | 66,966                                     | 66,966                                  |
| Restricted for Maintenance of Roadways  | -              | -                              | 989,573                                    | 989,573                                 |
| Restricted for Tourism  | -              | -                              | 221,696                                    | 221,696                                 |
| Restricted for Employee Retirement  | -              | -                              | 44,100                                     | 44,100                                  |
| Restricted for Capital Improvements   | -              | -                              | 3,650,951                                  | 3,650,951                               |
| Restricted for Economic Development   | -              | -                              | 1,567,467                                  | 1,567,467                               |
| Restricted for Public Safety  | -              | -                              | 46,675                                     | 46,675                                  |
| Restricted for Cemetery   | 122,550        | -                              | -  | 122,550                                 |
| Unrestricted  |                |                                |  |   |
| Assigned for Railroad   | -              | -                              | 1,529,976                                  | 1,529,976                               |
| Assigned for Ambulance Replacement  | -              | -                              | 160,628                                    | 160,628                                 |
| Assigned for Stormwater   | -              | -                              | 169,278                                    | 169,278                                 |
| Assigned for Capital Purposes   | -              | 11,337                         | 153,268                                    | 164,605                                 |
| Unassigned  | 9,286,921      | -                              | (39,849)                                   | 9,247,072                               |
| Total Fund Balances   | 9,431,696      | 11,337                         | 8,567,288                                  | 18,010,321                              |
| <b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES AND<br/>FUND BALANCES</b> | \$ 12,470,474  | \$ 771,475                     | \$ 9,440,240                               | \$ 22,682,189                           |

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

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

December 31, 2021

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|  |                             |
|--|-----------------------------|
| <b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>   | <b>\$ 18,010,321</b>        |
| 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  | 61,701,576                  |
| Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position | (1,222,658)                 |
| Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position  | (666,964)                   |
| Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings for the Firefighters' Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position   | (2,376,066)                 |
| Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings for the Other Postemployment Benefit Plan are recognized as deferred outflows and inflows of resources on the statement of net position  | 57,842                      |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds   |                             |
| General Obligation Tax Increment Financing Bonds   | (1,865,000)                 |
| General Obligation Bonds   | (3,500,000)                 |
| General Obligation Debt Certificates   | (990,000)                   |
| Installment Purchase Contract  | (1,067,899)                 |
| Accrued interest payable   | (75,921)                    |
| Unamortized bond premium   | (145,409)                   |
| Compensated absences payable   | (607,133)                   |
| Net pension asset - IMRF   | 894,310                     |
| Net pension liability - Police Pension   | (6,114,429)                 |
| Net pension liability - Firefighters' Pension  | (1,890,520)                 |
| Other postemployment benefit liability   | (292,905)                   |
| The net position of the internal service fund are included in the governmental activities in the statement of net position   | 7,100                       |
| <b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>   | <b><u>\$ 59,856,245</u></b> |

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

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

For the Year Ended December 31, 2021

|  | <b>General</b>      | <b>Capital<br/>Improvement</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|---------------------|--------------------------------|--|---|
| <b>REVENUES</b>                                      |                     |                                |  |   |
| Taxes  | \$ 6,044,790        | \$ -                           | \$ 3,911,605                               | \$ 9,956,395                            |
| Licenses and Permits                                 | 197,454             | -                              | 48,915                                     | 246,369                                 |
| Intergovernmental                                    | 1,329,583           | -                              | 745,450                                    | 2,075,033                               |
| Charges for Services                                 | 1,318,600           | -                              | 1,112,719                                  | 2,431,319                               |
| Fines and Forfeitures                                | 94,335              | -                              | -  | 94,335                                  |
| Investment Income                                    | (15,983)            | 7,534                          | 27,469                                     | 19,020                                  |
| Miscellaneous  | 61,081              | -                              | 62,183                                     | 123,264                                 |
| Total Revenues                                       | 9,029,860           | 7,534                          | 5,908,341                                  | 14,945,735                              |
| <b>EXPENDITURES</b>                                  |                     |                                |  |   |
| Current  |                     |                                |  |   |
| General Government                                   | 1,886,558           | 750                            | 452,422                                    | 2,339,730                               |
| Public Safety  | 6,691,523           | -                              | 303,684                                    | 6,995,207                               |
| Public Works   | 1,778,344           | -                              | 772,166                                    | 2,550,510                               |
| Public Service Enterprises                           | 179,904             | -                              | 7,204                                      | 187,108                                 |
| Conservation and Development                         | 5,172               | -                              | 395,404                                    | 400,576                                 |
| Capital Outlay                                       | -                   | 2,198,929                      | 1,226,917                                  | 3,425,846                               |
| Debt Service   |                     |                                |  |   |
| Principal  | 81,662              | 680,000                        | 172,476                                    | 934,138                                 |
| Interest and Fiscal Charges                          | 5,103               | 182,025                        | 75,919                                     | 263,047                                 |
| Total Expenditures                                   | 10,628,266          | 3,061,704                      | 3,406,192                                  | 17,096,162                              |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (1,598,406)         | (3,054,170)                    | 2,502,149                                  | (2,150,427)                             |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                     |                                |  |   |
| Transfers In   | 2,774,071           | 1,396,285                      | 255,000                                    | 4,425,356                               |
| Transfers (Out)                                      | (180,000)           | (75,000)                       | (1,768,946)                                | (2,023,946)                             |
| Issuance of Contractual Commitment                   | -                   | -                              | 659,750                                    | 659,750                                 |
| Total Other Financing Sources (Uses)                 | 2,594,071           | 1,321,285                      | (854,196)                                  | 3,061,160                               |
| NET CHANGE IN FUND BALANCES                          | 995,665             | (1,732,885)                    | 1,647,953                                  | 910,733                                 |
| FUND BALANCES, JANUARY 1                             | 8,436,031           | 1,744,222                      | 6,919,335                                  | 17,099,588                              |
| <b>FUND BALANCES, DECEMBER 31</b>                    | <b>\$ 9,431,696</b> | <b>\$ 11,337</b>               | <b>\$ 8,567,288</b>                        | <b>\$ 18,010,321</b>                    |

See accompanying notes to financial statements.

**CITY OF ROCHELLE, 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 December 31, 2021

---

|   |                            |
|---|----------------------------|
| <b>NET CHANGE IN FUND BALANCES -<br/>TOTAL GOVERNMENTAL FUNDS</b>   | <b>\$ 910,733</b>          |
| 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  | 1,407,308                  |
| Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds         |                            |
| Depreciation  | (2,406,820)                |
| Change in compensated absences  | 35,028                     |
| Proceeds from the disposal of capital assets are recognized in governmental funds but the loss is recognized on the statement of activities                                       | (5,184)                    |
| The amortizations of premiums is reported as interest expense on the statement of activities  | 23,960                     |
| The issuance of long-term debt is reported as on other financing source when due in governmental funds but as an increase in principal outstanding on the statement of activities |                            |
| Installment Purchase Contract   | (659,750)                  |
| The change in interest payable is reported as an increase of expense on the statement of activities   | 8,463                      |
| 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          | 934,138                    |
| The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resources             | 559,292                    |
| The change in the Police Pension Fund net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource                             | 246,490                    |
| 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 resources                     | 633,842                    |
| The change in the Other Postemployment Benefit liability and deferred outflows/inflows of resources is not a source or use of a financial resources                               | 18,504                     |
| The increase in net position of certain activities of Internal Service Funds is included in governmental funds  | <u>(125,630)</u>           |
| <b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>  | <b><u>\$ 1,580,374</u></b> |

See accompanying notes to financial statements.

## CITY OF ROCHELLE, ILLINOIS

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

December 31, 2021

|   | Business-Type Activities |              |                      |
|---|--------------------------|--------------|----------------------|
|   | Electric<br>Utility      | Water        | Water<br>Reclamation |
| <b>CURRENT ASSETS</b>                           |                          |              |                      |
| Cash and Investments                            | \$ 24,917,044            | \$ 3,219,416 | \$ 4,605,537         |
| Receivables                                     |                          |              |                      |
| Property Taxes                                  | -                        | -            | -                    |
| Accounts  | 4,357,231                | 498,820      | 642,823              |
| Accrued Interest                                | -                        | -            | 203                  |
| Other   | 249,840                  | 59,801       | 11,547               |
| Prepaid Expenses                                | -                        | -            | -                    |
| Deposits  | 312,294                  | -            | -                    |
| Inventory                                       | 1,045,334                | -            | -                    |
| Due from Other Governments                      | -                        | -            | -                    |
| Restricted Assets                               |                          |              |                      |
| Cash and Investments                            | -                        | 96,626       | -                    |
| Cash Held at Paying Agent                       | -                        | -            | -                    |
| Total Current Assets                            | 30,881,743               | 3,874,663    | 5,260,110            |
| <b>NONCURRENT ASSETS</b>                        |                          |              |                      |
| Advance to Other Funds                          | 409,044                  | -            | -                    |
| Special Assessments                             | -                        | -            | 117,064              |
| Net Pension Asset                               | 761,634                  | 92,729       | 253,664              |
| Subtotal Noncurrent Assets                      | 1,170,678                | 92,729       | 370,728              |
| <b>CAPITAL ASSETS</b>                           |                          |              |                      |
| Nondepreciable                                  | 14,714,079               | 1,669,807    | 600,297              |
| Depreciable                                     | 76,812,389               | 33,554,415   | 51,375,436           |
| Accumulated Depreciation                        | (50,078,635)             | (10,857,947) | (28,066,590)         |
| Net Capital Assets                              | 41,447,833               | 24,366,275   | 23,909,143           |
| Total Noncurrent Assets                         | 42,618,511               | 24,459,004   | 24,279,871           |
| Total Assets                                    | 73,500,254               | 28,333,667   | 29,539,981           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                          |              |                      |
| Pension/OPEB Items                              | 546,014                  | 70,196       | 185,334              |
| Asset Retirement Obligation                     | -                        | 454,773      | -                    |
| Unamortized Loss on Refunding                   | -                        | -            | -                    |
| Total Deferred Outflows of Resources            | 546,014                  | 524,969      | 185,334              |
| Total Assets and Deferred Outflows of Resources | 74,046,268               | 28,858,636   | 29,725,315           |

| Business-Type Activities |                           |               | Governmental Activities |
|--------------------------|---------------------------|---------------|-------------------------|
| Technology Center        | Nonmajor Enterprise Funds | Total         | Internal Service Funds  |
| \$ 230,244               | \$ 4,152,208              | \$ 37,124,449 | \$ 79,460               |
| -                        | 61,395                    | 61,395        | -                       |
| 106,545                  | 120,373                   | 5,725,792     | -                       |
| -                        | -                         | 203           | -                       |
| -                        | -                         | 321,188       | 71,435                  |
| 156                      | -                         | 156           | -                       |
| -                        | -                         | 312,294       | -                       |
| -                        | 34,349                    | 1,079,683     | -                       |
| -                        | -                         | -             | -                       |
| -                        | 87,640                    | 184,266       | -                       |
| -                        | 51,372                    | 51,372        | -                       |
| 336,945                  | 4,507,337                 | 44,860,798    | 150,895                 |
| -                        | -                         | 409,044       | -                       |
| -                        | -                         | 117,064       | -                       |
| 125,453                  | 28,643                    | 1,262,123     | -                       |
| 125,453                  | 28,643                    | 1,788,231     | -                       |
| 519,453                  | 2,424,273                 | 19,927,909    | -                       |
| 9,218,544                | 5,659,760                 | 176,620,544   | 141,220                 |
| (5,225,568)              | (3,722,998)               | (97,951,738)  | (126,617)               |
| 4,512,429                | 4,361,035                 | 98,596,715    | 14,603                  |
| 4,637,882                | 4,389,678                 | 100,384,946   | 14,603                  |
| 4,974,827                | 8,897,015                 | 145,245,744   | 165,498                 |
| 96,306                   | 20,010                    | 917,860       | -                       |
| -                        | -                         | 454,773       | -                       |
| 56,748                   | 14,910                    | 71,658        | -                       |
| 153,054                  | 34,920                    | 1,444,291     | -                       |
| 5,127,881                | 8,931,935                 | 146,690,035   | 165,498                 |

(This statement is continued on the following pages.)

**CITY OF ROCHELLE, ILLINOIS**

STATEMENT OF NET POSITION (Continued)  
PROPRIETARY FUNDS

December 31, 2021

|   | <b>Business-Type Activities</b> |               |                              |
|---|---------------------------------|---------------|------------------------------|
|   | <b>Electric<br/>Utility</b>     | <b>Water</b>  | <b>Water<br/>Reclamation</b> |
| <b>CURRENT LIABILITIES</b>                          |                                 |               |                              |
| Accounts Payable                                    | \$ 4,030,706                    | \$ 215,875    | \$ 184,922                   |
| Accrued Payroll                                     | 32,770                          | 11,468        | 12,907                       |
| Accrued Interest Payable                            | 48,687                          | 18,685        | 33,137                       |
| Other Payables                                      | 165,751                         | -             | -                            |
| Unearned Revenue                                    | -                               | -             | -                            |
| Due to Other Funds                                  | -                               | -             | -                            |
| Deposits Payable                                    | -                               | 10,158        | 20,165                       |
| Revenue Bonds Payable                               | 425,000                         | -             | -                            |
| General Obligation Debt Payable                     | -                               | -             | -                            |
| IEPA Loans Payable                                  | -                               | 306,144       | 119,041                      |
| Loans Payable                                       | 315,191                         | -             | -                            |
| OPEB Liability                                      | 33,662                          | 4,232         | 11,349                       |
| Compensated Absences Payable                        | 115,137                         | 44,109        | 36,752                       |
| Total Current Liabilities                           | 5,166,904                       | 610,671       | 418,273                      |
| <b>LONG-TERM LIABILITIES</b>                        |                                 |               |                              |
| Advance from Other Funds                            | -                               | -             | -                            |
| OPEB Liability                                      | 213,365                         | 26,823        | 71,936                       |
| Asset Retirement Obligation                         | -                               | 465,300       | -                            |
| Long-Term Debt, Net of Current Maturities           |                                 |               |                              |
| Revenue Bonds Payable                               | 8,283,423                       | -             | -                            |
| General Obligation Debt Payable                     | -                               | -             | -                            |
| IEPA Loans Payable                                  | -                               | 6,465,101     | 4,644,616                    |
| Loan Payable  | 957,509                         | -             | -                            |
| Total Long-Term Liabilities                         | 9,454,297                       | 6,957,224     | 4,716,552                    |
| Total Liabilities                                   | 14,621,201                      | 7,567,895     | 5,134,825                    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                                 |               |                              |
| Pension/OPEB Items                                  | 1,531,938                       | 192,651       | 516,548                      |
| Deferred Property Taxes                             | -                               | -             | -                            |
| Total Deferred Inflows of Resources                 | 1,531,938                       | 192,651       | 516,548                      |
| Total Liabilities and Deferred Inflows of Resources | 16,153,139                      | 7,760,546     | 5,651,373                    |
| <b>NET POSITION</b>                                 |                                 |               |                              |
| Net Investment in Capital Assets                    | 39,712,924                      | 17,595,030    | 19,145,486                   |
| Restricted for Debt Service                         | -                               | 96,626        | -                            |
| Unrestricted (Deficit)                              | 18,180,205                      | 3,406,434     | 4,928,456                    |
| <b>TOTAL NET POSITION</b>                           | \$ 57,893,129                   | \$ 21,098,090 | \$ 24,073,942                |

| Business-Type Activities |                           |                | Governmental Activities |
|--------------------------|---------------------------|----------------|-------------------------|
| Technology Center        | Nonmajor Enterprise Funds | Total          | Internal Service Funds  |
| \$ 7,228                 | \$ 98,931                 | \$ 4,537,662   | \$ 20,616               |
| 806                      | 2,064                     | 60,015         | 88,455                  |
| -                        | 6,372                     | 106,881        | -                       |
| -                        | 42,685                    | 208,436        | -                       |
| -                        | 9,740                     | 9,740          | -                       |
| -                        | 89,929                    | 89,929         | -                       |
| -                        | -                         | 30,323         | -                       |
| -                        | -                         | 425,000        | -                       |
| 290,000                  | 45,000                    | 335,000        | -                       |
| -                        | -                         | 425,185        | -                       |
| -                        | -                         | 315,191        | -                       |
| 5,771                    | 1,250                     | 56,264         | -                       |
| 3,531                    | 6,520                     | 206,049        | 49,327                  |
| 307,336                  | 302,491                   | 6,805,675      | 158,398                 |
| 409,044                  | -                         | 409,044        | -                       |
| 36,578                   | 7,926                     | 356,628        | -                       |
| -                        | -                         | 465,300        | -                       |
| -                        | -                         | 8,283,423      | -                       |
| 2,012,730                | 375,000                   | 2,387,730      | -                       |
| -                        | -                         | 11,109,717     | -                       |
| -                        | -                         | 957,509        | -                       |
| 2,458,352                | 382,926                   | 23,969,351     | -                       |
| 2,765,688                | 685,417                   | 30,775,026     | 158,398                 |
| 262,725                  | 56,894                    | 2,560,756      | -                       |
| -                        | 61,395                    | 61,395         | -                       |
| 262,725                  | 118,289                   | 2,622,151      | -                       |
| 3,028,413                | 803,706                   | 33,397,177     | 158,398                 |
| 2,266,447                | 3,955,945                 | 82,675,832     | -                       |
| -                        | -                         | 96,626         | -                       |
| (166,979)                | 4,172,284                 | 30,520,400     | 7,100                   |
| \$ 2,099,468             | \$ 8,128,229              | \$ 113,292,858 | \$ 7,100                |

See accompanying notes to financial statements.



**CITY OF ROCHELLE, ILLINOIS**

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

For the Year Ended December 31, 2021

|  | <b>Business-Type Activities</b> |                             |                              |
|--|---------------------------------|-----------------------------|------------------------------|
|  | <b>Electric<br/>Utility</b>     | <b>Water</b>                | <b>Water<br/>Reclamation</b> |
| <b>OPERATING REVENUES</b>                                |                                 |                             |                              |
| Charges for Services                                     | \$ 35,466,187                   | \$ 3,324,397                | \$ 3,795,872                 |
| Miscellaneous  | 76,090                          | 1,014                       | 5,728                        |
| Total Operating Revenues                                 | <u>35,542,277</u>               | <u>3,325,411</u>            | <u>3,801,600</u>             |
| <b>OPERATING EXPENSES</b>                                |                                 |                             |                              |
| Administration   | -                               | -                           | -                            |
| Operations   | 32,462,506                      | 2,331,782                   | 2,495,444                    |
| Depreciation and Amortization                            | 2,619,646                       | 896,247                     | 1,602,595                    |
| Total Operating Expenses                                 | <u>35,082,152</u>               | <u>3,228,029</u>            | <u>4,098,039</u>             |
| OPERATING INCOME (LOSS)                                  | <u>460,125</u>                  | <u>97,382</u>               | <u>(296,439)</u>             |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>                 |                                 |                             |                              |
| Taxes  | -                               | -                           | -                            |
| Investment Income  | 54,678                          | 14,562                      | 18,336                       |
| Gain on Sale of Asset                                    | -                               | -                           | -                            |
| Loss of Defeasance of Debt                               | -                               | -                           | -                            |
| Interest Expense   | (33,933)                        | (104,161)                   | (115,408)                    |
| Total Non-Operating Revenues (Expenses)                  | <u>20,745</u>                   | <u>(89,599)</u>             | <u>(97,072)</u>              |
| NET INCOME (LOSS) BEFORE TRANSFERS AND<br>CAPITAL GRANTS | <u>480,870</u>                  | <u>7,783</u>                | <u>(393,511)</u>             |
| <b>TRANSFERS</b>   |                                 |                             |                              |
| Transfers In   | -                               | -                           | -                            |
| Transfers (Out)  | (2,096,088)                     | (148,817)                   | (207,616)                    |
| Total Transfers  | <u>(2,096,088)</u>              | <u>(148,817)</u>            | <u>(207,616)</u>             |
| <b>CAPITAL GRANTS AND CONTRIBUTIONS</b>                  | <u>-</u>                        | <u>-</u>                    | <u>-</u>                     |
| CHANGE IN NET POSITION                                   | (1,615,218)                     | (141,034)                   | (601,127)                    |
| NET POSITION, JANUARY 1                                  | <u>59,508,347</u>               | <u>21,239,124</u>           | <u>24,675,069</u>            |
| <b>NET POSITION, DECEMBER 31</b>                         | <u><u>\$ 57,893,129</u></u>     | <u><u>\$ 21,098,090</u></u> | <u><u>\$ 24,073,942</u></u>  |

| Business-Type Activities |                           |                | Governmental Activities |
|--------------------------|---------------------------|----------------|-------------------------|
| Technology Center        | Nonmajor Enterprise Funds | Total          | Internal Service Funds  |
| \$ 1,439,758             | \$ 1,072,494              | \$ 45,098,708  | \$ 1,930,577            |
| -                        | 7,001                     | 89,833         | 2,164                   |
| 1,439,758                | 1,079,495                 | 45,188,541     | 1,932,741               |
| -                        | -                         | -              | 1,707,770               |
| 510,913                  | 935,474                   | 38,736,119     | 345,733                 |
| 287,318                  | 192,693                   | 5,598,499      | 4,868                   |
| 798,231                  | 1,128,167                 | 44,334,618     | 2,058,371               |
| 641,527                  | (48,672)                  | 853,923        | (125,630)               |
| -                        | 59,398                    | 59,398         | -                       |
| 2,177                    | 9,518                     | 99,271         | -                       |
| -                        | -                         | -              | -                       |
| -                        | -                         | -              | -                       |
| (91,945)                 | (17,004)                  | (362,451)      | -                       |
| (89,768)                 | 51,912                    | (203,782)      | -                       |
| 551,759                  | 3,240                     | 650,141        | (125,630)               |
| -                        | 87,000                    | 87,000         | -                       |
| -                        | (35,889)                  | (2,488,410)    | -                       |
| -                        | 51,111                    | (2,401,410)    | -                       |
| -                        | 54,167                    | 54,167         | -                       |
| 551,759                  | 108,518                   | (1,697,102)    | (125,630)               |
| 1,547,709                | 8,019,711                 | 114,989,960    | 132,730                 |
| \$ 2,099,468             | \$ 8,128,229              | \$ 113,292,858 | \$ 7,100                |

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended December 31, 2021

|   | <b>Business-Type Activities</b> |              |                              |
|---|---------------------------------|--------------|------------------------------|
|   | <b>Electric<br/>Utility</b>     | <b>Water</b> | <b>Water<br/>Reclamation</b> |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                                 |              |                              |
| Receipts from Customers and Users                                   | \$ 36,277,288                   | \$ 3,472,520 | \$ 3,710,970                 |
| Receipts from Interfund Services Transactions                       | -                               | -            | -                            |
| Payments to Suppliers   | (28,728,152)                    | (1,069,121)  | (2,209,055)                  |
| Payments to Employees   | (2,433,771)                     | (868,333)    | (749,876)                    |
| Payments to Other Funds   | (1,026,569)                     | (358,490)    | (447,084)                    |
| Net Cash from Operating Activities                                  | 4,088,796                       | 1,176,576    | 304,955                      |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>          |                                 |              |                              |
| Repayment of Loans to/from Other Funds                              | 316,629                         | -            | -                            |
| Receipts from Property and other Taxes                              | -                               | -            | -                            |
| Transfers In  | -                               | -            | -                            |
| Transfers (Out)   | (2,096,088)                     | (148,817)    | (207,616)                    |
| Net Cash from Noncapital Financing Activities                       | (1,779,459)                     | (148,817)    | (207,616)                    |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b> |                                 |              |                              |
| Capital Assets Purchased  | (7,441,738)                     | (1,018,525)  | (1,001,665)                  |
| Issuance of Long-Term Debt  | 9,981,124                       | -            | 1,025,704                    |
| Principal Payments on Long-Term Debt                                | -                               | (358,934)    | (224,513)                    |
| Interest Payments on Long-Term Debt                                 | 14,332                          | (108,597)    | (82,791)                     |
| Grant Receipts  | -                               | -            | -                            |
| Net Cash from Capital and Related<br>Financing Activities           | 2,553,718                       | (1,486,056)  | (283,265)                    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                                 |              |                              |
| Interest Received on Investments                                    | 54,678                          | 14,562       | 18,261                       |
| Net Cash from Investing Activities                                  | 54,678                          | 14,562       | 18,261                       |
| <b>NET INCREASE (DECREASE) IN CASH AND<br/>CASH EQUIVALENTS</b>     | 4,917,733                       | (443,735)    | (167,665)                    |
| <b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>                         | 19,999,311                      | 3,759,777    | 4,773,202                    |
| <b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>                       | \$ 24,917,044                   | \$ 3,316,042 | \$ 4,605,537                 |

| Business-Type Activities |                           |               | Governmental Activities |
|--------------------------|---------------------------|---------------|-------------------------|
| Technology Center        | Nonmajor Enterprise Funds | Total         | Internal Service        |
| \$ 1,473,628             | \$ 1,080,113              | \$ 46,014,519 | \$ -                    |
| 42,961                   | -                         | 42,961        | 1,928,350               |
| (170,525)                | (701,176)                 | (32,878,029)  | (817,592)               |
| (84,218)                 | (179,242)                 | (4,315,440)   | (1,193,754)             |
| (350,891)                | (33,450)                  | (2,216,484)   | -                       |
| 910,955                  | 166,245                   | 6,647,527     | (82,996)                |
| (316,629)                | 58,864                    | 58,864        | -                       |
| -                        | 59,398                    | 59,398        | -                       |
| -                        | 87,000                    | 87,000        | -                       |
| -                        | (35,889)                  | (2,488,410)   | -                       |
| (316,629)                | 169,373                   | (2,283,148)   | -                       |
| -                        | (122,268)                 | (9,584,196)   | -                       |
| -                        | -                         | 11,006,828    | -                       |
| (285,000)                | (45,000)                  | (913,447)     | -                       |
| (81,259)                 | (13,419)                  | (271,734)     | -                       |
| -                        | 48,345                    | 48,345        | -                       |
| (366,259)                | (132,342)                 | 285,796       | -                       |
| 2,177                    | 9,518                     | 99,196        | -                       |
| 2,177                    | 9,518                     | 99,196        | -                       |
| 230,244                  | 212,794                   | 4,749,371     | (82,996)                |
| -                        | 4,027,054                 | 32,559,344    | 162,456                 |
| \$ 230,244               | \$ 4,239,848              | \$ 37,308,715 | \$ 79,460               |

(This statement is continued on the following pages.)

**CITY OF ROCHELLE, ILLINOIS**

STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUNDS

For the Year Ended December 31, 2021

|  | Business-Type Activities |                     |                      |
|--|--------------------------|---------------------|----------------------|
|  | Electric<br>Utility      | Water               | Water<br>Reclamation |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS)<br/>TO NET CASH FLOWS FROM<br/>OPERATING ACTIVITIES</b> |                          |                     |                      |
| Operating Income (Loss)  | \$ 460,125               | \$ 97,382           | \$ (296,439)         |
| Adjustments to Reconcile Operating Income (Loss)<br>to Net Cash from Operating Activities            |                          |                     |                      |
| Depreciation and Amortization  | 2,619,646                | 896,247             | 1,602,595            |
| Changes in Assets and Liabilities  |                          |                     |                      |
| Accounts Receivable  | 733,848                  | 222,274             | (98,499)             |
| Other Receivables  | 1,208                    | (59,276)            | (7,106)              |
| Prepaid Expenses   | 2,490                    | 1,082               | 1,562                |
| Deposits   | (45)                     | (15,889)            | (14,666)             |
| Inventory  | (52,234)                 | -                   | -                    |
| Special Assessments  | -                        | -                   | 29,641               |
| Pension Items - IMRF   | (470,830)                | (59,191)            | (158,737)            |
| OPEB Items   | (15,608)                 | (1,962)             | (5,262)              |
| Accounts Payable   | 729,300                  | 86,330              | (747,973)            |
| Accrued Payroll  | (2,215)                  | 2,159               | 4,614                |
| Other Payables   | 85,902                   | -                   | -                    |
| Compensated Absences   | (2,791)                  | 7,420               | (4,775)              |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>  | <b>\$ 4,088,796</b>      | <b>\$ 1,176,576</b> | <b>\$ 304,955</b>    |
| <b>CASH AND INVESTMENTS</b>  |                          |                     |                      |
| Cash and Investments   | \$ 24,917,044            | \$ 3,219,416        | \$ 4,605,537         |
| Restricted Cash and Investments  | -                        | 96,626              | -                    |
| <b>TOTAL CASH AND INVESTMENTS</b>  | <b>\$ 24,917,044</b>     | <b>\$ 3,316,042</b> | <b>\$ 4,605,537</b>  |

| Business-Type Activities |                           |               | Governmental Activities |
|--------------------------|---------------------------|---------------|-------------------------|
| Technology Center        | Nonmajor Enterprise Funds | Total         | Internal Service        |
| \$ 641,527               | \$ (48,672)               | \$ 853,923    | \$ (125,630)            |
| 287,318                  | 192,693                   | 5,598,499     | 4,868                   |
| 76,831                   | 618                       | 935,072       | (4,391)                 |
| -                        | -                         | (65,174)      | -                       |
| -                        | 774                       | 5,908         | -                       |
| -                        | -                         | (30,600)      | -                       |
| -                        | (17,876)                  | (70,110)      | -                       |
| -                        | -                         | 29,641        | -                       |
| (80,715)                 | (17,488)                  | (786,961)     | -                       |
| (5,400)                  | (580)                     | (28,812)      | -                       |
| (3,115)                  | 55,092                    | 119,634       | (52,105)                |
| 180                      | (79)                      | 4,659         | 73,558                  |
| -                        | 1,763                     | 87,665        | -                       |
| (5,671)                  | -                         | (5,817)       | 20,704                  |
| \$ 910,955               | \$ 166,245                | \$ 6,647,527  | \$ (82,996)             |
| \$ 230,244               | \$ 4,152,208              | \$ 37,124,449 | \$ 79,460               |
| -                        | 87,640                    | 184,266       | -                       |
| \$ 230,244               | \$ 4,239,848              | \$ 37,308,715 | \$ 79,460               |

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

**STATEMENT OF NET POSITION  
PENSION TRUST FUNDS**

December 31, 2021

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**ASSETS**

|                                    |                   |
|------------------------------------|-------------------|
| Cash and Short-Term Investments    | \$ 1,167,973      |
| Investments, at Fair Value         |                   |
| U.S. Treasury Securities           | 2,224,909         |
| U.S. Agency Securities             | 3,311,726         |
| Equity Mutual Funds                | 8,849,757         |
| Fixed Income Mutual Funds          | 943,319           |
| Corporate Bonds                    | 3,323,160         |
| Municipal Bonds                    | 722,057           |
| Equities                           | 5,895,302         |
| Negotiable Certificates of Deposit | 166,901           |
| Annuity Contracts                  | 205,144           |
| Receivables                        |                   |
| Accrued Interest                   | <u>61,457</u>     |
| Total Assets                       | <u>26,871,705</u> |

**LIABILITIES**

|                   |          |
|-------------------|----------|
| None              | <u>-</u> |
| Total Liabilities | <u>-</u> |

|   |                             |
|---|-----------------------------|
| <b>NET POSITION RESTRICTED FOR PENSIONS</b> | <u><u>\$ 26,871,705</u></u> |
|---|-----------------------------|

See accompanying notes to financial statements.

**CITY OF ROCHELLE, ILLINOIS**

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

For the Year Ended December 31, 2021

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**ADDITIONS**

Contributions

Employer Contributions \$ 1,607,386

Employee Contributions 285,377

Total Contributions 1,892,763

Investment Income

Net Appreciation in Fair  
Value of Investments 1,306,161

Interest 950,680

Total Investment Income 2,256,841

Less Investment Expense (65,744)

Net Investment Income 2,191,097

Total Additions 4,083,860

**DEDUCTIONS**

Benefits and Refunds 1,497,767

Administrative Expenses 37,911

Total Deductions 1,535,678

CHANGE IN NET POSITION 2,548,182

**NET POSITION RESTRICTED FOR PENSIONS**

January 1 24,323,523

December 31 \$ 26,871,705

See accompanying notes to financial statements.



**CITY OF ROCHELLE, ILLINOIS**

**INDEX TO NOTES TO FINANCIAL STATEMENTS**

December 31, 2021

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# **CITY OF ROCHELLE, ILLINOIS**

## **NOTES TO FINANCIAL STATEMENTS**

December 31, 2021

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Rochelle, 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 was incorporated in 1853 and is a municipal corporation governed by an elected board 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.

Based on these criteria, the City is not considered a component unit of any other governmental unit.

#### **Pension Trust Funds**

The City's financial statements include the Police Pension Plan and Firefighters' Pension Plan 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 each governed by a five-member pension board. Two members appointed by the Mayor, one elected pension beneficiary and two elected police officers and firefighters constitute the individual 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity (Continued)**

**Pension Trust Funds (Continued)**

Accordingly, the Police Pension Plan and Firefighters' Pension Plan are fiscally dependent on the City. Separate financial statements are not available for the Police Pension Plan and Firefighters' Pension Plan.

**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 committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Government-Wide and Fund Financial Statements (Continued)**

The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated in the process of consolidation. 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.

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 funds:

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 Capital Improvement Fund is used to account for resources restricted, committed or assigned by the City for construction or major capital projects and improvements.

The City reports the following major proprietary funds:

The Electric Utility Fund accounts for the activities of the electric system.

The Water Fund accounts for the activities of the water system.

The Water Reclamation Fund accounts for the activities of the water reclamation system.

The Technology Center Fund accounts for the activities of the technology center and advanced communications.

**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 Administrative Services Fund is used to allocate administrative costs to other city funds. The Network Administration Fund is used to allocate network administration costs to other city funds.

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. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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.

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 both the measurable and available 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 and 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 their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Cash and Investments (Continued)**

**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.

**F. Property Taxes**

Property taxes for 2020 are levied in December 2020 and attach as an enforceable lien on the property on January 1, 2020. Tax bills are prepared by the County and issued on or about May 1, 2021 and August 1, 2021, and are due and collectible on or about June 1, 2021 and September 1, 2021. The County collects the taxes and remits them periodically to the City. Those 2020 taxes were intended to finance the year ended December 31, 2021. The 2021 levy, which attached as a lien on property as January 1, 2021, is intended to finance the 2022 fiscal year and is not considered available or earned for current operations and, therefore, is reported as deferred/unavailable revenue at December 31, 2021.

**G. Inventory**

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

**H. Restricted Assets**

Certain cash and investments in the Water and Water Reclamation Fund are restricted in accordance with the loans issued by the Illinois Environmental Protection Agency (IEPA). Restricted cash in the Nonmajor Enterprise Funds relates to a development agreement. Cash held with paying agent is held for payment of the General Obligation Refunding Bonds, Series 2017 (Airport) as well as the 2018 GO Bonds (Capital Improvements Fund). These assets are reflected as restricted cash and investments.

**I. Prepaid Items/Expenses**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks 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 the following and an estimated useful life in excess of one year.

| Asset Class   | Capitalization<br>Threshold |
|---|-----------------------------|
| Land  | \$ -                        |
| Vehicles, Machinery, Furniture and Equipment                  | 5,000                       |
| Buildings, Land Improvements and Infrastructure (All Systems) | 25,000                      |

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.

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               | 25-40 |
| Machinery and Equipment | 5-20  |
| Land Improvements       | 20-30 |
| Utility System          | 5-77  |
| Infrastructure          | 10-50 |

**K. Vacation, Sick Pay and Other Employee Benefits**

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. Sick leave does not vest and, therefore, no liability has been recorded for sick leave except for police officers and firefighters. Firefighters and police officers sick leave is paid out at 20% for employees with 20-25 years of service and 25% for those with more than 25 years of service.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Interfund Transactions**

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

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

**M. Interfund Receivables/Payables**

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

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

**N. Long-Term Obligations**

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as any gains/losses on refunding are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Deferred Outflows/Inflows of Resources**

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

**P. Fund Balance/Net Position**

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities or from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the City Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Manager and Finance Director through the City's Fund Balance Policy. 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 has a policy to maintain unassigned fund balance in the General Fund at a target level of 10% to 40% of annual budgeted expenditures. Balances in excess of 40% of annual budgeted expenditures may be transferred to the Capital Improvement Fund to support future capital projects.

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.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**P. Fund Balance/Net Position (Continued)**

At December 31, 2021, the City had \$2,338,040 of net position and fund balances that were restricted for capital improvements and maintenance of roadways as a result of enabling legislation adopted by the City.

**Q. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows 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.

**R. Postponement of Implementation of Certain Authoritative Guidance**

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the City has delayed the implementation of GASB Statement No. 87, *Leases*, to December 31, 2022.

**2. CASH AND INVESTMENTS**

The City, Police Pension Fund and Firefighters' Pension Fund categorize 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." In addition, investments are separately held by several of the City's funds. 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 Firefighters' Pension Fund approved by their respective boards.

In accordance with the City's investment policy, the City's monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds. Investments in The Illinois Funds are valued at the share price, the price for which the investment could be sold.

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

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**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 agent of the City in the City’s name.

**City Investments**

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 City limits its exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools. Unless matched to a specific cash flow, the City does not directly invest in securities maturing more than five years from the date of purchase.

The City 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 the Illinois Funds and IMET, even though the investment policy allows other investments. Illinois Funds and IMET are rated AAA.

The following table presents the investments and maturities of the City’s debt securities as of December 31, 2021:

| Investment Type | Investment Maturities (in Years) |             |                     |             |                 |
|-----------------|----------------------------------|-------------|---------------------|-------------|-----------------|
|                 | Fair Value                       | Less than 1 | 1-5                 | 6-10        | Greater than 10 |
| IMET            | \$ 9,292,131                     | \$ -        | \$ 9,292,131        | \$ -        | \$ -            |
| <b>TOTAL</b>    | <b>\$ 9,292,131</b>              | <b>\$ -</b> | <b>\$ 9,292,131</b> | <b>\$ -</b> | <b>\$ -</b>     |

The Fund has the following recurring fair value measurements as of December 31, 2021: the IMET 1 to 3 year fund, a mutual fund, is measured based on the net asset value of the shares in IMET, which is based on the fair value of the underlying investments in the mutual fund (Level 3 input).

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

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

City Investments (Continued)

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 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 on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's agent separate from where the investment was purchased.

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 fair 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. The Illinois Funds and the money market mutual funds are not subject to custodial credit risk.

The City's investment policy is silent on concentration of credit risk.

**3. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021, was as follows:

|   | Beginning<br>Balances | Increases/<br>Transfers | Decreases/<br>Transfers | Ending<br>Balances |
|---|-----------------------|-------------------------|-------------------------|--------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>                |                       |                         |                         |                    |
| Capital Assets not Being Depreciated          |                       |                         |                         |                    |
| Land  | \$ 3,561,426          | \$ 1,099,826            | \$ -                    | \$ 4,661,252       |
| Land Right of Way                             | 3,050,985             | -                       | -                       | 3,050,985          |
| Construction in Progress                      | 5,497,543             | 47,068                  | 5,544,611               | -                  |
| Total Capital Assets not<br>Being Depreciated | 12,109,954            | 1,146,894               | 5,544,611               | 7,712,237          |
| Capital Assets Being Depreciated              |                       |                         |                         |                    |
| Buildings                                     | 3,780,421             | -                       | -                       | 3,780,421          |
| Machinery and Equipment                       | 9,551,047             | 260,414                 | 11,100                  | 9,800,361          |
| Bridges                                       | 10,536,802            | -                       | -                       | 10,536,802         |
| Streets                                       | 34,419,450            | 5,544,611               | -                       | 39,964,061         |
| Stormwater                                    | 4,701,899             | -                       | -                       | 4,701,899          |
| Sidewalks                                     | 3,828,505             | -                       | -                       | 3,828,505          |
| Railroad Spur                                 | 20,090,302            | -                       | -                       | 20,090,302         |
| Street Lights                                 | 313,630               | -                       | -                       | 313,630            |
| Total Capital Assets<br>Being Depreciated     | 87,222,056            | 5,805,025               | 11,100                  | 93,015,981         |

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

**3. CAPITAL ASSETS (Continued)**

|  | Beginning<br>Balances | Increases/<br>Transfers | Decreases/<br>Transfers | Ending<br>Balances |
|--|-----------------------|-------------------------|-------------------------|--------------------|
| GOVERNMENTAL ACTIVITIES (Continued)            |                       |                         |                         |                    |
| Less Accumulated Depreciation for              |                       |                         |                         |                    |
| Buildings                                      | \$ 2,180,113          | \$ 92,162               | \$ -                    | \$ 2,272,275       |
| Machinery and Equipment                        | 7,346,217             | 512,808                 | 5,916                   | 7,853,109          |
| Bridges  | 2,617,224             | 210,736                 | -                       | 2,827,960          |
| Streets  | 16,382,170            | 965,594                 | -                       | 17,347,764         |
| Stormwater                                     | 4,270,767             | 117,547                 | -                       | 4,388,314          |
| Sidewalks                                      | 1,314,355             | 95,713                  | -                       | 1,410,068          |
| Railroad Spur                                  | 2,350,962             | 401,806                 | -                       | 2,752,768          |
| Street Lights                                  | 149,327               | 10,454                  | -                       | 159,781            |
| Total Accumulated Depreciation                 | 36,611,135            | 2,406,820               | 5,916                   | 39,012,039         |
| Total Capital Assets being<br>Depreciated, Net | 50,610,921            | 3,398,205               | 5,184                   | 54,003,942         |
| GOVERNMENTAL ACTIVITIES<br>CAPITAL ASSETS, NET |                       |                         |                         |                    |
|  | \$ 62,720,875         | \$ 4,545,099            | \$ 5,549,795            | \$ 61,716,179      |

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

|  |    |           |
|--|----|-----------|
| GOVERNMENTAL ACTIVITIES                              |    |           |
| General Government                                   | \$ | 120,341   |
| Public Safety  |    | 264,750   |
| Public Works   |    | 1,997,661 |
| Public Service Enterprises                           |    | 24,068    |
| TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES | \$ | 2,406,820 |

|   | Beginning<br>Balances | Increases/<br>Transfers | Decreases/<br>Transfers | Ending<br>Balances |
|---|-----------------------|-------------------------|-------------------------|--------------------|
| BUSINESS-TYPE ACTIVITIES                      |                       |                         |                         |                    |
| Capital Assets not Being Depreciated          |                       |                         |                         |                    |
| Land  | \$ 3,810,426          | \$ -                    | \$ -                    | \$ 3,810,426       |
| Construction in Progress                      | 19,497,761            | 8,232,466               | 11,612,744              | 16,117,483         |
| Total Capital Assets not<br>being Depreciated | 23,308,187            | 8,232,466               | 11,612,744              | 19,927,909         |
| Capital Assets Being Depreciated              |                       |                         |                         |                    |
| Infrastructure                                | 62,773,021            | 11,710,823              | -                       | 74,483,844         |
| Equipment                                     | 10,829,817            | 80,000                  | -                       | 10,909,817         |
| Other Tangible Assets                         | 2,134,356             | -                       | -                       | 2,134,356          |
| Structures and Improvements                   | 3,038,899             | -                       | -                       | 3,038,899          |
| Building                                      | 4,449,850             | -                       | -                       | 4,449,850          |
| General                                       | 8,470,370             | -                       | -                       | 8,470,370          |
| Generation                                    | 14,506,554            | -                       | -                       | 14,506,554         |
| Transmission                                  | 2,684,406             | -                       | -                       | 2,684,406          |
| Distribution                                  | 54,394,236            | 1,548,212               | -                       | 55,942,448         |
| Total Capital Assets<br>Being Depreciated     | 163,281,509           | 13,339,035              | -                       | 176,620,544        |

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

**3. CAPITAL ASSETS (Continued)**

|  | Beginning<br>Balances | Increases/<br>Transfers | Decreases/<br>Transfers | Ending<br>Balances |
|--|-----------------------|-------------------------|-------------------------|--------------------|
| BUSINESS-TYPE ACTIVITIES (Continued)               |                       |                         |                         |                    |
| Less Accumulated Depreciation for                  |                       |                         |                         |                    |
| Infrastructure                                     | \$ 28,976,545         | \$ 2,213,361            | \$ -                    | \$ 31,189,906      |
| Equipment  | 7,776,560             | 314,922                 | -                       | 8,091,482          |
| Other Tangible Assets                              | 1,777,238             | 46,381                  | -                       | 1,823,619          |
| Structures and Improvements                        | 1,408,243             | 111,607                 | -                       | 1,519,850          |
| Building   | 1,336,222             | 88,543                  | -                       | 1,424,765          |
| General  | 4,905,143             | 272,371                 | -                       | 5,177,514          |
| Generation   | 8,052,118             | 301,607                 | -                       | 8,353,725          |
| Transmission                                       | 2,585,173             | 99,233                  | -                       | 2,684,406          |
| Distribution                                       | 35,541,042            | 2,145,429               | -                       | 37,686,471         |
| Total Accumulated Depreciation                     | 92,358,284            | 5,593,454               | -                       | 97,951,738         |
| <br>Total Capital Assets Being<br>Depreciated, Net | <br>70,923,225        | <br>7,745,581           | <br>-                   | <br>78,668,806     |
| BUSINESS-TYPE ACTIVITIES                           |                       |                         |                         |                    |
| CAPITAL ASSETS, NET                                | \$ 94,231,412         | \$ 15,978,047           | \$ 11,612,744           | \$ 98,596,715      |

**4. LONG-TERM DEBT**

During the fiscal period, the following changes occurred in liabilities reported in the governmental activities:

|   | Balances<br>January 1 | Additions  | Reductions   | Balances<br>December 31 | Current<br>Portion |
|---|-----------------------|------------|--------------|-------------------------|--------------------|
| GOVERNMENTAL ACTIVITIES                             |                       |            |              |                         |                    |
| GO TIF Bonds  | \$ 2,015,000          | \$ -       | \$ 150,000   | \$ 1,865,000            | \$ 160,000         |
| GO Bonds  | 4,015,000             | -          | 515,000      | 3,500,000               | 530,000            |
| GO Debt Certificates                                | 1,155,000             | -          | 165,000      | 990,000                 | 165,000            |
| Unamortized Bond Premium                            | 164,501               | -          | 19,092       | 145,409                 | -                  |
| Installment Purchase Contract (Direct<br>Placement) | 512,287               | 659,750    | 104,138      | 1,067,899               | 271,492            |
| Compensated Absences*                               | 670,784               | 321,068    | 335,392      | 656,460                 | 328,230            |
| Net Pension Liability - IMRF*, **                   | 758,348               | -          | 758,348      | -                       | -                  |
| Net Pension Liability - Police*                     | 7,386,482             | -          | 1,272,053    | 6,114,429               | -                  |
| Net Pension Liability - Firefighters**              | 4,293,933             | -          | 2,403,413    | 1,890,520               | -                  |
| Other Postemployment Benefit<br>Liability*          | 281,992               | 10,913     | -            | 292,905                 | 39,914             |
| TOTAL GOVERNMENTAL<br>ACTIVITIES                    | \$ 21,253,327         | \$ 991,731 | \$ 5,722,436 | \$ 16,522,622           | \$ 1,494,636       |

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

\*\*In fiscal year 2021, the net pension liability became a net pension asset.

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

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

During the fiscal period, the following changes occurred in liabilities reported in the business-type activities:

|  | Balances<br>January 1 | Additions            | Reductions/<br>Refundings | Balances<br>December 31 | Current<br>Portion  |
|--|-----------------------|----------------------|---------------------------|-------------------------|---------------------|
| <b>BUSINESS-TYPE ACTIVITIES</b>        |                       |                      |                           |                         |                     |
| General Obligation Debt Certificates   | \$ 2,530,000          | \$ -                 | \$ 285,000                | \$ 2,245,000            | \$ 290,000          |
| General Obligation Bonds               | 465,000               | -                    | 45,000                    | 420,000                 | 45,000              |
| Revenue Bonds                          | -                     | 7,775,000            | -                         | 7,775,000               | 425,000             |
| IEPA Revolving Loans                   | 11,919,198            | 199,150              | 583,446                   | 11,534,902              | 425,185             |
| Loan Payable (Direct Placement)        | -                     | 1,300,000            | -                         | 1,300,000               | 315,191             |
| Unamortized Premium                    | 65,976                | 920,981              | 23,104                    | 963,853                 | -                   |
| Compensated Absences                   | 210,103               | 206,049              | 210,103                   | 206,049                 | 206,049             |
| Asset Retirement Obligation            | 465,300               | -                    | -                         | 465,300                 | -                   |
| Net Pension Liability - IMRF*          | 1,068,990             | -                    | 1,068,990                 | -                       | -                   |
| Other Postemployment Benefit Liability | 397,512               | 15,380               | -                         | 412,892                 | 56,264              |
| <b>TOTAL BUSINESS-TYPE ACTIVITIES</b>  | <b>\$ 17,122,079</b>  | <b>\$ 10,416,560</b> | <b>\$ 2,215,643</b>       | <b>\$ 25,322,996</b>    | <b>\$ 1,762,689</b> |

\*In fiscal year 2021, the net pension liability became a net pension asset.

Bonds payable and other long-term obligations at December 31, 2021, are comprised of the following, excluding the refunded bonds that are defeased in-substance:

General Obligation Debt

|  | Total               | Current             |
|--|---------------------|---------------------|
| \$2,000,000 Limited Tax Debt Certificates, due in annual installments of \$165,000 to \$170,000 from June 1, 2016 to June 1, 2027, interest at 2.00% to 4.50%, retired by the Capital Improvements Fund, a governmental fund.          | \$ 990,000          | \$ 165,000          |
| \$3,140,000 2017A Limited Tax Refunding Debt Certificates, due in annual installments of \$65,000 to \$350,000 from June 30, 2018 to June 30, 2028, interest at 2% to 4%, retired by the Technology Center Fund.                       | 2,245,000           | 290,000             |
| \$485,000 2017B General Obligation Refunding Bonds, due in annual installments of \$5,000 to \$60,000 from January 1, 2018, to January 1, 2029, interest at 2.000% to 3.125%, retired by the Airport Fund, a nonmajor enterprise fund. | 420,000             | 45,000              |
| \$4,500,000 2018 General Obligation Bonds, due in annual installments of \$485,000 to \$640,000 from January 1, 2020, to January 1, 2027, interest at 3% to 4%, retired by the Capital Improvements Fund, a governmental fund.         | 3,500,000           | 530,000             |
| <b>TOTAL GENERAL OBLIGATION DEBT</b>   | <b>\$ 7,155,000</b> | <b>\$ 1,030,000</b> |



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

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

General Obligation Debt (Continued)

|  | Total               | Current           |
|--|---------------------|-------------------|
| \$2,955,000 Series 2013 General Obligation Refunding<br>(Tax Increment Financing Alternate Revenue Source)<br>Bonds, due in annual installments of \$60,000 to \$260,000,<br>through December 1, 2030, interest from 2% to 4%. | \$ 1,865,000        | \$ 160,000        |
| <b>TOTAL TIF FUND ALTERNATE REVENUE BONDS</b>  | <b>\$ 1,865,000</b> | <b>\$ 160,000</b> |

Illinois EPA Loans

|  | Total                | Current           |
|--|----------------------|-------------------|
| \$600,000 Illinois EPA low interest loan related to the Askvig<br>Subdivision project, due in semiannual installments of \$19,532,<br>through May 2027, interest at 2.50%. | \$ 199,575           | \$ 34,288         |
| \$4,879,732 Illinois EPA low interest loan related to the Well #12<br>Project, due in semiannual installments of \$94,545 through<br>November 2036, interest at 1.86%.     | 2,940,890            | 171,678           |
| \$3,270,006 Illinois EPA low interest loan related to the Well #11<br>Project, through June 2038, interest at 1.32%.   | 2,362,740            | 64,319            |
| \$3,049,830 Illinois EPA low interest loan related to Well #12<br>Project, due in semiannual installments through May 2040,<br>interest at 1.38%.                          | 1,467,613            | 70,147            |
| \$7,000,000 Illinois EPA low interest loan related to Water<br>Reclamation Plant Improvements Project, through January 2041,<br>interest at 1.18%.                         | 4,564,084            | 84,753            |
| <b>TOTAL WATER AND WATER RECLAMATION IEPA LOANS</b>  | <b>\$ 11,534,902</b> | <b>\$ 425,185</b> |

Alternate Revenue Bonds - Electric

|   | Total               | Current           |
|---|---------------------|-------------------|
| \$7,775,000 2021A General Obligation Bonds (Electric System<br>Alternate Revenue Source), due in annual installments of<br>\$425,000 to \$685,000 from May 1, 2022, to May 1, 2035,<br>interest at 2% to 4%, retired by the Electric System Fund. | \$ 7,775,000        | \$ 425,000        |
| <b>TOTAL</b>  | <b>\$ 7,775,000</b> | <b>\$ 425,000</b> |

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

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

Loan Payable (Direct Placement)

|  | Total               | Current           |
|--|---------------------|-------------------|
| \$1,300,000 Loan Payable (Direct Placement), due in annual installments of \$342,491 from August 2022 to August 2025, interest at 2.1% retired by the Electric Fund. | \$ 1,300,000        | \$ 315,191        |
| <b>TOTAL</b>   | <b>\$ 1,300,000</b> | <b>\$ 315,191</b> |

Contractual Commitments (Direct Placement)

|   | Total               | Current           |
|---|---------------------|-------------------|
| \$27,461 Installment Purchase Contract related to the purchase of a Kubota Tractor for the golf course, due in annual installments of \$5,681, through May 2023, interest at 6.55%. | \$ 9,099            | \$ 5,004          |
| \$350,000 Revolving Loan related to the purchase of a fire truck, due in annual installments of \$24,115 to \$17,830, through November 2039, interest at 1.89%.                     | 315,000             | 17,500            |
| \$248,973 Promissory Note related to the purchase of two dump trucks, due in annual installments of \$86,802, through January 2022, interest at 3.09%.                              | 84,050              | 84,050            |
| \$659,750 Loan related to the purchase of land, due in annual installments of \$164,938, through June 2025, interest at 0%.   | 659,750             | 164,938           |
| <b>TOTAL CONTRACTUAL COMMITMENTS</b>  | <b>\$ 1,067,899</b> | <b>\$ 271,492</b> |

Debt Service to Maturity

The annual requirements to amortize all debt outstanding (except compensated absences, net pension liabilities and OPEB liabilities) as of December 31, 2021, are as follows:

| Fiscal<br>Year Ending<br>December 31, | Business-Type Activities<br>General Obligation Debt |                   | Governmental Activities<br>General Obligation Debt |                   |
|---------------------------------------|---|-------------------|--|-------------------|
|                                       | Principal   | Interest          | Principal  | Interest          |
| 2022                                  | \$ 335,000  | \$ 84,719         | \$ 695,000   | \$ 161,193        |
| 2023                                  | 350,000   | 74,444            | 715,000  | 136,881           |
| 2024                                  | 360,000   | 62,244            | 735,000  | 108,913           |
| 2025                                  | 375,000   | 48,069            | 760,000  | 79,838            |
| 2026                                  | 385,000   | 33,394            | 780,000  | 49,038            |
| 2027-2029                             | 860,000   | 28,641            | 805,000  | 16,512            |
| <b>TOTAL</b>                          | <b>\$ 2,665,000</b>                                 | <b>\$ 331,511</b> | <b>\$ 4,490,000</b>                                | <b>\$ 552,375</b> |

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

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

Debt Service to Maturity (Continued)

| Fiscal<br>Year Ending<br>December 31, | General Obligation<br>Alternate Revenue Debt |                   |
|---------------------------------------|--|-------------------|
|                                       | Principal                                    | Interest          |
| 2022                                  | \$ 160,000                                   | \$ 65,735         |
| 2023                                  | 170,000                                      | 61,575            |
| 2024                                  | 180,000                                      | 56,475            |
| 2025                                  | 195,000                                      | 51,075            |
| 2026                                  | 205,000                                      | 44,250            |
| 2027-2030                             | 955,000                                      | 96,687            |
| TOTAL                                 | <u>\$ 1,865,000</u>                          | <u>\$ 375,797</u> |

| Fiscal<br>Year Ending<br>December 31, | Contractual Commitments<br>(Direct Placement) |                  | Illinois EPA Loans   |                     |
|---------------------------------------|---|------------------|----------------------|---------------------|
|                                       | Principal                                     | Interest         | Principal            | Interest            |
| 2022                                  | \$ 271,492                                    | \$ 8,752         | \$ 425,185           | \$ 126,156          |
| 2023                                  | 186,532                                       | 5,972            | 629,080              | 155,419             |
| 2024                                  | 182,438                                       | 5,292            | 638,517              | 145,982             |
| 2025                                  | 182,437                                       | 4,961            | 648,107              | 136,392             |
| 2026                                  | 17,500  | 4,631            | 657,848              | 126,651             |
| 2027-2031                             | 87,500  | 18,192           | 3,256,039            | 492,469             |
| 2032-2036                             | 87,500  | 9,923            | 3,477,747            | 251,229             |
| 2037-2041                             | 52,500  | 1,985            | 1,802,379            | 48,848              |
| TOTAL                                 | <u>\$ 1,067,899</u>                           | <u>\$ 59,708</u> | <u>\$ 11,534,902</u> | <u>\$ 1,483,146</u> |

| Fiscal<br>Year Ending<br>December 31, | Revenue Bonds       |                     | Loan Payable<br>(Direct Placement) |                  |
|---------------------------------------|---------------------|---------------------|------------------------------------|------------------|
|                                       | Principal           | Interest            | Principal                          | Interest         |
| 2022                                  | \$ 425,000          | \$ 269,435          | \$ 315,191                         | \$ 27,300        |
| 2023                                  | 455,000             | 239,925             | 321,810                            | 20,681           |
| 2024                                  | 465,000             | 226,125             | 328,568                            | 13,923           |
| 2025                                  | 485,000             | 209,450             | 334,431                            | 7,023            |
| 2026                                  | 505,000             | 189,650             | -                                  | -                |
| 2027-2031                             | 2,825,000           | 635,050             | -                                  | -                |
| 2032-2036                             | 2,615,000           | 159,825             | -                                  | -                |
| TOTAL                                 | <u>\$ 7,775,000</u> | <u>\$ 1,929,460</u> | <u>\$ 1,300,000</u>                | <u>\$ 68,927</u> |

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

Direct Placements

The City has entered into direct placements of debt with vendors, local banks and the Illinois Finance Authority to finance the purchase of certain capital assets of the City. Terms of the respective contracts are disclosed in the Contractual Commitments sections on the previous pages.

Alternate Revenue Bonds

The City issued the 2013 General Obligation Refunding (TIF Alternate Revenue Source) Bonds. These bonds are payable from a pledge of the incremental taxes generated in the Lighthouse Pointe TIF District. The remaining pledge as of December 31, 2021 was \$2,240,797. During the current fiscal year, the pledge of incremental taxes generated in the TIF of \$219,635 (total principal and interest) was 28.34% of the total incremental taxes received.

The City issued the 2021A General Obligation Bonds (Electric System Alternate Revenue Source) Bonds. These bonds are payable from a pledge of the City's electric revenues. The remaining pledge as of December 31, 2021 was \$9,704,460. No payments were required during the current fiscal year.

**5. INDUSTRIAL REVENUE BONDS**

The City has approved the issuance of industrial revenue bonds for the benefit of private business enterprises. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of December 31, 2021, there was one bond outstanding. The aggregate principal amount payable was \$2,800,000.

**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. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue 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 from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at [www.imrf.org](http://www.imrf.org). The net pension liability for all plans was \$5,848,516 at December 31, 2021. Pension expense for all plans totaled \$819,836 for the year ended December 31, 2021.

**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, 2020, the latest actuarial valuation date, IMRF membership consisted of:

|  |             |
|--|-------------|
| Inactive Employees or their Beneficiaries  |             |
| Currently Receiving Benefits               | 122         |
| Inactive Employees Entitled to but not yet |             |
| Receiving Benefits                         | 31          |
| Active Employees                           | 85          |
|  | <hr/>       |
| TOTAL                                      | 238         |
|  | <hr/> <hr/> |

*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 calendar year 2021 was 10.38% of covered payroll.

*Net Pension Liability*

The City's net pension liability was measured as of December 31, 2020 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, 2020 |
| 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 ROCHELLE, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

The discount rate used to measure the IMRF 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the employer'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*

|  | (a)<br>Total<br>Pension<br>Liability | (b)<br>Plan<br>Fiduciary<br>Net Position | (a) - (b)<br>Net Pension<br>(Asset)<br>Liability |
|--|--------------------------------------|--|--|
| BALANCES AT<br>JANUARY 1, 2020                       | \$ 44,145,422                        | \$ 42,318,084                            | \$ 1,827,338                                     |
| Changes for the Period                               |                                      |  |  |
| Service Cost   | 615,069                              | -  | 615,069  |
| Interest   | 3,126,537                            | -  | 3,126,537  |
| Difference Between Expected<br>and Actual Experience | (180,664)                            | -  | (180,664)  |
| Changes in Assumptions                               | (296,225)                            | -  | (296,225)  |
| Employer Contributions                               | -                                    | 770,237                                  | (770,237)  |
| Employee Contributions                               | -                                    | 312,822                                  | (312,822)  |
| Net Investment Income                                | -                                    | 6,234,317                                | (6,234,317)                                      |
| Benefit Payments and Refunds                         | (2,656,622)                          | (2,656,622)                              | -  |
| Administrative Expense                               | -                                    | -  | -  |
| Other (Net Transfer)                                 | -                                    | (68,888)                                 | 68,888   |
| Net Changes  | 608,095                              | 4,591,866                                | (3,983,771)                                      |
| BALANCES AT<br>DECEMBER 31, 2020                     | \$ 44,753,517                        | \$ 46,909,950                            | \$ (2,156,433)                                   |

There were changes in assumptions related to the inflation rate, projected payroll increases and mortality rates in 2020.

**CITY OF ROCHELLE, 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*

For the year ended December 31, 2021, the City recognized pension expense of \$92,783.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience | \$ 352,405                           | \$ 135,792                          |
| Changes in Assumption                             | 314,974                              | 269,606                             |
| Net Difference Between Projected and Actual       |                                      |                                     |
| Earnings on Pension Plan Investments              | -                                    | 3,931,075                           |
| Contributions After Measurement Date              | 719,006                              | -                                   |
|   | <hr/>                                | <hr/>                               |
| TOTAL   | \$ 1,386,385                         | \$ 4,336,473                        |

\$719,006 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 for the measurement period ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending  
December 31,

|       |                |
|-------|----------------|
| 2022  | \$ (939,776)   |
| 2023  | (424,379)      |
| 2024  | (1,656,675)    |
| 2025  | (648,264)      |
|       | <hr/>          |
| TOTAL | \$ (3,669,094) |



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

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

The following is a sensitive 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<br>(6.25%) | Current<br>Discount Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|-------------------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability (Asset) | \$ 3,110,223           | \$ (2,156,433)                      | \$ (6,368,206)         |

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 of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

*Plan Membership*

At December 31, 2021, the valuation date, membership consisted of:

|  |                  |
|--|------------------|
| Inactive Plan Members Currently Receiving Benefits               | 17               |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 1                |
| Active Plan Members  | <u>21</u>        |
| <b>TOTAL</b>   | <u><u>39</u></u> |

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

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided*

The Police Pension Plan provides retirement 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. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.50% of salary for each year of service. The monthly benefit 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 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.

*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

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

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Contributions (Continued)*

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. However, the City has adopted a funding policy to fund 100% of the past service cost by 2040. The employer contribution rate for calendar year 2021 was 54.07% of covered payroll.

*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, obligations of states and their political subdivisions, insured credit union shares, repurchase agreements, commercial paper rates within the three highest classifications by at last two standard rating services, The Illinois Funds, mutual funds, equity securities, corporate debt securities and variable annuities.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

| Asset Class      | Target | Long-Term<br>Expected Real<br>Rate of Return |
|------------------|--------|--|
| Equity           | 52.00% | 9.59%  |
| Fixed Income     | 45.00% | 4.66%  |
| Cash Equivalents | 3.00%  | 0.85%  |

The long-term expected real rates of return are net of a 2.76% factor for inflation and investment expense. ILCS limits the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

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

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy* (Continued)

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class based on historical results over a forty year amortization period. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation are listed in the table above.

*Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Investments in The Illinois Funds are valued at the share price, the price for which the investment could be sold.

*Investment Concentrations*

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

*Investment Rate of Return*

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.11%. 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 does not require pledging of collateral for bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

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

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

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2021:

| Investment Type           | Fair Value          | Investment Maturities (in Years) |                     |                     |                   |
|---------------------------|---------------------|----------------------------------|---------------------|---------------------|-------------------|
|                           |                     | Less than 1                      | 1-5                 | 6-10                | Greater than 10   |
| U.S. Treasury Obligations | \$ 1,616,407        | \$ 99,278                        | \$ 867,967          | \$ 444,904          | \$ 204,258        |
| U.S. Agency Obligations   | 716,854             | 90,010                           | 28,754              | 172,008             | 426,082           |
| Mutual Funds (Fixed Inc.) | 943,319             | 153,257                          | -                   | 790,062             | -                 |
| Corporate Bonds           | 2,582,021           | 210,523                          | 1,369,307           | 998,100             | 4,091             |
| <b>TOTAL</b>              | <b>\$ 5,858,601</b> | <b>\$ 553,068</b>                | <b>\$ 2,266,028</b> | <b>\$ 2,405,074</b> | <b>\$ 634,431</b> |

The Fund has the following recurring fair value measurements as of December 31, 2021: the U.S. Treasury obligations, equity mutual funds, fixed income mutual funds and equities are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations and the corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

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

*Credit Risk*

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 and corporate bonds rated within the four highest ratings categories at the time of purchase by a national rating agency. The U.S. agency obligations are rated AA. The corporate bonds are rated AA+ to BBB- by Standard and Poor's.

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

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The investment policy is silent on limiting exposure to custodial credit risk. In addition, the Fund allows the manager purchasing the investment to also serve as custodian over the investment. To limit its exposure, the manager has purchased an excess SIPC policy to cover any investment losses not covered by the limits of SIPC. The mutual fund and money market mutual funds are not subject to custodial credit risk.

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of and for fiscal year ended December 31, 2021, using the following actuarial methods and assumptions.

|                            |                   |
|----------------------------|-------------------|
| Actuarial Valuation Date   | December 31, 2021 |
| Measurement Date           | December 31, 2021 |
| Actuarial Cost Method      | Entry-Age Normal  |
| Assumptions                |                   |
| Inflation                  | 2.25%             |
| Salary Increases           | 2.25% to 17.66%   |
| Interest Rate              | 6.75%             |
| Cost of Living Adjustments | 3.25%             |
| Asset Valuation Method     | Fair value        |

Mortality rates were based on the PubS-2010(A) Study using MP-2019 Improvement Rates applied on a fully generational basis. Other demographic assumption rates are based on a review of assumptions in the actuary's 2020 study for Illinois Police Officers.

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

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

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*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 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.

*Changes in the Net Pension Liability*

|  | (a)<br>Total<br>Pension<br>Liability | (b)<br>Plan<br>Fiduciary<br>Net Position | (a) - (b)<br>Net<br>Pension<br>Liability |
|--|--------------------------------------|--|--|
| BALANCES AT<br>JANUARY 1, 2021                       | \$ 20,638,206                        | \$ 13,251,724                            | \$ 7,386,482                             |
| Changes for the Period                               |                                      |  |  |
| Service Cost   | 455,298                              | -  | 455,298                                  |
| Interest   | 1,299,520                            | -  | 1,299,520                                |
| Difference Between Expected<br>and Actual Experience | (890,895)                            | -  | (890,895)                                |
| Changes in Assumptions                               | -                                    | -  | -  |
| Changes of Benefit Terms                             | -                                    | -  | -  |
| Employer Contributions                               | -                                    | 949,365                                  | (949,365)                                |
| Employee Contributions                               | -                                    | 173,998                                  | (173,998)                                |
| Net Investment Income                                | -                                    | 1,032,826                                | (1,032,826)                              |
| Benefit Payments and Refunds                         | (871,116)                            | (871,116)                                | -  |
| Administrative Expense                               | -                                    | (20,213)                                 | 20,213                                   |
| Net Changes  | (7,193)                              | 1,264,860                                | (1,272,053)                              |
| BALANCES AT<br>DECEMBER 31, 2021                     | \$ 20,631,013                        | \$ 14,516,584                            | \$ 6,114,429                             |

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

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

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Changes in the Net Pension Liability (Continued)*

The Plan fiduciary net position as a percentage of the total pension liability was 70.36%.

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

For the year ended December 31, 2021, the City recognized police pension expense of \$702,874.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the fund from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience                                   | \$ 584,963                           | \$ 957,638                          |
| Changes in Assumption   | 252,784                              | 80,198                              |
| Net Difference Between Projected and Actual Earnings<br>on Pension Plan Investments | -                                    | 466,875                             |
| TOTAL   | <u>\$ 837,747</u>                    | <u>\$ 1,504,711</u>                 |

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

| <u>Year Ending<br/>December 31,</u> |                     |
|-------------------------------------|---------------------|
| 2022                                | \$ 66,518           |
| 2023                                | (283,134)           |
| 2024                                | (111,498)           |
| 2025                                | (156,092)           |
| 2026                                | (165,294)           |
| Thereafter                          | <u>(17,464)</u>     |
| TOTAL                               | <u>\$ (666,964)</u> |



**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<br>(5.75%) | Current<br>Discount Rate<br>(6.75%) | 1% Increase<br>(7.75%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 9,083,168           | \$ 6,114,429                        | \$ 3,684,818           |

Firefighters' Pension Plan

*Plan Administration*

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the City. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension 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.

*Plan Membership*

At December 31, 2021, the valuation date, membership consisted of:

|  |    |
|--|----|
| Inactive Plan Members Currently Receiving Benefits               | 9  |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 1  |
| Active Plan Members  | 14 |
| TOTAL  | 24 |

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

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided*

The Firefighters' Pension Plan provides retirement 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 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 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

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

Employees are required by ILCS to contribute 9.455% of their base salary to the Firefighter's 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

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

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Contributions (Continued)*

necessary to finance the plan, as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City has adopted a funding policy to fund 100% of the past service cost by 2040. The employer contribution rate for calendar year 2021 was 55.86% of covered payroll.

*Investment Policy*

Permitted Deposits and Investments - Statutes and the Firefighter's Pension Fund's (the Fund) investment policy authorize the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, insured credit union shares, repurchase agreements, commercial paper rates within the three highest classifications by at last two standard rating services, The Illinois Funds, mutual funds, equity securities, corporate debt securities and variable annuities.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

| Asset Class               | Target | Long-Term<br>Expected Real<br>Rate of Return |
|---------------------------|--------|--|
| Large Cap Domestic Equity | 38.50% | 5.90%  |
| Small Cap Domestic Equity | 11.00% | 7.70%  |
| International Equity      | 5.50%  | 6.80%  |
| Fixed Income              | 45.00% | 1.10%  |

The long-term expected real rates of return are net of a 2.50% factor for inflation and investment expense. ILCS limits the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

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

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Policy (Continued)*

The long-term expected rate of return on the Fund's investments was determined using the Morningstar Analyst Research Center - SBBI Data for the period of December 31, 1969, through December 31, 2021. The long-term expected rate of return on the International Equity class was based on the MCSI EAFE index for the period of December 31, 1969, through December 31, 2021. The long-term expected rates of return are the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major assets class. Best estimates or geometric real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2021, are listed in the table on the previous page.

*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.

*Rate of Return*

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.54%. 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 does not require pledging of collateral for bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

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

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

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2021:

| Investment Type             | Fair Value          | Investment Maturities (in Years) |                     |                     |                   |
|-----------------------------|---------------------|----------------------------------|---------------------|---------------------|-------------------|
|                             |                     | Less than 1                      | 1-5                 | 6-10                | Greater than 10   |
| U.S. Treasury Obligations   | \$ 608,502          | \$ 126,715                       | \$ 280,176          | \$ 201,611          | \$ -              |
| U.S. Agency Obligations     | 2,594,872           | 195,964                          | 669,337             | 1,724,003           | 5,568             |
| Corporate Bonds             | 741,139             | -                                | 326,759             | 414,380             | -                 |
| State and Local Obligations | 722,057             | 10,000                           | 255,118             | 355,723             | 101,216           |
| Negotiable CDs              | 166,901             | -                                | 118,742             | 48,159              | -                 |
| <b>TOTAL</b>                | <b>\$ 4,833,471</b> | <b>\$ 332,679</b>                | <b>\$ 1,650,132</b> | <b>\$ 2,743,876</b> | <b>\$ 106,784</b> |

The Fund has the following recurring fair value measurements as of December 31, 2021: the U.S. Treasury obligations, equities, and equity mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, annuity contracts, negotiable CDs, and the corporate 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 and state and local obligations rated within the four highest ratings categories at the time of purchase by a national rating agency. The U.S. agency obligations are rated AA. The state and local obligations are rated from A to AAA by Standard and Poor's. The corporate bonds are rated from A- to AAA. The negotiable CDs are not rated.

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

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The investment policy requires third party safekeeping, evidenced by a written agreement, for all securities owned by the Fund.

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of and for fiscal year ended December 31, 2021, using the following actuarial methods and assumptions.

|                            |                   |
|----------------------------|-------------------|
| Actuarial Valuation Date   | December 31, 2021 |
| Measurement Date           | December 31, 2021 |
| Actuarial Cost Method      | Entry-Age Normal  |
| Assumptions                |                   |
| Inflation                  | 2.25%             |
| Salary Increases           | 2.25% to 17.39%   |
| Interest Rate              | 6.75%             |
| Cost of Living Adjustments | 2.25%             |
| Asset Valuation Method     | Fair value        |

Mortality rates were based on the PubS-2010(A) Study using MP-2019 Improvement Rates applied on a fully generational basis. Other demographic assumption rates are based on a review of assumptions in the actuary's 2020 study for Illinois Firefighters.

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

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

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*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 employer 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.

*Changes in the Net Pension Liability*

|  | (a)<br>Total<br>Pension<br>Liability | (b)<br>Plan<br>Fiduciary<br>Net Position | (a) - (b)<br>Net<br>Pension<br>Liability |
|--|--------------------------------------|--|--|
| BALANCES AT<br>JANUARY 1, 2021                       | \$ 15,365,732                        | \$ 11,071,799                            | \$ 4,293,933                             |
| Changes for the Period                               |                                      |  |  |
| Service Cost   | 299,707                              | -  | 299,707                                  |
| Interest   | 960,358                              | -  | 960,358                                  |
| Difference Between Expected<br>and Actual Experience | (1,753,505)                          | -  | (1,753,505)                              |
| Changes in Assumptions                               | -                                    | -  | -  |
| Changes in Benefit Terms                             | -                                    | -  | -  |
| Employer Contributions                               | -                                    | 658,021                                  | (658,021)                                |
| Employee Contributions                               | -                                    | 111,379                                  | (111,379)                                |
| Net Investment Income                                | -                                    | 1,158,271                                | (1,158,271)                              |
| Benefit Payments and Refunds                         | (626,651)                            | (626,651)                                | -  |
| Administrative Expense                               | -                                    | (17,698)                                 | 17,698                                   |
| Net Changes  | (1,120,091)                          | 1,283,322                                | (2,403,413)                              |
| BALANCES AT<br>DECEMBER 31, 2021                     | \$ 14,245,641                        | \$ 12,355,121                            | \$ 1,890,520                             |

The Plan fiduciary net position as a percentage of the total pension liability was 86.73%.

**CITY OF ROCHELLE, 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 December 31, 2021, the City recognized firefighters' pension expense of \$24,179.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the Fund from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience                                   | \$ 298,300                           | \$ 2,091,541                        |
| Changes in Assumption   | 470,008                              | 141,303                             |
| Net Difference Between Projected and Actual<br>Earnings on Pension Plan Investments | -                                    | 911,530                             |
| <b>TOTAL</b>  | <b>\$ 768,308</b>                    | <b>\$ 3,144,374</b>                 |

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

| <u>Year Ending<br/>December 31,</u> |                       |
|-------------------------------------|-----------------------|
| 2022                                | \$ (330,594)          |
| 2023                                | (500,085)             |
| 2024                                | (357,122)             |
| 2025                                | (348,805)             |
| 2026                                | (226,765)             |
| Thereafter                          | (612,695)             |
| <b>TOTAL</b>                        | <b>\$ (2,376,066)</b> |



**CITY OF ROCHELLE, 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 6.75% 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<br>(5.75%) | Current<br>Discount Rate<br>(6.75%) | 1% Increase<br>(7.75%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 3,953,124           | \$ 1,890,520                        | \$ 201,773             |

B. Schedule of Fiduciary Net Position

|   | Police<br>Pension | Firefighters'<br>Pension | Total         |
|---|-------------------|--------------------------|---------------|
| <b>ASSETS</b>                                   |                   |                          |               |
| Cash and Short-Term Investments                 | \$ 816,753        | \$ 518,121               | \$ 1,334,874  |
| Investments, at Fair Value                      |                   |                          |               |
| U.S. Treasury Securities                        | 1,616,407         | 608,502                  | 2,224,909     |
| U.S. Agency Securities                          | 716,854           | 2,594,873                | 3,311,727     |
| Equity Mutual Funds                             | 2,131,816         | 6,717,941                | 8,849,757     |
| Fixed Income Mutual Funds                       | 943,319           | -                        | 943,319       |
| Corporate Bonds                                 | 2,582,021         | 741,139                  | 3,323,160     |
| Municipal Bonds                                 | -                 | 722,056                  | 722,056       |
| Equities  | 5,674,398         | 220,904                  | 5,895,302     |
| Annuity Contracts                               | -                 | 205,144                  | 205,144       |
| Receivables                                     |                   |                          |               |
| Accrued Interest                                | 35,016            | 26,441                   | 61,457        |
| Total Assets                                    | 14,516,584        | 12,355,121               | 26,871,705    |
| <b>LIABILITIES</b>                              |                   |                          |               |
| None  | -                 | -                        | -             |
| Total Liabilities                               | -                 | -                        | -             |
| <b>NET POSITION RESTRICTED<br/>FOR PENSIONS</b> |                   |                          |               |
|   | \$ 14,516,584     | \$ 12,355,121            | \$ 26,871,705 |

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

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

C. Schedule of Changes in Fiduciary Net Position

|  | Police<br>Pension | Firefighters'<br>Pension | Total         |
|--|-------------------|--------------------------|---------------|
| <b>ADDITIONS</b>                                 |                   |                          |               |
| Contributions                                    |                   |                          |               |
| Employer Contributions                           | \$ 949,365        | \$ 658,021               | \$ 1,607,386  |
| Employee Contributions                           | 173,998           | 111,379                  | 285,377       |
| Total Contributions                              | 1,123,363         | 769,400                  | 1,892,763     |
| <b>INVESTMENT INCOME</b>                         |                   |                          |               |
| Net Appreciation on Fair<br>Value of Investments | 626,847           | 679,314                  | 1,306,161     |
| Interest Earned                                  | 440,471           | 510,209                  | 950,680       |
| Less Investment Expense                          | (34,492)          | (31,252)                 | (65,744)      |
| Net Investment Income                            | 1,032,826         | 1,158,271                | 2,191,097     |
| Total Additions                                  | 2,156,189         | 1,927,671                | 4,083,860     |
| <b>DEDUCTIONS</b>                                |                   |                          |               |
| Benefits and Refunds                             | 871,116           | 626,651                  | 1,497,767     |
| Administrative Expenses                          | 20,213            | 17,698                   | 37,911        |
| Total Deductions                                 | 891,329           | 644,349                  | 1,535,678     |
| <b>NET INCREASE</b>                              | 1,264,860         | 1,283,322                | 2,548,182     |
| <b>NET POSITION RESTRICTED<br/>FOR PENSIONS</b>  |                   |                          |               |
| January 1  | 13,251,724        | 11,071,799               | 24,323,523    |
| December 31                                      | \$ 14,516,584     | \$ 12,355,121            | \$ 26,871,705 |

**7. RISK MANAGEMENT**

The City is exposed to various risks of loss, including but not limited to, property and casualty, general and public officials' liability, workers' compensation and employee's health. The City purchases third party indemnity insurance to limit its exposure to losses. Settled claims from these risks have not exceeded commercial insurance coverage in the current fiscal year or the two prior fiscal years.

**8. CONTRACTS, COMMITMENTS AND CONTINGENCIES**

**A. Litigation**

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**B. Grants**

Amounts received and receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**C. Northern Illinois Municipal Power Agency**

Northern Illinois Municipal Power Agency (NIMPA) is a joint municipal electric power agency and a body politic and corporate, municipal corporation and unit of local government of the State of Illinois. NIMPA was created by contract under Illinois' municipal joint action agency statutes as of May 24, 2004 for the purpose of effecting the joint development of electric energy resources for the production, transmission and distribution of electric power and energy. NIMPA's members currently consist of three Illinois municipalities, the Cities of Batavia, Geneva and Rochelle.

The City currently purchases power and energy from NIMPA under a power sales agreement, under which the City is allocated a percentage entitlement to NIMPA's 120 MW ownership interest in the Prairie State project. The Prairie State project is an approximately 1,620 MW "mine mouth" coal fired power generating facility located in Washington County, Illinois. The City's entitlement share of the Prairie State project is 25% or 30 MW.

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

**C. Northern Illinois Municipal Power Agency (Continued)**

NIMPA's outstanding debt service obligation is to be paid by its members through their wholesale power charges through the remainder of the long-term contract, which is \$420 million as of December 31, 2021.

**D. Rochelle Waste Disposal**

The City signed a host agreement with Rochelle Waste Disposal, LLC (the Operator) for Sanitary Landfill No. 2, effective May 1, 1996. Under this agreement, the Operator is responsible for all closure and post-closure costs, with no liability to the City. The leasing parties are responsible for any remediation costs. The lease will run as long as the capacity permits for the disposal of solid waste remains, or a minimum of 20 years. The Operator paid an initiation fee of \$200,000. The Operator will also pay a base fee of \$75,000 payable in quarterly installments and a usage fee based on a tonnage fee, or 6.10% of gross revenues on the accrual basis, whichever is greater.

**E. Ogle-Lee Fire Protection District**

The City is engaged in an intergovernmental agreement for fire protection services with Ogle-Lee Fire Protection District (the District). The management board consists of two members appointed by the District and two by the City. The District is required to pay \$86,500 per year through September 30, 2022. The payments provided shall be increased at the rate of 3% per annum beginning with the payment due May 1, 2018.

**F. Tax Abatements**

The City abates property taxes to stimulate commercial and industrial development within the City under certain circumstances. The terms of these abatement arrangements are specified within written agreements with the businesses concerned.

For the fiscal year ended December 31, 2021, the City abated ½ of the 1% portion of sales tax attributable to sales and services rendered for a dealership who renovated their building at 620 South 7th Street, Rochelle, Illinois. The sales tax abatement amounted to \$53,784. A portion of the property taxes attributable to any new improvements added to the property (30% to 90%) will be rebated by the City related to this agreement starting in fiscal year 2019 (2018 tax levy). Under the terms of the agreement, the dealership is required to employ a minimum of 19 full-time equivalent employees for at least five years. The agreement expires December 31, 2022.

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

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**9. INDIVIDUAL FUND DISCLOSURES**

A. Due From/To Other Funds

Due from/to other funds at December 31, 2021, consisted of the following:

| Fund                  | Due<br>From       | Due<br>To         |
|-----------------------|-------------------|-------------------|
| General               | \$ 555,862        | \$ -              |
| Capital Improvement   | -                 | 538,238           |
| Nonmajor Governmental | 89,929            | 17,624            |
| Nonmajor Proprietary  | -                 | 89,929            |
| TOTAL                 | <u>\$ 645,791</u> | <u>\$ 645,791</u> |

Due from/to amounts are to cover temporary cash deficits. Repayment is expected within one year.

B. Advances From/To Other Funds

Advances from/to other funds at December 31, 2021 consisted of the following:

| Fund                     | Advance<br>From   | Advance<br>To     |
|--------------------------|-------------------|-------------------|
| Electric Utility         | \$ 409,044        | \$ -              |
| Technology Center        | -                 | 409,044           |
| General                  | 22,224            | -                 |
| Nonmajor Special Revenue | -                 | 22,224            |
| TOTAL                    | <u>\$ 431,268</u> | <u>\$ 431,268</u> |

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

- \$409,044 advanced from the Electric Utility Fund to the Technology Center Funds is for funding of cash shortfalls. Repayment is not expected within one year.
- \$22,224 advanced from the General Fund to the Nonmajor Special Revenue Funds is for funding of cash shortfalls. Repayment is not expected within one year.

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

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

**C. Interfund Transfers**

Interfund transfers during the year ended December 31, 2021 consisted of the following:

|                       | Transfer<br>In      | Transfer<br>Out     |
|-----------------------|---------------------|---------------------|
| General               | \$ 2,774,071        | \$ 180,000          |
| Capital Improvement   | 1,396,285           | 75,000              |
| Electric              | -                   | 2,096,088           |
| Water                 | -                   | 148,817             |
| Water Reclamation     | -                   | 207,616             |
| Nonmajor Governmental | 255,000             | 1,768,946           |
| Nonmajor Enterprise   | 87,000              | 35,889              |
| <b>TOTAL</b>          | <b>\$ 4,512,356</b> | <b>\$ 4,512,356</b> |

The purposes of significant interfund transfers are as follows:

- \$2,774,071 transferred to the General Fund was made up of \$2,096,088 from the Electric Utility Fund, \$148,817 from the Water Fund, \$207,616 Water Reclamation Fund, \$285,661 from the Nonmajor Governmental and \$35,889 from the Nonmajor Enterprise Funds for annual transfers as permitted under bond ordinances and city policies. The transfers will not be repaid.
- \$1,396,285 transferred to the Capital Improvement Fund from Nonmajor Governmental Funds (Utility Tax Fund \$54,211, Railroad Fund \$205,350 and Sales Tax Fund \$1,136,724) for various CIP projects. These transfers will not be repaid.

**D. Fund Balance/Net Position Deficits**

As of December 31, 2021, the Social Security (\$17,624) and Northern Gateway TIF Fund (\$22,225) had deficit fund balances/net position.

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

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**10. RECEIVABLES**

The following receivables are included in due from other governments on the statement of net position at December 31, 2021:

**GOVERNMENTAL ACTIVITIES**

|                        |               |
|------------------------|---------------|
| Telecommunications Tax | \$ 67,008     |
| Use Tax                | 105,714       |
| Sales Tax              | 1,025,814     |
| Auto Rental Tax        | 153           |
| Video Gaming Tax       | 49,267        |
| Cannabis Tax           | 3,812         |
| Motor Fuel Tax         | <u>35,603</u> |

|                                      |                            |
|--------------------------------------|----------------------------|
| <b>TOTAL GOVERNMENTAL ACTIVITIES</b> | <b><u>\$ 1,287,371</u></b> |
|--------------------------------------|----------------------------|

**11. OTHER POSTEMPLOYMENT BENEFITS**

**A. Plan Description**

In addition to providing the pension benefits described, the City provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The activity of the plan is reported in the City's governmental activities.

**B. Benefits Provided**

The City provides OPEB to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans.

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; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary. The City also offers an early retirement incentive in which the City will pay two years of insurance premiums up to the coverage level held at the time of agreement for participating employees. 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.

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

C. Membership

At December 31, 2020, the most recent information available, membership consisted of:

|  |                   |
|--|-------------------|
| Retirees and Beneficiaries Currently Receiving Benefits              | 15                |
| Terminated Employees Entitled to Benefits but not yet Receiving Them | -                 |
| Active Employees   | <u>105</u>        |
| <b>TOTAL</b>   | <b><u>120</u></b> |

D. Total OPEB Liability

The City's total OPEB liability of \$705,797 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2020.

E. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2021, as determined by an actuarial valuation as of January 1, 2020, actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updated procedures to December 31, 2021, including updating the discount rate at December 31, 2021, as noted below.

|                             |                                 |
|-----------------------------|---------------------------------|
| Actuarial Cost Method       | Entry-Age Normal                |
| Actuarial Value of Assets   | Not Applicable                  |
| Salary Increases            | 2.75%                           |
| Discount Rate               | 2.06%                           |
| Healthcare Cost Trend Rates | 5.50% Initial<br>5.00% 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.



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

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

F. Changes in the Total OPEB Liability

|  | <u>Total OPEB<br/>Liability</u> |
|--|---------------------------------|
| BALANCES AT DECEMBER 31, 2020                  | <u>\$ 679,504</u>               |
| Changes for the Period                         |                                 |
| Service Cost                                   | 22,055                          |
| Interest                                       | 13,386                          |
| Changes Between Expected and Actual Experience | 110,432                         |
| Changes in Assumptions                         | (23,402)                        |
| Benefit Payments                               | <u>(96,178)</u>                 |
| Net Changes                                    | <u>26,293</u>                   |
| BALANCES AT DECEMBER 31, 2021                  | <u><u>\$ 705,797</u></u>        |

There were changes in assumptions related to the discount rate and healthcare cost trend rates in 2021.

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 2.06% 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 (1.06%) or 1 percentage point higher (3.06%) than the current rate:

|                      | 1% Decrease<br>(1.06%) | Current<br>Discount Rate<br>(2.06%) | 1% Increase<br>(3.06%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | \$ 739,359             | \$ 705,797                          | \$ 673,756             |

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

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

G. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 5.50% to 5.00% 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 (4.50% to 4.00%) or 1 percentage point higher (6.50% to 6.00%) than the current rate:

|                      | 1% Decrease<br>(4.50% to 4.00%) | Current<br>Healthcare Rate<br>(5.50% to 5.00%) | 1% Increase<br>(6.50% to 6.00%) |
|----------------------|---------------------------------|--|---------------------------------|
| Total OPEB Liability | \$ 649,464                      | \$ 705,797                                     | \$ 771,783                      |

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the City recognized OPEB expense of \$48,583. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between Expected and Actual Experience | \$ 125,189                           | \$ -                                |
| Changes in Assumptions                             | 58,094                               | 40,907                              |
| <b>TOTAL</b>                                       | <b>\$ 183,283</b>                    | <b>\$ 40,907</b>                    |

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

| <u>Year Ending<br/>December 31,</u> |                   |
|-------------------------------------|-------------------|
| 2022                                | \$ 13,142         |
| 2023                                | 13,142            |
| 2024                                | 13,142            |
| 2025                                | 13,142            |
| 2026                                | 13,142            |
| Thereafter                          | 76,666            |
| <b>TOTAL</b>                        | <b>\$ 142,376</b> |

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF ROCHELLE, ILLINOIS****SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended December 31, 2021

|  | <b>Original and<br/>Final Budget</b> | <b>Actual</b> | <b>Variance<br/>Over<br/>(Under)</b> |
|--|--------------------------------------|---------------|--------------------------------------|
| <b>REVENUES</b>                                      |                                      |               |                                      |
| Taxes  | \$ 5,615,166                         | \$ 6,044,790  | \$ 429,624                           |
| Licenses and Permits                                 | 235,500                              | 197,454       | (38,046)                             |
| Intergovernmental                                    | 1,181,000                            | 1,329,583     | 148,583                              |
| Charges for Services                                 | 974,411                              | 1,318,600     | 344,189                              |
| Fines and Forfeitures                                | 75,000                               | 94,335        | 19,335                               |
| Investment Income                                    | 60,000                               | (15,983)      | (75,983)                             |
| Miscellaneous  | 105,000                              | 61,081        | (43,919)                             |
| Total Revenues                                       | 8,246,077                            | 9,029,860     | 783,783                              |
| <b>EXPENDITURES</b>                                  |                                      |               |                                      |
| Current  |                                      |               |                                      |
| General Government                                   | 1,720,587                            | 1,886,558     | 165,971                              |
| Public Safety  | 7,007,421                            | 6,691,523     | (315,898)                            |
| Public Works   | 1,922,663                            | 1,778,344     | (144,319)                            |
| Public Service Enterprises                           | 175,278                              | 179,904       | 4,626                                |
| Conservation and Development                         | 13,900                               | 5,172         | (8,728)                              |
| Debt Service   |                                      |               |                                      |
| Principal  | -                                    | 81,662        | 81,662                               |
| Interest and Fiscal Charges                          | -                                    | 5,103         | 5,103                                |
| Total Expenditures                                   | 10,839,849                           | 10,628,266    | (211,583)                            |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (2,593,772)                          | (1,598,406)   | 995,366                              |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                                      |               |                                      |
| Transfers In   | 2,774,071                            | 2,774,071     | -                                    |
| Transfers (Out)                                      | (180,000)                            | (180,000)     | -                                    |
| Total Other Financing Sources (Uses)                 | 2,594,071                            | 2,594,071     | -                                    |
| NET CHANGE IN FUND BALANCE                           | \$ 299                               | 995,665       | \$ 995,366                           |
| FUND BALANCE, JANUARY 1                              |                                      | 8,436,031     |                                      |
| FUND BALANCE, DECEMBER 31                            |                                      | \$ 9,431,696  |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, 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 DECEMBER 31,</b>   | <b>2018</b>       | <b>2019</b>       | <b>2020</b>       | <b>2021</b>       |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>TOTAL OPEB LIABILITY</b>  |                   |                   |                   |                   |
| Service Cost   | \$ 22,383         | \$ 20,668         | \$ 22,685         | \$ 22,055         |
| Interest   | 36,035            | 32,780            | 18,612            | 13,386            |
| Differences Between Expected and Actual Experience                             | -                 | -                 | 28,316            | 110,432           |
| Changes of Assumptions   | (28,984)          | 56,576            | 18,530            | (23,402)          |
| Benefit Payments, Including Refunds of Member Contributions                    | (268,861)         | (284,773)         | (175,766)         | (96,178)          |
| Net Change in Total OPEB Liability   | (239,427)         | (174,749)         | (87,623)          | 26,293            |
| Total OPEB Liability - Beginning   | 1,181,303         | 941,876           | 767,127           | 679,504           |
| <b>TOTAL OPEB LIABILITY - ENDING</b>   | <b>\$ 941,876</b> | <b>\$ 767,127</b> | <b>\$ 679,504</b> | <b>\$ 705,797</b> |
| Covered-Employee Payroll   | \$ 7,728,322      | \$ 9,004,571      | \$ 9,844,341      | \$ 9,852,990      |
| Employer's Total OPEB Liability<br>as a Percentage of Covered-Employee Payroll | 12.19%            | 8.52%             | 6.90%             | 7.16%             |

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

In 2018, there were changes in assumptions related to the discount rate and health care trend rate.

In 2019, there were changes in assumptions related to the inflation rate, total payroll increases, mortality rates, mortality improvement rates, retirement rates, termination rates, disability rates and the discount rate.

In 2020, there were changes in assumptions related to the discount rate and health care trend rate.

In 2021, 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 ROCHELLE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Seven Fiscal Years

| <b>FISCAL YEAR ENDED</b>   | <b>April 30,</b> |              | <b>December 31,</b> |              |              |              |              |  |
|--|------------------|--------------|---------------------|--------------|--------------|--------------|--------------|--|
|  | <b>2016</b>      | <b>2016*</b> | <b>2017</b>         | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  |  |
| Actuarially Determined Contribution                                  | \$ 683,782       | \$ 491,358   | \$ 768,000          | \$ 704,122   | \$ 593,621   | \$ 770,238   | \$ 719,006   |  |
| Contributions in Relation to the Actuarially Determined Contribution | 683,782          | 491,358      | 768,000             | 704,122      | 593,621      | 770,238      | 719,006      |  |
| <b>CONTRIBUTION DEFICIENCY (Excess)</b>                              | \$ -             | \$ -         | \$ -                | \$ -         | \$ -         | \$ -         | \$ -         |  |
| Covered Payroll  | \$ 6,035,344     | \$ 4,153,491 | \$ 6,432,161        | \$ 6,209,189 | \$ 6,348,888 | \$ 6,951,606 | \$ 6,925,837 |  |
| Contributions as a Percentage of Covered Payroll                     | 11.33%           | 11.83%       | 11.94%              | 11.34%       | 9.35%        | 11.08%       | 10.38%       |  |

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

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 23 years; 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 postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND**

Last Eight Fiscal Years

| <b>FISCAL YEAR ENDED</b>   | <b>April 30,</b>   |                 |                 |                 | <b>December 31,</b> |                 |                    |                     |
|--|--------------------|-----------------|-----------------|-----------------|---------------------|-----------------|--------------------|---------------------|
|  | <b>2015</b>        | <b>2016</b>     | <b>2016*</b>    | <b>2017</b>     | <b>2018</b>         | <b>2019</b>     | <b>2020</b>        | <b>2021</b>         |
| Actuarially Determined Contribution                                  | \$ 263,541         | \$ 366,575      | \$ 389,808      | \$ 499,765      | \$ 557,874          | \$ 614,329      | \$ 715,312         | \$ 827,035          |
| Contributions in Relation to the Actuarially Determined Contribution | 276,905            | 360,627         | 388,135         | 497,804         | 556,593             | 613,234         | 764,747            | 949,365             |
| <b>CONTRIBUTION DEFICIENCY (Excess)</b>                              | <b>\$ (13,364)</b> | <b>\$ 5,948</b> | <b>\$ 1,673</b> | <b>\$ 1,961</b> | <b>\$ 1,281</b>     | <b>\$ 1,095</b> | <b>\$ (49,435)</b> | <b>\$ (122,330)</b> |
| Covered Payroll  | \$ 1,586,341       | \$ 1,349,905    | \$ 1,212,418    | \$ 1,882,279    | \$ 1,382,454        | \$ 1,535,637    | \$ 1,686,765       | \$ 1,755,785        |
| Contributions as a Percentage of Covered Payroll                     | 17.46%             | 26.71%          | 32.01%          | 26.45%          | 40.26%              | 39.93%          | 45.34%             | 54.07%              |

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1/January 1 of the prior fiscal years. 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 21 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 6.75% annually, projected salary increase assumption of 2.50% to 17.91% plus 2.50% for inflation compounded 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 years as is available.

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

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

Last Eight Fiscal Years

| <b>FISCAL YEAR ENDED</b>   | <b>April 30,</b>  |                  |                 |                 | <b>December 31,</b> |               |                    |                     |
|--|-------------------|------------------|-----------------|-----------------|---------------------|---------------|--------------------|---------------------|
|  | <b>2015</b>       | <b>2016</b>      | <b>2016*</b>    | <b>2017</b>     | <b>2018</b>         | <b>2019</b>   | <b>2020</b>        | <b>2021</b>         |
| Actuarially Determined Contribution                                  | \$ 273,650        | \$ 337,824       | \$ 345,086      | \$ 444,861      | \$ 464,988          | \$ 482,180    | \$ 477,231         | \$ 536,159          |
| Contributions in Relation to the Actuarially Determined Contribution | 278,524           | 306,002          | 345,372         | 443,122         | 463,931             | 481,321       | 528,813            | 658,021             |
| <b>CONTRIBUTION DEFICIENCY (Excess)</b>                              | <b>\$ (4,874)</b> | <b>\$ 31,822</b> | <b>\$ (286)</b> | <b>\$ 1,739</b> | <b>\$ 1,057</b>     | <b>\$ 859</b> | <b>\$ (51,582)</b> | <b>\$ (121,862)</b> |
| Covered Payroll  | \$ 909,588        | \$ 924,791       | \$ 666,530      | \$ 1,034,788    | \$ 1,026,548        | \$ 1,092,625  | \$ 1,192,781       | \$ 1,177,993        |
| Contributions as a Percentage of Covered Payroll                     | 30.62%            | 33.09%           | 51.82%          | 42.82%          | 45.19%              | 44.05%        | 44.33%             | 55.86%              |

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1/January 1 of the prior fiscal years. 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 21 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 6.75% annually, projected salary increase assumption of 2.50% to 17.64% plus 2.50% for inflation compounded annually and postretirement benefit increases of 3.50% compounded annually.

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(See independent auditor's report.)



**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Six Fiscal 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>TOTAL PENSION LIABILITY</b>  |                      |                      |                      |                      |                      |                       |
| Service Cost  | \$ 633,562           | \$ 642,258           | \$ 645,899           | \$ 627,215           | \$ 607,200           | \$ 615,069            |
| Interest  | 2,620,202            | 2,791,955            | 2,904,572            | 2,931,686            | 3,006,770            | 3,126,537             |
| Difference Between Expected and<br>Actual Experience of the Total Pension Liability | 803,929              | (40,100)             | 174,541              | 106,700              | 620,227              | (180,664)             |
| Changes of Assumptions  | 43,813               | (90,079)             | (1,220,831)          | 1,131,604            | -                    | (296,225)             |
| Benefit Payments, Including Refunds of Member<br>Contributions                      | (1,693,209)          | (1,832,637)          | (1,975,021)          | (2,291,605)          | (2,515,722)          | (2,656,622)           |
| Net Change in Total Pension Liability   | 2,408,297            | 1,471,397            | 529,160              | 2,505,600            | 1,718,475            | 608,095               |
| Total Pension Liability - Beginning   | 35,512,493           | 37,920,790           | 39,392,187           | 39,921,347           | 42,426,947           | 44,145,422            |
| <b>TOTAL PENSION LIABILITY - ENDING</b>   | <b>\$ 37,920,790</b> | <b>\$ 39,392,187</b> | <b>\$ 39,921,347</b> | <b>\$ 42,426,947</b> | <b>\$ 44,145,422</b> | <b>\$ 44,753,517</b>  |
| <b>PLAN FIDUCIARY NET POSITION</b>  |                      |                      |                      |                      |                      |                       |
| Contributions - Employer  | \$ 687,703           | \$ 725,858           | \$ 768,001           | \$ 714,809           | \$ 595,621           | \$ 770,237            |
| Contributions - Member  | 280,253              | 343,977              | 289,447              | 291,631              | 286,662              | 312,822               |
| Net Investment Income   | 165,264              | 2,260,861            | 6,163,738            | (2,311,367)          | 7,120,133            | 6,234,317             |
| Benefit Payments, Including Refunds of Member<br>Contributions                      | (1,693,209)          | (1,832,637)          | (1,975,021)          | (2,291,605)          | (2,515,722)          | (2,656,622)           |
| Other (Net Transfer)  | 2,251                | 353,618              | (966,725)            | 1,023,266            | 415,760              | (68,888)              |
| Net Change in Plan Fiduciary Net Position   | (557,738)            | 1,851,677            | 4,279,440            | (2,573,266)          | 5,902,454            | 4,591,866             |
| Plan Fiduciary Net Position - Beginning   | 33,415,517           | 32,857,779           | 34,709,456           | 38,988,896           | 36,415,630           | 42,318,084            |
| <b>PLAN FIDUCIARY NET POSITION - ENDING</b>   | <b>\$ 32,857,779</b> | <b>\$ 34,709,456</b> | <b>\$ 38,988,896</b> | <b>\$ 36,415,630</b> | <b>\$ 42,318,084</b> | <b>\$ 46,909,950</b>  |
| <b>EMPLOYER'S NET PENSION LIABILITY</b>   | <b>\$ 5,063,011</b>  | <b>\$ 4,682,731</b>  | <b>\$ 932,451</b>    | <b>\$ 6,011,317</b>  | <b>\$ 1,827,338</b>  | <b>\$ (2,156,433)</b> |

| <b>MEASUREMENT DATE DECEMBER 31,</b>  | <b>2015</b>  | <b>2016</b>  | <b>2017</b>  | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Plan Fiduciary Net Position<br>as a Percentage of the Total Pension Liability | 86.65%       | 88.11%       | 97.66%       | 85.83%       | 95.86%       | 104.82%      |
| Covered Payroll   | \$ 6,035,344 | \$ 6,126,370 | \$ 6,432,163 | \$ 6,303,438 | \$ 6,370,283 | \$ 6,951,609 |
| Employer's Net Pension Liability<br>as a Percentage of Covered Payroll        | 83.89%       | 76.44%       | 14.50%       | 95.37%       | 28.69%       | (31.02%)     |

Changes in assumptions related to retirement age and mortality were made in 2015. There was a change in the discount rate assumption from 2015 to 2016. Changes in assumptions related to retirement age and mortality were made in 2017. There was a change in the discount rate assumption from 2017 to 2018. There was a change in the inflation rate, projected payroll increases and mortality rates from 2019 to 2020.

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 ROCHELLE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION FUND

Last Eight Fiscal Years

| MEASUREMENT DATE  | April 30,            |                      |                      |                      | December 31,         |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2015                 | 2016                 | 2016*                | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 |
| <b>TOTAL PENSION LIABILITY</b>                              |                      |                      |                      |                      |                      |                      |                      |                      |
| Service Cost  | \$ 285,666           | \$ 280,429           | \$ 228,616           | \$ 244,048           | \$ 368,621           | \$ 405,981           | \$ 433,368           | \$ 455,298           |
| Interest  | 971,183              | 996,514              | 734,327              | 1,090,246            | 1,135,689            | 1,230,475            | 1,328,898            | 1,299,520            |
| Differences Between Actual and Expected                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Experience  | -                    | (203,820)            | (17,329)             | 240,607              | 788,319              | 366,156              | (271,542)            | (890,895)            |
| Changes in Assumptions                                      | -                    | 1,183,719            | (367,219)            | -                    | -                    | 239,595              | -                    | -                    |
| Changes in Benefit Terms                                    | -                    | -                    | -                    | -                    | -                    | 33,828               | -                    | -                    |
| Benefit Payments, Including Refunds of Member Contributions | (925,616)            | (837,526)            | (565,736)            | (924,236)            | (879,106)            | (897,669)            | (908,978)            | (871,116)            |
| Net Change in Total Pension Liability                       | 331,233              | 1,419,316            | 12,659               | 650,665              | 1,413,523            | 1,378,366            | 581,746              | (7,193)              |
| Total Pension Liability - Beginning                         | 14,850,698           | 15,181,931           | 16,601,247           | 16,613,906           | 17,264,571           | 18,678,094           | 20,056,460           | 20,638,206           |
| <b>TOTAL PENSION LIABILITY - ENDING</b>                     | <b>\$ 15,181,931</b> | <b>\$ 16,601,247</b> | <b>\$ 16,613,906</b> | <b>\$ 17,264,571</b> | <b>\$ 18,678,094</b> | <b>\$ 20,056,460</b> | <b>\$ 20,638,206</b> | <b>\$ 20,631,013</b> |
| <b>PLAN FIDUCIARY NET POSITION</b>                          |                      |                      |                      |                      |                      |                      |                      |                      |
| Contributions - Employer                                    | \$ 276,905           | \$ 360,627           | \$ 388,135           | \$ 497,804           | \$ 556,593           | \$ 613,234           | \$ 764,747           | \$ 949,365           |
| Contributions - Member                                      | 138,909              | 137,476              | 90,544               | 140,386              | 142,282              | 152,182              | 167,158              | 173,998              |
| Net Investment Income                                       | 504,446              | (283,084)            | 328,130              | 1,200,675            | (601,025)            | 1,775,027            | 1,156,849            | 1,032,826            |
| Benefit Payments, Including Refunds of Member Contributions | (925,616)            | (837,526)            | (565,736)            | (924,236)            | (879,106)            | (897,669)            | (908,978)            | (871,116)            |
| Administrative Expense                                      | (17,065)             | (18,984)             | (17,314)             | (20,897)             | (22,890)             | (22,338)             | (22,693)             | (20,213)             |
| Net Change in Plan Fiduciary Net Position                   | (22,421)             | (641,491)            | 223,759              | 893,732              | (804,146)            | 1,620,436            | 1,157,083            | 1,264,860            |
| Plan Fiduciary Net Position - Beginning                     | 10,824,772           | 10,802,351           | 10,160,860           | 10,384,619           | 11,278,351           | 10,474,205           | 12,094,641           | 13,251,724           |
| <b>PLAN FIDUCIARY NET POSITION - ENDING</b>                 | <b>\$ 10,802,351</b> | <b>\$ 10,160,860</b> | <b>\$ 10,384,619</b> | <b>\$ 11,278,351</b> | <b>\$ 10,474,205</b> | <b>\$ 12,094,641</b> | <b>\$ 13,251,724</b> | <b>\$ 14,516,584</b> |
| <b>EMPLOYER'S NET PENSION LIABILITY</b>                     | <b>\$ 4,379,580</b>  | <b>\$ 6,440,387</b>  | <b>\$ 6,229,287</b>  | <b>\$ 5,986,220</b>  | <b>\$ 8,203,889</b>  | <b>\$ 7,961,819</b>  | <b>\$ 7,386,482</b>  | <b>\$ 6,114,429</b>  |

| MEASUREMENT DATE  | April 30,    |              |              |              | December 31, |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2015         | 2016         | 2016*        | 2017         | 2018         | 2019         | 2020         | 2021         |
| Plan Fiduciary Net Position<br>as a Percentage of the Total Pension Liability | 71.15%       | 61.21%       | 62.51%       | 65.33%       | 56.08%       | 60.30%       | 64.21%       | 70.36%       |
| Covered Payroll   | \$ 1,586,341 | \$ 1,349,905 | \$ 1,212,418 | \$ 1,882,279 | \$ 1,382,454 | \$ 1,535,637 | \$ 1,686,765 | \$ 1,755,785 |
| Employer's Net Pension Liability<br>as a Percentage of Covered Payroll        | 276.08%      | 477.10%      | 513.79%      | 318.03%      | 593.43%      | 518.47%      | 437.91%      | 348.24%      |

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

2016 - There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

2019 - There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to projected individual payroll increases, projected total payroll increases, inflation rate, mortality rates, mortality improvement rates, retirement rates, termination rates and disability 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 years as is available.

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
FIREFIGHTERS' PENSION FUND

Last Eight Fiscal Years

| MEASUREMENT DATE  | April 30,            |                      |                      |                      | December 31,         |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2015                 | 2016                 | 2016*                | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 |
| <b>TOTAL PENSION LIABILITY</b>                              |                      |                      |                      |                      |                      |                      |                      |                      |
| Service Cost  | \$ 215,229           | \$ 217,247           | \$ 157,858           | \$ 168,513           | \$ 261,695           | \$ 239,261           | \$ 293,897           | \$ 299,707           |
| Interest  | 741,514              | 753,420              | 606,381              | 890,290              | 921,520              | 945,071              | 976,501              | 960,358              |
| Differences Between Actual and Expected                     |                      |                      |                      |                      |                      |                      |                      |                      |
| Experience  | -                    | 663,185              | (193,311)            | 78,353               | (121,881)            | (558,905)            | 74,830               | (1,753,505)          |
| Changes in Assumptions                                      | -                    | 900,875              | (352,959)            | -                    | -                    | 277,673              | -                    | -                    |
| Changes of Benefit Terms                                    | -                    | -                    | -                    | -                    | -                    | 118,668              | -                    | -                    |
| Benefit Payments, Including Refunds of Member Contributions | (498,763)            | (554,623)            | (395,431)            | (611,828)            | (737,152)            | (687,723)            | (658,451)            | (626,651)            |
| Net Change in Total Pension Liability                       | 457,980              | 1,980,104            | (177,462)            | 525,328              | 324,182              | 334,045              | 686,777              | (1,120,091)          |
| Total Pension Liability - Beginning                         | 11,234,778           | 11,692,758           | 13,672,862           | 13,495,400           | 14,020,728           | 14,344,910           | 14,678,955           | 15,365,732           |
| <b>TOTAL PENSION LIABILITY - ENDING</b>                     | <b>\$ 11,692,758</b> | <b>\$ 13,672,862</b> | <b>\$ 13,495,400</b> | <b>\$ 14,020,728</b> | <b>\$ 14,344,910</b> | <b>\$ 14,678,955</b> | <b>\$ 15,365,732</b> | <b>\$ 14,245,641</b> |
| <b>PLAN FIDUCIARY NET POSITION</b>                          |                      |                      |                      |                      |                      |                      |                      |                      |
| Contributions - Employer                                    | \$ 278,524           | \$ 306,002           | \$ 345,372           | \$ 443,122           | \$ 463,931           | \$ 481,321           | \$ 528,813           | \$ 658,021           |
| Contributions - Member                                      | 91,671               | 93,373               | 62,958               | 98,666               | 101,913              | 103,308              | 112,777              | 111,379              |
| Net Investment Income                                       | 520,913              | 12,259               | 283,880              | 871,095              | (250,637)            | 1,306,011            | 1,421,035            | 1,158,271            |
| Benefit Payments, Including Refunds of Member Contributions | (498,763)            | (554,623)            | (395,431)            | (611,828)            | (737,152)            | (687,723)            | (658,451)            | (626,651)            |
| Administrative Expense                                      | (16,044)             | (21,062)             | (11,138)             | (16,019)             | (21,478)             | (12,516)             | (17,813)             | (17,698)             |
| Net Change in Plan Fiduciary Net Position                   | 376,301              | (164,051)            | 285,641              | 785,036              | (443,423)            | 1,190,401            | 1,386,361            | 1,283,322            |
| Plan Fiduciary Net Position - Beginning                     | 7,655,533            | 8,031,834            | 7,867,783            | 8,153,424            | 8,938,460            | 8,495,037            | 9,685,438            | 11,071,799           |
| <b>PLAN FIDUCIARY NET POSITION - ENDING</b>                 | <b>\$ 8,031,834</b>  | <b>\$ 7,867,783</b>  | <b>\$ 8,153,424</b>  | <b>\$ 8,938,460</b>  | <b>\$ 8,495,037</b>  | <b>\$ 9,685,438</b>  | <b>\$ 11,071,799</b> | <b>\$ 12,355,121</b> |
| <b>EMPLOYER'S NET PENSION LIABILITY</b>                     | <b>\$ 3,660,924</b>  | <b>\$ 5,805,079</b>  | <b>\$ 5,341,976</b>  | <b>\$ 5,082,268</b>  | <b>\$ 5,849,873</b>  | <b>\$ 4,993,517</b>  | <b>\$ 4,293,933</b>  | <b>\$ 1,890,520</b>  |

| MEASUREMENT DATE  | April 30,  |            | December 31, |              |              |              |              |              |
|---|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2015       | 2016       | 2016*        | 2017         | 2018         | 2019         | 2020         | 2021         |
| Plan Fiduciary Net Position<br>as a Percentage of the Total Pension Liability | 68.69%     | 57.54%     | 60.42%       | 63.75%       | 59.22%       | 65.98%       | 72.06%       | 86.73%       |
| Covered Payroll   | \$ 909,588 | \$ 942,791 | \$ 666,530   | \$ 1,034,788 | \$ 1,026,548 | \$ 1,092,625 | \$ 1,192,781 | \$ 1,177,993 |
| Employer's Net Pension Liability<br>as a Percentage of Covered Payroll        | 402.48%    | 615.73%    | 801.46%      | 491.14%      | 569.86%      | 457.02%      | 359.99%      | 160.49%      |

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

2016 - There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

2019 - There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to projected individual payroll increases, projected total payroll increases, inflation rate, mortality rates, mortality improvement rates, retirement rates, termination rates and disability 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 years as is available.

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Eight Fiscal Years

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| <b>FISCAL YEAR ENDED</b>   | <b>April 30,</b> |             | <b>December 31,</b> |             |             |             |             |             |
|--|------------------|-------------|---------------------|-------------|-------------|-------------|-------------|-------------|
|  | <b>2015</b>      | <b>2016</b> | <b>2016*</b>        | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expense | 4.74%            | (2.66%)     | 3.27%               | 11.91%      | (5.70%)     | 17.84%      | 10.39%      | 8.11%       |

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

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 ROCHELLE, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
FIREFIGHTERS' PENSION FUND**

Last Eight Fiscal Years

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| <b>FISCAL YEAR ENDED</b>   | <b>April 30,</b> |             | <b>December 31,</b> |             |             |             |             |             |
|--|------------------|-------------|---------------------|-------------|-------------|-------------|-------------|-------------|
|  | <b>2015</b>      | <b>2016</b> | <b>2016*</b>        | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
| Annual Money-Weighted Rate of Return,<br>Net of Investment Expense | 0.70%            | (0.45%)     | 3.37%               | 8.86%       | 0.13%       | 13.13%      | 13.00%      | 11.54%      |

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

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 ROCHELLE, ILLINOIS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021

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### 1. BUDGETS

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted for the General, Special Revenue, Debt Service and Capital Projects Funds. All annual appropriations lapse at fiscal year end.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 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.

Formal budgetary integration is employed as a management control device during the year for all funds.

The legal level of budgetary control is at the fund level. The City Manager can transfer budgeted amounts between departments; however, any revision altering both revenues and budgeted expenditures for any fund must be approved by a two-thirds council action.

### 2. EXCESS EXPENDITURES OVER BUDGET

The following fund over expended budgets in fiscal year 2021:

| Fund                   | Budget     | Actual     |
|------------------------|------------|------------|
| Insurance              | \$ 321,000 | \$ 324,497 |
| Social Security        | 199,820    | 209,335    |
| Foreign Fire Insurance | 19,000     | 34,960     |
| Ambulance Replacement  | 26,284     | 26,532     |

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

## **MAJOR GOVERNMENTAL FUNDS**

**CITY OF ROCHELLE, ILLINOIS****SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended December 31, 2021

|                               | <b>Original and<br/>Final Budget</b> | <b>Actual</b> | <b>Variance<br/>Over<br/>(Under)</b> |
|-------------------------------|--------------------------------------|---------------|--------------------------------------|
| <b>REVENUES</b>               |                                      |               |                                      |
| Taxes                         |                                      |               |                                      |
| Property                      | \$ 1,973,376                         | \$ 1,957,039  | \$ (16,337)                          |
| Road and Bridge               | 160,000                              | 182,207       | 22,207                               |
| Local Use                     | 378,173                              | 365,275       | (12,898)                             |
| Telecommunications            | 290,000                              | 265,957       | (24,043)                             |
| State Sales                   | 2,400,000                            | 2,576,686     | 176,686                              |
| Replacement                   | 240,000                              | 391,085       | 151,085                              |
| Video Gaming                  | 173,617                              | 306,541       | 132,924                              |
| Total Taxes                   | 5,615,166                            | 6,044,790     | 429,624                              |
| Licenses and Permits          |                                      |               |                                      |
| Licenses                      |                                      |               |                                      |
| Amusement                     | 2,000                                | 734           | (1,266)                              |
| Liquor                        | -                                    | 1,850         | 1,850                                |
| Franchise                     | 120,000                              | 153,699       | 33,699                               |
| Permits                       |                                      |               |                                      |
| Building                      | 113,500                              | 41,171        | (72,329)                             |
| Total Licenses and Permits    | 235,500                              | 197,454       | (38,046)                             |
| Intergovernmental             |                                      |               |                                      |
| Shared Income Tax             | 884,000                              | 1,263,654     | 379,654                              |
| Federal Grants                | 167,000                              | 58,000        | (109,000)                            |
| State Grants                  | 130,000                              | 7,929         | (122,071)                            |
| Total Intergovernmental       | 1,181,000                            | 1,329,583     | 148,583                              |
| Charges for Services          |                                      |               |                                      |
| Fire Protection               | 96,411                               | 96,411        | -                                    |
| Ambulance Fees                | 475,000                              | 790,038       | 315,038                              |
| Police Services               | 40,000                               | 71,220        | 31,220                               |
| Planning/Zoning Fees          | 206,000                              | 213,395       | 7,395                                |
| Grave Opening Fees            | 25,000                               | 35,250        | 10,250                               |
| Cemetery Lot Sales            | 15,000                               | 21,250        | 6,250                                |
| Cemetery Receipts             | 2,000                                | 3,000         | 1,000                                |
| Water Reclamation Solid Waste | 115,000                              | 88,036        | (26,964)                             |
| Total Charges for Services    | 974,411                              | 1,318,600     | 344,189                              |

(This schedule is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL (Continued)**  
**GENERAL FUND**

For the Year Ended December 31, 2021

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|                             | <b>Original and<br/>Final Budget</b> | <b>Actual</b>       | <b>Variance<br/>Over<br/>(Under)</b> |
|-----------------------------|--------------------------------------|---------------------|--------------------------------------|
| <hr/>                       |                                      |                     |                                      |
| <b>REVENUES (Continued)</b> |                                      |                     |                                      |
| Fines and Forfeitures       |                                      |                     |                                      |
| Circuit Court               | \$ 75,000                            | \$ 94,335           | \$ 19,335                            |
|                             |                                      |                     |                                      |
| Total Fines and Forfeitures | 75,000                               | 94,335              | 19,335                               |
|                             |                                      |                     |                                      |
| Investment Income           | 60,000                               | (15,983)            | (75,983)                             |
|                             |                                      |                     |                                      |
| Miscellaneous               |                                      |                     |                                      |
| Refunds/Reimbursements      | 5,000                                | 10,000              | 5,000                                |
| Miscellaneous               | 100,000                              | 51,081              | (48,919)                             |
|                             |                                      |                     |                                      |
| Total Miscellaneous         | 105,000                              | 61,081              | (43,919)                             |
|                             |                                      |                     |                                      |
| <b>TOTAL REVENUES</b>       | <b>\$ 8,246,077</b>                  | <b>\$ 9,029,860</b> | <b>\$ 783,783</b>                    |

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(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL IMPROVEMENT FUND**

For the Year Ended December 31, 2021

|  | <b>Original and<br/>Final Budget</b> | <b>Actual</b>      | <b>Variance<br/>Over<br/>(Under)</b> |
|--|--------------------------------------|--------------------|--------------------------------------|
| <b>REVENUES</b>                                      |                                      |                    |                                      |
| Investment Income                                    | \$ 10,000                            | \$ 7,534           | \$ (2,466)                           |
| Total Revenues                                       | 10,000                               | 7,534              | (2,466)                              |
| <b>EXPENDITURES</b>                                  |                                      |                    |                                      |
| General Government                                   |                                      |                    |                                      |
| Contractual Services                                 | 1,250                                | 750                | (500)                                |
| Capital Outlay                                       | 5,388,000                            | 2,198,929          | (3,189,071)                          |
| Debt Service   |                                      |                    |                                      |
| Principal  | 680,000                              | 680,000            | -                                    |
| Interest and Fiscal Charges                          | 182,025                              | 182,025            | -                                    |
| Total Expenditures                                   | 6,251,275                            | 3,061,704          | (3,189,571)                          |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (6,241,275)                          | (3,054,170)        | 3,187,105                            |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                                      |                    |                                      |
| Transfers In   | 5,515,350                            | 1,396,285          | (4,119,065)                          |
| Transfers (Out)                                      | (75,000)                             | (75,000)           | -                                    |
| Total Other Financing Sources (Uses)                 | 5,440,350                            | 1,321,285          | (4,119,065)                          |
| NET CHANGE IN FUND BALANCE                           | <u>\$ (800,925)</u>                  | <u>(1,732,885)</u> | <u>\$ (931,960)</u>                  |
| FUND BALANCE, JANUARY 1                              |                                      | <u>1,744,222</u>   |                                      |
| FUND BALANCE, DECEMBER 31                            |                                      | <u>\$ 11,337</u>   |                                      |

(See independent auditor's report.)

**NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF ROCHELLE, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2021

|   | Special Revenue     |                  |                   |                   |                   |
|---|---------------------|------------------|-------------------|-------------------|-------------------|
|   | Railroad            | Audit            | Insurance         | Motor Fuel Tax    | Hotel/Motel Tax   |
| <b>ASSETS</b>   |                     |                  |                   |                   |                   |
| Cash and Investments  | \$ 1,312,453        | \$ 6,559         | \$ 70,627         | \$ 749,904        | \$ 204,213        |
| Receivables (Net, Where Applicable,<br>of Allowances for Uncollectibles)      |                     |                  |                   |                   |                   |
| Property Taxes  | -                   | 30,000           | 374,993           | -                 | -                 |
| Accounts  | 139,775             | -                | -                 | -                 | 19,991            |
| Due from Other Governments  | -                   | -                | -                 | 35,603            | -                 |
| Due from Other Funds  | 89,929              | -                | -                 | -                 | -                 |
| <b>TOTAL ASSETS</b>   | <b>\$ 1,542,157</b> | <b>\$ 36,559</b> | <b>\$ 445,620</b> | <b>\$ 785,507</b> | <b>\$ 224,204</b> |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b>       |                     |                  |                   |                   |                   |
| <b>LIABILITIES</b>  |                     |                  |                   |                   |                   |
| Accounts Payable  | \$ 9,868            | \$ -             | \$ 3,661          | \$ -              | \$ 2,331          |
| Accrued Payroll   | 2,313               | -                | -                 | -                 | 177               |
| Due to Other Funds  | -                   | -                | -                 | -                 | -                 |
| Advance from Other Funds  | -                   | -                | -                 | -                 | -                 |
| Unearned Revenue  | -                   | -                | -                 | -                 | -                 |
| Total Liabilities   | 12,181              | -                | 3,661             | -                 | 2,508             |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                     |                  |                   |                   |                   |
| Unavailable Property Taxes  | -                   | 30,000           | 374,993           | -                 | -                 |
| Total Deferred Inflows of Resources   | -                   | 30,000           | 374,993           | -                 | -                 |
| Total Liabilities and Deferred Inflows of Resources                           | 12,181              | 30,000           | 378,654           | -                 | 2,508             |
| <b>FUND BALANCES</b>  |                     |                  |                   |                   |                   |
| Restricted for Audit  | -                   | 6,559            | -                 | -                 | -                 |
| Restricted for Insurance  | -                   | -                | 66,966            | -                 | -                 |
| Restricted for Maintenance of Roadways  | -                   | -                | -                 | 785,507           | -                 |
| Restricted for Tourism  | -                   | -                | -                 | -                 | 221,696           |
| Restricted for Employee Retirement  | -                   | -                | -                 | -                 | -                 |
| Restricted for Capital Improvements   | -                   | -                | -                 | -                 | -                 |
| Restricted for Economic Development   | -                   | -                | -                 | -                 | -                 |
| Restricted for Public Safety  | -                   | -                | -                 | -                 | -                 |
| Unrestricted  |                     |                  |                   |                   |                   |
| Assigned for Railroad   | 1,529,976           | -                | -                 | -                 | -                 |
| Assigned for Ambulance Replacement  | -                   | -                | -                 | -                 | -                 |
| Assigned for Stormwater   | -                   | -                | -                 | -                 | -                 |
| Assigned for Golf Course  | -                   | -                | -                 | -                 | -                 |
| Unassigned (Deficit)  | -                   | -                | -                 | -                 | -                 |
| Total Fund Balances (Deficit)   | 1,529,976           | 6,559            | 66,966            | 785,507           | 221,696           |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <b>\$ 1,542,157</b> | <b>\$ 36,559</b> | <b>\$ 445,620</b> | <b>\$ 785,507</b> | <b>\$ 224,204</b> |



| Special Revenue |                 |                       |                        |                          |                      |              |                       |            |         | Capital Projects |  |
|-----------------|-----------------|-----------------------|------------------------|--------------------------|----------------------|--------------|-----------------------|------------|---------|------------------|--|
| IMRF Fund       | Social Security | Lighthouse Pointe TIF | Foreign Fire Insurance | Overweight Truck Permits | Northern Gateway TIF | Downtown TIF | Ambulance Replacement | Stormwater |         |                  |  |
| \$ 44,100       | \$ -            | \$ 1,398,297          | \$ 46,675              | \$ 204,066               | \$ -                 | \$ 172,466   | \$ 160,628            | \$ 169,278 |         |                  |  |
| 160,003         | 240,004         | -                     | -                      | -                        | -                    | -            | -                     | -          |         |                  |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          |         |                  |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          |         |                  |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          |         |                  |  |
| \$ 204,103      | \$ 240,004      | \$ 1,398,297          | \$ 46,675              | \$ 204,066               | \$ -                 | \$ 172,466   | \$ 160,628            | \$ 169,278 |         |                  |  |
|                 |                 |                       |                        |                          |                      |              |                       |            |         |                  |  |
| \$ -            | \$ -            | \$ 3,296              | \$ -                   | \$ -                     | \$ -                 | \$ -         | \$ -                  | \$ -       | \$ -    |                  |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          | -       |                  |  |
| -               | 17,624          | -                     | -                      | -                        | -                    | -            | -                     | -          | -       |                  |  |
| -               | -               | -                     | -                      | -                        | 22,225               | -            | -                     | -          | -       |                  |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          | -       |                  |  |
| -               | 17,624          | 3,296                 | -                      | -                        | 22,225               | -            | -                     | -          | -       |                  |  |
|                 |                 |                       |                        |                          |                      |              |                       |            |         |                  |  |
| 160,003         | 240,004         | -                     | -                      | -                        | -                    | -            | -                     | -          | -       |                  |  |
| 160,003         | 240,004         | -                     | -                      | -                        | -                    | -            | -                     | -          | -       |                  |  |
| 160,003         | 257,628         | 3,296                 | -                      | -                        | 22,225               | -            | -                     | -          | -       |                  |  |
|                 |                 |                       |                        |                          |                      |              |                       |            |         |                  |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          | -       |                  |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          | -       |                  |  |
| -               | -               | -                     | -                      | 204,066                  | -                    | -            | -                     | -          | -       |                  |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          | -       |                  |  |
| 44,100          | -               | -                     | -                      | -                        | -                    | -            | -                     | -          | -       |                  |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          | -       |                  |  |
| -               | -               | 1,395,001             | -                      | -                        | -                    | 172,466      | -                     | -          | -       |                  |  |
| -               | -               | -                     | 46,675                 | -                        | -                    | -            | -                     | -          | -       |                  |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          | -       |                  |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | 160,628               | -          | -       |                  |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          | 169,278 |                  |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          | -       |                  |  |
| -               | (17,624)        | -                     | -                      | -                        | (22,225)             | -            | -                     | -          | -       |                  |  |
| 44,100          | (17,624)        | 1,395,001             | 46,675                 | 204,066                  | (22,225)             | 172,466      | 160,628               |            | 169,278 |                  |  |
| \$ 204,103      | \$ 240,004      | \$ 1,398,297          | \$ 46,675              | \$ 204,066               | \$ -                 | \$ 172,466   | \$ 160,628            | \$ 169,278 |         |                  |  |

**CITY OF ROCHELLE ILLINOIS**

COMBINING BALANCE SHEET (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2021

|   | <b>Capital Projects</b> |                      |                        |                     |
|---|-------------------------|----------------------|------------------------|---------------------|
|   | <b>Utility<br/>Tax</b>  | <b>Sales<br/>Tax</b> | <b>Golf<br/>Course</b> | <b>Total</b>        |
| <b>ASSETS</b>   |                         |                      |                        |                     |
| Cash and Investments  | \$ 2,078,239            | \$ 1,165,200         | \$ 159,725             | \$ 7,942,430        |
| Receivables (Net, Where Applicable,<br>of Allowances for Uncollectibles)      |                         |                      |                        |                     |
| Property Taxes  | -                       | -                    | -                      | 805,000             |
| Accounts  | 55,735                  | -                    | -                      | 215,501             |
| Due from Other Governments  | -                       | 351,777              | -                      | 387,380             |
| Due from Other Funds  | -                       | -                    | -                      | 89,929              |
| <b>TOTAL ASSETS</b>   | <b>\$ 2,133,974</b>     | <b>\$ 1,516,977</b>  | <b>\$ 159,725</b>      | <b>\$ 9,440,240</b> |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b>       |                         |                      |                        |                     |
| <b>LIABILITIES</b>  |                         |                      |                        |                     |
| Accounts Payable  | \$ -                    | \$ -                 | \$ 3,471               | \$ 22,627           |
| Accrued Payroll   | -                       | -                    | 1,486                  | 3,976               |
| Due to Other Funds  | -                       | -                    | -                      | 17,624              |
| Advance from Other Funds  | -                       | -                    | -                      | 22,225              |
| Unearned Revenue  | -                       | -                    | 1,500                  | 1,500               |
| Total Liabilities   | -                       | -                    | 6,457                  | 67,952              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                         |                      |                        |                     |
| Unavailable Property Taxes  | -                       | -                    | -                      | 805,000             |
| Total Deferred Inflows of Resources   | -                       | -                    | -                      | 805,000             |
| Total Liabilities and Deferred Inflows of Resources                           | -                       | -                    | 6,457                  | 872,952             |
| <b>FUND BALANCES</b>  |                         |                      |                        |                     |
| Restricted for Audit  | -                       | -                    | -                      | 6,559               |
| Restricted for Insurance  | -                       | -                    | -                      | 66,966              |
| Restricted for Maintenance of Roadways  | -                       | -                    | -                      | 989,573             |
| Restricted for Tourism  | -                       | -                    | -                      | 221,696             |
| Restricted for Employee Retirement  | -                       | -                    | -                      | 44,100              |
| Restricted for Capital Improvements   | 2,133,974               | 1,516,977            | -                      | 3,650,951           |
| Restricted for Economic Development   | -                       | -                    | -                      | 1,567,467           |
| Restricted for Public Safety  | -                       | -                    | -                      | 46,675              |
| Unrestricted  |                         |                      |                        |                     |
| Assigned for Railroad   | -                       | -                    | -                      | 1,529,976           |
| Assigned for Ambulance Replacement  | -                       | -                    | -                      | 160,628             |
| Assigned for Stormwater   | -                       | -                    | -                      | 169,278             |
| Assigned for Golf Course  | -                       | -                    | 153,268                | 153,268             |
| Unassigned (Deficit)  | -                       | -                    | -                      | (39,849)            |
| Total Fund Balances   | 2,133,974               | 1,516,977            | 153,268                | 8,567,288           |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <b>\$ 2,133,974</b>     | <b>\$ 1,516,977</b>  | <b>\$ 159,725</b>      | <b>\$ 9,440,240</b> |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

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

For the Year Ended December 31, 2021

|  | <b>Special Revenue</b> |                 |                  |                           |                            |
|--|------------------------|-----------------|------------------|---------------------------|----------------------------|
|  | <b>Railroad</b>        | <b>Audit</b>    | <b>Insurance</b> | <b>Motor Fuel<br/>Tax</b> | <b>Hotel/Motel<br/>Tax</b> |
| <b>REVENUES</b>  |                        |                 |                  |                           |                            |
| Taxes  | \$ -                   | \$ 30,063       | \$ 280,551       | \$ -                      | \$ 242,022                 |
| Licenses and Permits   | -                      | -               | -                | -                         | -                          |
| Intergovernmental  | -                      | -               | -                | 670,450                   | -                          |
| Charges for Services   | 870,970                | -               | -                | -                         | -                          |
| Investment Income  | 6,993                  | 10              | 141              | 612                       | 726                        |
| Miscellaneous  | -                      | -               | -                | -                         | 12,616                     |
| <b>Total Revenues</b>  | <b>877,963</b>         | <b>30,073</b>   | <b>280,692</b>   | <b>671,062</b>            | <b>255,364</b>             |
| <b>EXPENDITURES</b>  |                        |                 |                  |                           |                            |
| Current  |                        |                 |                  |                           |                            |
| General Government   | -                      | 26,399          | 34,462           | -                         | -                          |
| Public Safety  | -                      | -               | 208,878          | -                         | -                          |
| Public Works   | 418,834                | -               | 73,953           | -                         | -                          |
| Public Service Enterprises                                   | -                      | -               | 7,204            | -                         | -                          |
| Conservation and Development                                 | -                      | -               | -                | -                         | 116,002                    |
| Capital Outlay   | 1,103,203              | -               | -                | -                         | -                          |
| Debt Service   |                        |                 |                  |                           |                            |
| Principal  | -                      | -               | -                | -                         | -                          |
| Interest and Fiscal Charges                                  | -                      | -               | -                | -                         | -                          |
| <b>Total Expenditures</b>                                    | <b>1,522,037</b>       | <b>26,399</b>   | <b>324,497</b>   | <b>-</b>                  | <b>116,002</b>             |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>(644,074)</b>       | <b>3,674</b>    | <b>(43,805)</b>  | <b>671,062</b>            | <b>139,362</b>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                        |                 |                  |                           |                            |
| Transfers In   | -                      | -               | -                | -                         | -                          |
| Transfers (Out)  | (291,010)              | -               | -                | -                         | (75,000)                   |
| Issuance of Contractual Commitment                           | 659,750                | -               | -                | -                         | -                          |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>368,740</b>         | <b>-</b>        | <b>-</b>         | <b>-</b>                  | <b>(75,000)</b>            |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>(275,334)</b>       | <b>3,674</b>    | <b>(43,805)</b>  | <b>671,062</b>            | <b>64,362</b>              |
| <b>FUND BALANCES (DEFICIT), JANUARY 1</b>                    | <b>1,805,310</b>       | <b>2,885</b>    | <b>110,771</b>   | <b>114,445</b>            | <b>157,334</b>             |
| <b>FUND BALANCES (DEFICIT), DECEMBER 31</b>                  | <b>\$ 1,529,976</b>    | <b>\$ 6,559</b> | <b>\$ 66,966</b> | <b>\$ 785,507</b>         | <b>\$ 221,696</b>          |

| Special Revenue |                 |                       |                        |                          |                      |              | Capital Projects      |            |  |
|-----------------|-----------------|-----------------------|------------------------|--------------------------|----------------------|--------------|-----------------------|------------|--|
| IMRF Fund       | Social Security | Lighthouse Pointe TIF | Foreign Fire Insurance | Overweight Truck Permits | Northern Gateway TIF | Downtown TIF | Ambulance Replacement | Stormwater |  |
| \$ 233,487      | \$ 205,383      | \$ 775,004            | \$ -                   | \$ -                     | \$ 76,919            | \$ 227,270   | \$ -                  | \$ -       |  |
| -               | -               | -                     | -                      | 48,915                   | -                    | -            | -                     | -          |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | 3,316      |  |
| 109             | 12              | 5,509                 | 169                    | 811                      | -                    | -            | 380                   | 797        |  |
| -               | -               | -                     | 34,709                 | -                        | -                    | 481          | 6,000                 | -          |  |
| 233,596         | 205,395         | 780,513               | 34,878                 | 49,726                   | 76,919               | 227,751      | 6,380                 | 4,113      |  |
| 29,297          | 30,730          | 190,320               | -                      | -                        | 50,977               | 90,237       | -                     | -          |  |
| 42,719          | 48,901          | -                     | 3,186                  | -                        | -                    | -            | -                     | -          |  |
| 146,944         | 129,704         | -                     | -                      | -                        | -                    | -            | -                     | 2,731      |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          |  |
| -               | -               | 12,203                | 31,774                 | -                        | -                    | -            | 2,748                 | 12,509     |  |
| -               | -               | 150,000               | -                      | -                        | -                    | -            | 17,500                | -          |  |
| -               | -               | 69,635                | -                      | -                        | -                    | -            | 6,284                 | -          |  |
| 218,960         | 209,335         | 422,158               | 34,960                 | -                        | 50,977               | 90,237       | 26,532                | 15,240     |  |
| 14,636          | (3,940)         | 358,355               | (82)                   | 49,726                   | 25,942               | 137,514      | (20,152)              | (11,127)   |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | 180,000               | -          |  |
| -               | -               | -                     | -                      | (12,000)                 | -                    | -            | -                     | -          |  |
| -               | -               | -                     | -                      | -                        | -                    | -            | -                     | -          |  |
| -               | -               | -                     | -                      | (12,000)                 | -                    | -            | 180,000               | -          |  |
| 14,636          | (3,940)         | 358,355               | (82)                   | 37,726                   | 25,942               | 137,514      | 159,848               | (11,127)   |  |
| 29,464          | (13,684)        | 1,036,646             | 46,757                 | 166,340                  | (48,167)             | 34,952       | 780                   | 180,405    |  |
| \$ 44,100       | \$ (17,624)     | \$ 1,395,001          | \$ 46,675              | \$ 204,066               | \$ (22,225)          | \$ 172,466   | \$ 160,628            | \$ 169,278 |  |

**CITY OF ROCHELLE, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (Continued)  
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2021

|  | <b>Capital Projects</b> |                      |                        |              |
|--|-------------------------|----------------------|------------------------|--------------|
|  | <b>Utility<br/>Tax</b>  | <b>Sales<br/>Tax</b> | <b>Golf<br/>Course</b> | <b>Total</b> |
| <b>REVENUES</b>  |                         |                      |                        |              |
| Taxes  | \$ 536,084              | \$ 1,304,822         | \$ -                   | \$ 3,911,605 |
| Licenses and Permits   | -                       | -                    | -                      | 48,915       |
| Intergovernmental  | -                       | -                    | 75,000                 | 745,450      |
| Charges for Services   | -                       | -                    | 238,433                | 1,112,719    |
| Investment Income  | 8,378                   | 1,583                | 1,239                  | 27,469       |
| Miscellaneous  | -                       | -                    | 8,377                  | 62,183       |
|  |                         |                      |                        |              |
| Total Revenues   | 544,462                 | 1,306,405            | 323,049                | 5,908,341    |
| <b>EXPENDITURES</b>  |                         |                      |                        |              |
| Current  |                         |                      |                        |              |
| General Government   | -                       | -                    | -                      | 452,422      |
| Public Safety  | -                       | -                    | -                      | 303,684      |
| Public Works   | -                       | -                    | -                      | 772,166      |
| Public Service Enterprises                                   | -                       | -                    | -                      | 7,204        |
| Conservation and Development                                 | -                       | -                    | 279,402                | 395,404      |
| Capital Outlay   | -                       | -                    | 64,480                 | 1,226,917    |
| Debt Service   |                         |                      |                        |              |
| Principal  | -                       | -                    | 4,976                  | 172,476      |
| Interest and Fiscal Charges                                  | -                       | -                    | -                      | 75,919       |
|  |                         |                      |                        |              |
| Total Expenditures   | -                       | -                    | 348,858                | 3,406,192    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | 544,462                 | 1,306,405            | (25,809)               | 2,502,149    |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                      |                        |              |
| Transfers In   | -                       | -                    | 75,000                 | 255,000      |
| Transfers (Out)  | (54,211)                | (1,336,725)          | -                      | (1,768,946)  |
| Issuance of Contractual Commitment                           | -                       | -                    | -                      | 659,750      |
|  |                         |                      |                        |              |
| Total Other Financing Sources (Uses)                         | (54,211)                | (1,336,725)          | 75,000                 | (854,196)    |
| <b>NET CHANGE IN FUND BALANCES</b>                           | 490,251                 | (30,320)             | 49,191                 | 1,647,953    |
| <b>FUND BALANCES, JANUARY 1</b>                              | 1,643,723               | 1,547,297            | 104,077                | 6,919,335    |
| <b>FUND BALANCES, DECEMBER 31</b>                            | \$ 2,133,974            | \$ 1,516,977         | \$ 153,268             | \$ 8,567,288 |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS****SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
RAILROAD FUND**

For the Year Ended December 31, 2021

|  | <b>Original and<br/>Final Budget</b> | <b>Actual</b>       | <b>Variance<br/>Over<br/>(Under)</b> |
|--|--------------------------------------|---------------------|--------------------------------------|
| <b>REVENUES</b>                                      |                                      |                     |                                      |
| Charges for Services                                 | \$ 1,008,062                         | \$ 870,970          | \$ (137,092)                         |
| Investment Income                                    | 5,000                                | 6,993               | 1,993                                |
| Intergovernmental                                    | 1,000,000                            | -                   | (1,000,000)                          |
| Total Revenues                                       | 2,013,062                            | 877,963             | (1,135,099)                          |
| <b>EXPENDITURES</b>                                  |                                      |                     |                                      |
| Current  |                                      |                     |                                      |
| Public Works   |                                      |                     |                                      |
| Personal Services                                    | 189,031                              | 176,029             | (13,002)                             |
| Commodities  | -                                    | 7,700               | 7,700                                |
| Other Services                                       | 29,000                               | 25,233              | (3,767)                              |
| Contractual Services                                 | 258,017                              | 209,872             | (48,145)                             |
| Capital Outlay                                       | 1,502,000                            | 1,103,203           | (398,797)                            |
| Total Expenditures                                   | 1,978,048                            | 1,522,037           | (456,011)                            |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | 35,014                               | (644,074)           | (679,088)                            |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                                      |                     |                                      |
| Transfers (Out)                                      | (291,011)                            | (291,010)           | 1                                    |
| Issuance of Contractual Commitment                   | -                                    | 659,750             | 659,750                              |
| Total Other Financing Sources (Uses)                 | (291,011)                            | 368,740             | 659,751                              |
| NET CHANGE IN FUND BALANCE                           | <u>\$ (255,997)</u>                  | <u>(275,334)</u>    | <u>\$ (19,337)</u>                   |
| FUND BALANCE, JANUARY 1                              |                                      | <u>1,805,310</u>    |                                      |
| FUND BALANCE, DECEMBER 31                            |                                      | <u>\$ 1,529,976</u> |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

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

For the Year Ended December 31, 2021

|                            | <b>Original and<br/>Final Budget</b> | <b>Actual</b>   | <b>Variance<br/>Over<br/>(Under)</b> |
|----------------------------|--------------------------------------|-----------------|--------------------------------------|
| <b>REVENUES</b>            |                                      |                 |                                      |
| Taxes                      |                                      |                 |                                      |
| Property Taxes             | \$ 30,000                            | \$ 30,063       | \$ 63                                |
| Investment Income          | 15                                   | 10              | (5)                                  |
| Total Revenues             | 30,015                               | 30,073          | 58                                   |
| <b>EXPENDITURES</b>        |                                      |                 |                                      |
| Current                    |                                      |                 |                                      |
| General Government         |                                      |                 |                                      |
| Contractual Services       | 30,000                               | 26,399          | (3,601)                              |
| Total Expenditures         | 30,000                               | 26,399          | (3,601)                              |
| NET CHANGE IN FUND BALANCE | <u>\$ 15</u>                         | 3,674           | <u>\$ 3,659</u>                      |
| FUND BALANCE, JANUARY 1    |                                      | <u>2,885</u>    |                                      |
| FUND BALANCE, DECEMBER 31  |                                      | <u>\$ 6,559</u> |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

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

For the Year Ended December 31, 2021

|                                   | <b>Original and<br/>Final Budget</b> | <b>Actual</b>           | <b>Variance<br/>Over<br/>(Under)</b> |
|-----------------------------------|--------------------------------------|-------------------------|--------------------------------------|
| <b>REVENUES</b>                   |                                      |                         |                                      |
| Taxes                             |                                      |                         |                                      |
| Property Taxes                    | \$ 280,000                           | \$ 280,551              | \$ 551                               |
| Investment Income                 | 100                                  | 141                     | 41                                   |
|                                   |                                      |                         |                                      |
| Total Revenues                    | 280,100                              | 280,692                 | 592                                  |
| <b>EXPENDITURES</b>               |                                      |                         |                                      |
| Current                           |                                      |                         |                                      |
| General Government                |                                      |                         |                                      |
| Contractual Services              | 34,090                               | 34,462                  | 372                                  |
| Public Safety                     |                                      |                         |                                      |
| Contractual Services              | 206,628                              | 208,878                 | 2,250                                |
| Public Works                      |                                      |                         |                                      |
| Contractual Services              | 73,156                               | 73,953                  | 797                                  |
| Public Service Enterprises        |                                      |                         |                                      |
| Contractual Services              | 7,126                                | 7,204                   | 78                                   |
|                                   |                                      |                         |                                      |
| Total Expenditures                | 321,000                              | 324,497                 | 3,497                                |
| <b>NET CHANGE IN FUND BALANCE</b> | <u><u>\$ (40,900)</u></u>            | <u><u>(43,805)</u></u>  | <u><u>\$ (2,905)</u></u>             |
| <b>FUND BALANCE, JANUARY 1</b>    |                                      | <u>110,771</u>          |                                      |
| <b>FUND BALANCE, DECEMBER 31</b>  |                                      | <u><u>\$ 66,966</u></u> |                                      |

(See independent auditor's report.)



**CITY OF ROCHELLE, ILLINOIS****SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MOTOR FUEL TAX FUND**

For the Year Ended December 31, 2021

|  | <b>Original and<br/>Final Budget</b> | <b>Actual</b>     | <b>Variance<br/>Over<br/>(Under)</b> |
|--|--------------------------------------|-------------------|--------------------------------------|
| <b>REVENUES</b>  |                                      |                   |                                      |
| Intergovernmental  |                                      |                   |                                      |
| State Motor Fuel Tax   | \$ 595,000                           | \$ 585,450        | \$ (9,550)                           |
| Other Intergovernmental                                      | 125,000                              | 85,000            | (40,000)                             |
| Investment Income  | 9,600                                | 612               | (8,988)                              |
| Total Revenues   | 729,600                              | 671,062           | (58,538)                             |
| <b>EXPENDITURES</b>  |                                      |                   |                                      |
| None   | -                                    | -                 | -                                    |
| Total Expenditures   | -                                    | -                 | -                                    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | 729,600                              | 671,062           | (58,538)                             |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                      |                   |                                      |
| Transfers (Out)  | (1,555,000)                          | -                 | 1,555,000                            |
| Total Other Financing Sources (Uses)                         | (1,555,000)                          | -                 | 1,555,000                            |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>\$ (825,400)</u>                  | 671,062           | <u>\$ 1,496,462</u>                  |
| <b>FUND BALANCE, JANUARY 1</b>                               |                                      | <u>114,445</u>    |                                      |
| <b>FUND BALANCE, DECEMBER 31</b>                             |                                      | <u>\$ 785,507</u> |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
HOTEL/MOTEL TAX FUND**

For the Year Ended December 31, 2021

|  | <b>Original and<br/>Final Budget</b> | <b>Actual</b>     | <b>Variance<br/>Over<br/>(Under)</b> |
|--|--------------------------------------|-------------------|--------------------------------------|
| <b>REVENUES</b>  |                                      |                   |                                      |
| Taxes  |                                      |                   |                                      |
| Hotel/Motel Tax  | \$ 160,000                           | \$ 242,022        | \$ 82,022                            |
| Intergovernmental  | -                                    | -                 | -                                    |
| Investment Income  | 500                                  | 726               | 226                                  |
| Miscellaneous  | 10,000                               | 12,616            | 2,616                                |
|  |                                      |                   |                                      |
| Total Revenues   | 170,500                              | 255,364           | 84,864                               |
| <b>EXPENDITURES</b>  |                                      |                   |                                      |
| Current  |                                      |                   |                                      |
| Conservation and Development                                 |                                      |                   |                                      |
| Personal Services  | 19,700                               | 17,053            | (2,647)                              |
| Commodities  | 2,000                                | 7,040             | 5,040                                |
| Contractual Services   | 132,300                              | 75,188            | (57,112)                             |
| Miscellaneous  | 14,500                               | 16,721            | 2,221                                |
|  |                                      |                   |                                      |
| Total Expenditures   | 168,500                              | 116,002           | (52,498)                             |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | 2,000                                | 139,362           | 137,362                              |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                      |                   |                                      |
| Transfers (Out)  | -                                    | (75,000)          | (75,000)                             |
|  |                                      |                   |                                      |
| Total Other Financing Sources (Uses)                         | -                                    | (75,000)          | (75,000)                             |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>\$ 2,000</u>                      | 64,362            | <u>\$ 62,362</u>                     |
| <b>FUND BALANCE, JANUARY 1</b>                               |                                      | <u>157,334</u>    |                                      |
| <b>FUND BALANCE, DECEMBER 31</b>                             |                                      | <u>\$ 221,696</u> |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

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

For the Year Ended December 31, 2021

|                            | <b>Original and<br/>Final Budget</b> | <b>Actual</b>    | <b>Variance<br/>Over<br/>(Under)</b> |
|----------------------------|--------------------------------------|------------------|--------------------------------------|
| <b>REVENUES</b>            |                                      |                  |                                      |
| Taxes                      |                                      |                  |                                      |
| Property Taxes             | \$ 191,000                           | \$ 191,381       | \$ 381                               |
| Replacement Taxes          | 42,106                               | 42,106           | -                                    |
| Investment Income          | 50                                   | 109              | 59                                   |
|                            |                                      |                  |                                      |
| Total Revenues             | 233,156                              | 233,596          | 440                                  |
| <b>EXPENDITURES</b>        |                                      |                  |                                      |
| Current                    |                                      |                  |                                      |
| General Government         |                                      |                  |                                      |
| Pension Contributions      | 29,570                               | 29,297           | (273)                                |
| Public Safety              |                                      |                  |                                      |
| Pension Contributions      | 43,117                               | 42,719           | (398)                                |
| Public Works               |                                      |                  |                                      |
| Pension Contributions      | 148,313                              | 146,944          | (1,369)                              |
|                            |                                      |                  |                                      |
| Total Expenditures         | 221,000                              | 218,960          | (2,040)                              |
|                            |                                      |                  |                                      |
| NET CHANGE IN FUND BALANCE | <u>\$ 12,156</u>                     | 14,636           | <u>\$ 2,480</u>                      |
|                            |                                      |                  |                                      |
| FUND BALANCE, JANUARY 1    |                                      | <u>29,464</u>    |                                      |
|                            |                                      |                  |                                      |
| FUND BALANCE, DECEMBER 31  |                                      | <u>\$ 44,100</u> |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SOCIAL SECURITY FUND**

For the Year Ended December 31, 2021

|                                     | <b>Original and<br/>Final Budget</b> | <b>Actual</b>      | <b>Variance<br/>Over<br/>(Under)</b> |
|-------------------------------------|--------------------------------------|--------------------|--------------------------------------|
| <b>REVENUES</b>                     |                                      |                    |                                      |
| Taxes                               |                                      |                    |                                      |
| Property Taxes                      | \$ 205,000                           | \$ 205,383         | \$ 383                               |
| Investment Income                   | 50                                   | 12                 | (38)                                 |
|                                     |                                      |                    |                                      |
| Total Revenues                      | 205,050                              | 205,395            | 345                                  |
| <b>EXPENDITURES</b>                 |                                      |                    |                                      |
| Current                             |                                      |                    |                                      |
| General Government                  |                                      |                    |                                      |
| Payroll Taxes                       | 29,334                               | 30,730             | 1,396                                |
| Public Safety                       |                                      |                    |                                      |
| Payroll Taxes                       | 46,678                               | 48,901             | 2,223                                |
| Public Works                        |                                      |                    |                                      |
| Payroll Taxes                       | 123,808                              | 129,704            | 5,896                                |
|                                     |                                      |                    |                                      |
| Total Expenditures                  | 199,820                              | 209,335            | 9,515                                |
|                                     |                                      |                    |                                      |
| NET CHANGE IN FUND BALANCE          | <u>\$ 5,230</u>                      | (3,940)            | <u>\$ (9,170)</u>                    |
|                                     |                                      |                    |                                      |
| FUND BALANCE (DEFICIT), JANUARY 1   |                                      | <u>(13,684)</u>    |                                      |
|                                     |                                      |                    |                                      |
| FUND BALANCE (DEFICIT), DECEMBER 31 |                                      | <u>\$ (17,624)</u> |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
LIGHTHOUSE POINTE TIF FUND**

For the Year Ended December 31, 2021

|                                   | <b>Original and<br/>Final Budget</b> | <b>Actual</b>              | <b>Variance<br/>Over<br/>(Under)</b> |
|-----------------------------------|--------------------------------------|----------------------------|--------------------------------------|
| <b>REVENUES</b>                   |                                      |                            |                                      |
| Taxes                             |                                      |                            |                                      |
| Property Taxes                    | \$ 575,249                           | \$ 775,004                 | \$ 199,755                           |
| Investment Income                 | 5,000                                | 5,509                      | 509                                  |
|                                   |                                      |                            |                                      |
| Total Revenues                    | 580,249                              | 780,513                    | 200,264                              |
| <b>EXPENDITURES</b>               |                                      |                            |                                      |
| Current                           |                                      |                            |                                      |
| General Government                |                                      |                            |                                      |
| Contractual Services              | 163,852                              | 190,320                    | 26,468                               |
| Capital outlay                    | 240,000                              | 12,203                     | (227,797)                            |
| Debt Service                      |                                      |                            |                                      |
| Principal                         | 150,000                              | 150,000                    | -                                    |
| Interest and Fiscal Charges       | 69,635                               | 69,635                     | -                                    |
|                                   |                                      |                            |                                      |
| Total Expenditures                | 623,487                              | 422,158                    | (201,329)                            |
| <b>NET CHANGE IN FUND BALANCE</b> | <u><u>\$ (43,238)</u></u>            | 358,355                    | <u><u>\$ 401,593</u></u>             |
| <b>FUND BALANCE, JANUARY 1</b>    |                                      | <u>1,036,646</u>           |                                      |
| <b>FUND BALANCE, DECEMBER 31</b>  |                                      | <u><u>\$ 1,395,001</u></u> |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOREIGN FIRE INSURANCE FUND**

For the Year Ended December 31, 2021

|                            | <b>Original and<br/>Final Budget</b> | <b>Actual</b>    | <b>Variance<br/>Over<br/>(Under)</b> |
|----------------------------|--------------------------------------|------------------|--------------------------------------|
| <b>REVENUES</b>            |                                      |                  |                                      |
| Investment Income          | \$ 250                               | \$ 169           | \$ (81)                              |
| Miscellaneous              | 25,000                               | 34,709           | 9,709                                |
| Total Revenues             | 25,250                               | 34,878           | 9,628                                |
| <b>EXPENDITURES</b>        |                                      |                  |                                      |
| Current                    |                                      |                  |                                      |
| Public Safety              |                                      |                  |                                      |
| Contractual Services       | 19,000                               | 3,186            | (15,814)                             |
| Capital Outlay             | -                                    | 31,774           | 31,774                               |
| Total Expenditures         | 19,000                               | 34,960           | 15,960                               |
| NET CHANGE IN FUND BALANCE | <u>\$ 6,250</u>                      | (82)             | <u>\$ (6,332)</u>                    |
| FUND BALANCE, JANUARY 1    |                                      | <u>46,757</u>    |                                      |
| FUND BALANCE, DECEMBER 31  |                                      | <u>\$ 46,675</u> |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
OVERWEIGHT TRUCK PERMITS FUND**

For the Year Ended December 31, 2021

|  | <b>Original and<br/>Final Budget</b> | <b>Actual</b>     | <b>Variance<br/>Over<br/>(Under)</b> |
|--|--------------------------------------|-------------------|--------------------------------------|
| <b>REVENUES</b>                                      |                                      |                   |                                      |
| Licenses and Permits                                 | \$ 66,000                            | \$ 48,915         | \$ (17,085)                          |
| Investment Income                                    | 800                                  | 811               | 11                                   |
| Total Revenues                                       | 66,800                               | 49,726            | (17,074)                             |
| <b>EXPENDITURES</b>                                  |                                      |                   |                                      |
| Current  |                                      |                   |                                      |
| Public Works   |                                      |                   |                                      |
| Contractual Services                                 | 3,500                                | -                 | (3,500)                              |
| Total Expenditures                                   | 3,500                                | -                 | (3,500)                              |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | 63,300                               | 49,726            | (13,574)                             |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                                      |                   |                                      |
| Transfers (Out)                                      | (112,000)                            | (12,000)          | 100,000                              |
| Total Other Financing Sources (Uses)                 | (112,000)                            | (12,000)          | 100,000                              |
| NET CHANGE IN FUND BALANCE                           | <u>\$ (48,700)</u>                   | 37,726            | <u>\$ 86,426</u>                     |
| FUND BALANCE, JANUARY 1                              |                                      | <u>166,340</u>    |                                      |
| FUND BALANCE, DECEMBER 31                            |                                      | <u>\$ 204,066</u> |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
NORTHERN GATEWAY TIF FUND**

For the Year Ended December 31, 2021

|  | <b>Original and<br/>Final Budget</b> | <b>Actual</b>             | <b>Variance<br/>Over<br/>(Under)</b> |
|--|--------------------------------------|---------------------------|--------------------------------------|
| <b>REVENUES</b>                            |                                      |                           |                                      |
| Taxes                                      |                                      |                           |                                      |
| Property Taxes                             | \$ 18,725                            | \$ 76,919                 | \$ 58,194                            |
| Miscellaneous                              | 500,000                              | -                         | (500,000)                            |
| Total Revenues                             | 518,725                              | 76,919                    | (441,806)                            |
| <b>EXPENDITURES</b>                        |                                      |                           |                                      |
| Current                                    |                                      |                           |                                      |
| General Government                         |                                      |                           |                                      |
| Other Services                             | 526,494                              | 50,977                    | (475,517)                            |
| Total Expenditures                         | 526,494                              | 50,977                    | (475,517)                            |
| NET CHANGE IN FUND BALANCE                 | <u>\$ (7,769)</u>                    | 25,942                    | <u>\$ 33,711</u>                     |
| FUND BALANCE (DEFICIT), JANUARY 1          |                                      | <u>(48,167)</u>           |                                      |
| <b>FUND BALANCE (DEFICIT), DECEMBER 31</b> |                                      | <u><u>\$ (22,225)</u></u> |                                      |

(See independent auditor's report.)



**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
DOWNTOWN TIF FUND**

For the Year Ended December 31, 2021

|                                   | <b>Original and<br/>Final Budget</b> | <b>Actual</b>     | <b>Variance<br/>Over<br/>(Under)</b> |
|-----------------------------------|--------------------------------------|-------------------|--------------------------------------|
| <b>REVENUES</b>                   |                                      |                   |                                      |
| Taxes                             |                                      |                   |                                      |
| Property Taxes                    | \$ 189,080                           | \$ 227,270        | \$ 38,190                            |
| Investment Income                 | -                                    | 481               | 481                                  |
|                                   |                                      |                   |                                      |
| Total Revenues                    | 189,080                              | 227,751           | 38,671                               |
| <b>EXPENDITURES</b>               |                                      |                   |                                      |
| Current                           |                                      |                   |                                      |
| General Government                |                                      |                   |                                      |
| Other Services                    | 37,400                               | 90,237            | 52,837                               |
| Capital outlay                    | 90,000                               | -                 | (90,000)                             |
|                                   |                                      |                   |                                      |
| Total Expenditures                | 127,400                              | 90,237            | (37,163)                             |
| <b>NET CHANGE IN FUND BALANCE</b> | <u>\$ 61,680</u>                     | 137,514           | <u>\$ 75,834</u>                     |
| <b>FUND BALANCE, JANUARY 1</b>    |                                      | <u>34,952</u>     |                                      |
| <b>FUND BALANCE, DECEMBER 31</b>  |                                      | <u>\$ 172,466</u> |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
AMBULANCE REPLACEMENT FUND**

For the Year Ended December 31, 2021

|  | <b>Original and<br/>Final Budget</b> | <b>Actual</b>     | <b>Variance<br/>Over<br/>(Under)</b> |
|--|--------------------------------------|-------------------|--------------------------------------|
| <b>REVENUES</b>                                      |                                      |                   |                                      |
| Investment Income                                    | \$ 500                               | \$ 380            | \$ (120)                             |
| Miscellaneous  | -                                    | 6,000             | 6,000                                |
| Total Revenues                                       | 500                                  | 6,380             | 5,880                                |
| <b>EXPENDITURES</b>                                  |                                      |                   |                                      |
| Capital Outlay                                       | -                                    | 2,748             | 2,748                                |
| Debt Service   |                                      |                   |                                      |
| Principal  | 20,000                               | 17,500            | (2,500)                              |
| Interest and Fiscal Charges                          | 6,284                                | 6,284             | -                                    |
| Total Expenditures                                   | 26,284                               | 26,532            | 248                                  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (25,784)                             | (20,152)          | 5,632                                |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                                      |                   |                                      |
| Transfers In   | 180,000                              | 180,000           | -                                    |
| Total Other Financing Sources (Uses)                 | 180,000                              | 180,000           | -                                    |
| NET CHANGE IN FUND BALANCE                           | <u>\$ 154,216</u>                    | 159,848           | <u>\$ 5,632</u>                      |
| FUND BALANCE, JANUARY 1                              |                                      | <u>780</u>        |                                      |
| FUND BALANCE, DECEMBER 31                            |                                      | <u>\$ 160,628</u> |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

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

For the Year Ended December 31, 2021

|                            | <b>Original and<br/>Final Budget</b> | <b>Actual</b>     | <b>Variance<br/>Over<br/>(Under)</b> |
|----------------------------|--------------------------------------|-------------------|--------------------------------------|
| <b>REVENUES</b>            |                                      |                   |                                      |
| Charges for Services       | \$ 9,500                             | \$ 3,316          | \$ (6,184)                           |
| Investment Income          | 1,000                                | 797               | (203)                                |
| Total Revenues             | 10,500                               | 4,113             | (6,387)                              |
| <b>EXPENDITURES</b>        |                                      |                   |                                      |
| Current                    |                                      |                   |                                      |
| Public Works               |                                      |                   |                                      |
| Contractual Services       | 5,700                                | 2,731             | (2,969)                              |
| Capital Outlay             | 54,200                               | 12,509            | (41,691)                             |
| Total Expenditures         | 59,900                               | 15,240            | (44,660)                             |
| NET CHANGE IN FUND BALANCE | <u>\$ (49,400)</u>                   | (11,127)          | <u>\$ 38,273</u>                     |
| FUND BALANCE, JANUARY 1    |                                      | <u>180,405</u>    |                                      |
| FUND BALANCE, DECEMBER 31  |                                      | <u>\$ 169,278</u> |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS****SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
UTILITY TAX FUND**

For the Year Ended December 31, 2021

|  | <b>Original and<br/>Final Budget</b> | <b>Actual</b>       | <b>Variance<br/>Over<br/>(Under)</b> |
|--|--------------------------------------|---------------------|--------------------------------------|
| <b>REVENUES</b>  |                                      |                     |                                      |
| Taxes  |                                      |                     |                                      |
| Utility Taxes  | \$ 524,000                           | \$ 536,084          | \$ 12,084                            |
| Investment Income  | 9,000                                | 8,378               | (622)                                |
| Total Revenues   | 533,000                              | 544,462             | 11,462                               |
| <b>EXPENDITURES</b>  |                                      |                     |                                      |
| None   | -                                    | -                   | -                                    |
| Total Expenditures   | -                                    | -                   | -                                    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | 533,000                              | 544,462             | 11,462                               |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                      |                     |                                      |
| Transfers (Out)  | (1,455,000)                          | (54,211)            | 1,400,789                            |
| Total Other Financing Sources (Uses)                         | (1,455,000)                          | (54,211)            | 1,400,789                            |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>\$ (922,000)</u>                  | 490,251             | <u>\$ 1,412,251</u>                  |
| <b>FUND BALANCE, JANUARY 1</b>                               |                                      | <u>1,643,723</u>    |                                      |
| <b>FUND BALANCE, DECEMBER 31</b>                             |                                      | <u>\$ 2,133,974</u> |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS****SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SALES TAX FUND**

For the Year Ended December 31, 2021

|  | <b>Original and<br/>Final Budget</b> | <b>Actual</b>       | <b>Variance<br/>Over<br/>(Under)</b> |
|--|--------------------------------------|---------------------|--------------------------------------|
| <b>REVENUES</b>  |                                      |                     |                                      |
| Taxes  |                                      |                     |                                      |
| Sales Tax  | \$ 1,115,000                         | \$ 1,304,822        | \$ 189,822                           |
| Investment Income  | 23,000                               | 1,583               | (21,417)                             |
| Total Revenues   | <u>1,138,000</u>                     | <u>1,306,405</u>    | <u>168,405</u>                       |
| <b>EXPENDITURES</b>  |                                      |                     |                                      |
| None   | -                                    | -                   | -                                    |
| Total Expenditures   | <u>-</u>                             | <u>-</u>            | <u>-</u>                             |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>1,138,000</u>                     | <u>1,306,405</u>    | <u>168,405</u>                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                      |                     |                                      |
| Transfers (Out)  | (2,400,000)                          | (1,336,725)         | 1,063,275                            |
| Total Other Financing Sources (Uses)                         | <u>(2,400,000)</u>                   | <u>(1,336,725)</u>  | <u>1,063,275</u>                     |
| <b>NET CHANGE IN FUND BALANCE</b>                            | <u>\$ (1,262,000)</u>                | <u>(30,320)</u>     | <u>\$ 1,231,680</u>                  |
| <b>FUND BALANCE, JANUARY 1</b>                               |                                      | <u>1,547,297</u>    |                                      |
| <b>FUND BALANCE, DECEMBER 31</b>                             |                                      | <u>\$ 1,516,977</u> |                                      |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS****SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GOLF COURSE FUND**

For the Year Ended December 31, 2021

|  | <b>Original and<br/>Final Budget</b> | <b>Actual</b> | <b>Variance<br/>Over<br/>(Under)</b> |
|--|--------------------------------------|---------------|--------------------------------------|
| <b>REVENUES</b>                                      |                                      |               |                                      |
| Intergovernmental                                    | \$ 75,000                            | \$ 75,000     | \$ -                                 |
| Charges for Services                                 | 202,500                              | 238,433       | 35,933                               |
| Investment Income                                    | 800                                  | 1,239         | 439                                  |
| Miscellaneous  | 3,500                                | 8,377         | 4,877                                |
| Total Revenues                                       | 281,800                              | 323,049       | 41,249                               |
| <b>EXPENDITURES</b>                                  |                                      |               |                                      |
| Current  |                                      |               |                                      |
| Conservation and Development                         |                                      |               |                                      |
| Personal Services                                    | 202,408                              | 191,453       | (10,955)                             |
| Commodities  | 31,750                               | 33,290        | 1,540                                |
| Contractual Services                                 | 54,200                               | 50,564        | (3,636)                              |
| Miscellaneous  | 4,000                                | 4,095         | 95                                   |
| Capital Outlay                                       | 59,500                               | 64,480        | 4,980                                |
| Debt Service   |                                      |               |                                      |
| Principal  | 4,500                                | 4,976         | 476                                  |
| Total Expenditures                                   | 356,358                              | 348,858       | (7,500)                              |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES | (74,558)                             | (25,809)      | 48,749                               |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                                      |               |                                      |
| Transfers In   | 75,000                               | 75,000        | -                                    |
| Total Other Financing Sources (Uses)                 | 75,000                               | 75,000        | -                                    |
| NET CHANGE IN FUND BALANCE                           | \$ 442                               | 49,191        | \$ 48,749                            |
| FUND BALANCE, JANUARY 1                              |                                      | 104,077       |                                      |
| FUND BALANCE, DECEMBER 31                            |                                      | \$ 153,268    |                                      |

(See independent auditor's report.)

**NONMAJOR ENTERPRISE FUNDS**

**CITY OF ROCHELLE, ILLINOIS**

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS**

December 31, 2021

|  | <b>Landfill</b>  | <b>Airport</b>   | <b>Total<br/>Nonmajor<br/>Enterprise</b> |
|--|------------------|------------------|--|
| <b>CURRENT ASSETS</b>                                  |                  |                  |  |
| Cash and Investments                                   | \$ 4,152,208     | \$ -             | \$ 4,152,208                             |
| Receivables  |                  |                  |  |
| Property Taxes   | -                | 61,395           | 61,395                                   |
| Accounts   | 120,151          | 222              | 120,373                                  |
| Prepaid Expenses                                       | -                | -                | -  |
| Inventory  | -                | 34,349           | 34,349                                   |
| Restricted Assets                                      |                  |                  |  |
| Restricted Cash and Investments                        | 87,640           | -                | 87,640                                   |
| Cash Held at Paying Agent                              | -                | 51,372           | 51,372                                   |
| <b>Total Current Assets</b>                            | <b>4,359,999</b> | <b>147,338</b>   | <b>4,507,337</b>                         |
| <b>NONCURRENT ASSETS</b>                               |                  |                  |  |
| Net Pension Asset                                      | -                | 28,643           | 28,643                                   |
| <b>Subtotal Noncurrent Assets</b>                      | <b>-</b>         | <b>28,643</b>    | <b>28,643</b>                            |
| <b>CAPITAL ASSETS</b>                                  |                  |                  |  |
| Nondepreciable   | 708,563          | 1,715,710        | 2,424,273                                |
| Depreciable  | 518,185          | 5,141,575        | 5,659,760                                |
| Accumulated Depreciation                               | (416,758)        | (3,306,240)      | (3,722,998)                              |
| <b>Total Capital Assets</b>                            | <b>809,990</b>   | <b>3,551,045</b> | <b>4,361,035</b>                         |
| <b>Total Noncurrent Assets</b>                         | <b>809,990</b>   | <b>3,579,688</b> | <b>4,389,678</b>                         |
| <b>Total Assets</b>                                    | <b>5,169,989</b> | <b>3,727,026</b> | <b>8,897,015</b>                         |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |                  |                  |  |
| Pension/OPEB Items                                     | -                | 20,010           | 20,010                                   |
| Unamortized Loss on Refunding                          | -                | 14,910           | 14,910                                   |
| <b>Total Deferred Outflows of Resources</b>            | <b>-</b>         | <b>34,920</b>    | <b>34,920</b>                            |
| <b>Total Assets and Deferred Outflows of Resources</b> | <b>5,169,989</b> | <b>3,761,946</b> | <b>8,931,935</b>                         |

(This schedule is continued on the following page.)



**CITY OF ROCHELLE, ILLINOIS**

COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS (Continued)

December 31, 2021

|   | <b>Landfill</b> | <b>Airport</b> | <b>Total<br/>Nonmajor<br/>Enterprise</b> |
|---|-----------------|----------------|--|
| <b>CURRENT LIABILITIES</b>                          |                 |                |  |
| Accounts Payable                                    | \$ 91,914       | \$ 7,017       | \$ 98,931                                |
| Accrued Payroll                                     | 255             | 1,809          | 2,064                                    |
| Accrued Interest Payable                            | -               | 6,372          | 6,372                                    |
| Other Payables                                      | 42,685          | -              | 42,685                                   |
| Unearned Revenue                                    | -               | 9,740          | 9,740                                    |
| General Obligation Bonds Payable                    | -               | 45,000         | 45,000                                   |
| OPEB Liability                                      | -               | 1,250          | 1,250                                    |
| Due to Other Funds                                  | -               | 89,929         | 89,929                                   |
| Compensated Absences Payable                        | -               | 6,520          | 6,520                                    |
| Total Current Liabilities                           | 134,854         | 167,637        | 302,491                                  |
| <b>LONG-TERM LIABILITIES</b>                        |                 |                |  |
| OPEB Liability                                      | -               | 7,926          | 7,926                                    |
| General Obligation Bonds Payable                    | -               | 375,000        | 375,000                                  |
| Total Long-Term Liabilities                         | -               | 382,926        | 382,926                                  |
| Total Liabilities                                   | 134,854         | 550,563        | 685,417                                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                 |                |  |
| Pension/OPEB Items                                  | -               | 56,894         | 56,894                                   |
| Deferred Property Taxes                             | -               | 61,395         | 61,395                                   |
| Total Deferred Inflows of Resources                 | -               | 118,289        | 118,289                                  |
| Total Liabilities and Deferred Inflows of Resources | 134,854         | 668,852        | 803,706                                  |
| <b>NET POSITION</b>                                 |                 |                |  |
| Net Investment in Capital Assets                    | 809,990         | 3,145,955      | 3,955,945                                |
| Unrestricted  | 4,225,145       | (52,861)       | 4,172,284                                |
| <b>TOTAL NET POSITION</b>                           | \$ 5,035,135    | \$ 3,093,094   | \$ 8,128,229                             |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2021

|   | <b>Landfill</b> | <b>Airport</b> | <b>Total<br/>Nonmajor<br/>Enterprise</b> |
|---|-----------------|----------------|--|
| <b>OPERATING REVENUES</b>   |                 |                |  |
| Charges for Services  | \$ 727,444      | \$ 345,050     | \$ 1,072,494                             |
| Miscellaneous   | 7,001           | -              | 7,001                                    |
| Total Operating Revenues  | 734,445         | 345,050        | 1,079,495                                |
| <b>OPERATING EXPENSES</b>   |                 |                |  |
| Personal Services   | 21,619          | 141,239        | 162,858                                  |
| Commodities   | 183             | 205,361        | 205,544                                  |
| Contractual Services  | 503,174         | 63,898         | 567,072                                  |
| Depreciation/Amortization   | 30,545          | 162,148        | 192,693                                  |
| Total Operating Expenses  | 555,521         | 572,646        | 1,128,167                                |
| OPERATING INCOME (LOSS)   | 178,924         | (227,596)      | (48,672)                                 |
| <b>OTHER INCOME (EXPENSE)</b>   |                 |                |  |
| Taxes   | -               | 59,398         | 59,398                                   |
| Investment Income   | 9,517           | 1              | 9,518                                    |
| Interest Expense  | -               | (17,004)       | (17,004)                                 |
| Total Other Income (Expense)  | 9,517           | 42,395         | 51,912                                   |
| NET INCOME (LOSS) BEFORE TRANSFERS,<br>CAPITAL GRANTS AND CONTRIBUTIONS | 188,441         | (185,201)      | 3,240                                    |
| <b>TRANSFERS</b>  |                 |                |  |
| Transfers In  | -               | 87,000         | 87,000                                   |
| Transfers (Out)   | (35,889)        | -              | (35,889)                                 |
| Total Transfers   | (35,889)        | 87,000         | 51,111                                   |
| <b>CAPITAL GRANTS AND CONTRIBUTIONS</b>                                 | -               | 54,167         | 54,167                                   |
| CHANGE IN NET POSITION  | 152,552         | (44,034)       | 108,518                                  |
| NET POSITION, JANUARY 1   | 4,882,583       | 3,137,128      | 8,019,711                                |
| <b>NET POSITION, DECEMBER 31</b>  | \$ 5,035,135    | \$ 3,093,094   | \$ 8,128,229                             |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2021

|   | <b>Landfill</b> | <b>Airport</b> | <b>Total<br/>Nonmajor<br/>Enterprise</b> |
|---|-----------------|----------------|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                 |                |  |
| Receipts from Customers and Users                                   | \$ 735,039      | \$ 345,074     | \$ 1,080,113                             |
| Payments to Suppliers   | (454,307)       | (246,869)      | (701,176)                                |
| Payments to Employees   | (21,566)        | (157,676)      | (179,242)                                |
| Payments to Other Funds   | -               | (33,450)       | (33,450)                                 |
| Net Cash from Operating Activities                                  | 259,166         | (92,921)       | 166,245                                  |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>          |                 |                |  |
| Receipts from Property and other Taxes                              | -               | 59,398         | 59,398                                   |
| Transfers in  | -               | 87,000         | 87,000                                   |
| Transfers out   | (35,889)        | -              | (35,889)                                 |
| Receipt of Loans from Other Funds                                   | -               | 58,864         | 58,864                                   |
| Net Cash from Noncapital<br>Financing Activities                    | (35,889)        | 205,262        | 169,373                                  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b> |                 |                |  |
| Capital Assets Purchased  | (20,000)        | (102,268)      | (122,268)                                |
| Principal Payments on Long-Term Debt                                | -               | (45,000)       | (45,000)                                 |
| Interest Payments on Long-Term Debt                                 | -               | (13,419)       | (13,419)                                 |
| Grant Receipts  | -               | 48,345         | 48,345                                   |
| Net Cash from Capital and Related<br>Financing Activities           | (20,000)        | (112,342)      | (132,342)                                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                 |                |  |
| Interest Received   | 9,517           | 1              | 9,518                                    |
| Net Cash from Investing Activities                                  | 9,517           | 1              | 9,518                                    |
| <b>NET INCREASE IN CASH AND<br/>CASH EQUIVALENTS</b>                | 212,794         | -              | 212,794                                  |
| <b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>                         | 4,027,054       | -              | 4,027,054                                |
| <b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>                       | \$ 4,239,848    | \$ -           | \$ 4,239,848                             |

(This schedule is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS****COMBINING STATEMENT OF CASH FLOWS (Continued)**  
**NONMAJOR ENTERPRISE FUNDS**

For the Year Ended December 31, 2021

|  | <b>Landfill</b>     | <b>Airport</b>     | <b>Total<br/>Nonmajor<br/>Enterprise</b> |
|--|---------------------|--------------------|--|
| <b>RECONCILIATION OF OPERATING INCOME<br/>(LOSS) TO NET CASH FLOWS FROM<br/>OPERATING ACTIVITIES</b> |                     |                    |  |
| Operating Income (Loss)  | \$ 178,924          | \$ (227,596)       | \$ (48,672)                              |
| Adjustments to Reconcile Operating Income (Loss)<br>to Net Cash From Operating Activities            |                     |                    |  |
| Depreciation and amortization  | 30,545              | 162,148            | 192,693                                  |
| Changes in Assets and Liabilities  |                     |                    |  |
| Accounts Receivables   | 594                 | 24                 | 618                                      |
| Prepaid Expenses   | -                   | 774                | 774                                      |
| Inventory  | -                   | (17,876)           | (17,876)                                 |
| Pension Items - IMRF   | -                   | (17,488)           | (17,488)                                 |
| Pension Items - OPEB   | -                   | (580)              | (580)                                    |
| Accounts Payable   | 49,050              | 6,042              | 55,092                                   |
| Accrued Payroll  | 53                  | (132)              | (79)                                     |
| Escrow Payable   | -                   | -                  | -  |
| Compensated Absences   | -                   | 1,763              | 1,763                                    |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>  | <b>\$ 259,166</b>   | <b>\$ (92,921)</b> | <b>\$ 166,245</b>                        |
| <b>CASH AND INVESTMENTS</b>  |                     |                    |  |
| Cash and Cash Equivalents  | \$ 4,152,208        | \$ -               | \$ 4,152,208                             |
| Restricted Cash  | 87,640              | -                  | 87,640                                   |
| <b>TOTAL CASH AND INVESTMENTS</b>  | <b>\$ 4,239,848</b> | <b>\$ -</b>        | <b>\$ 4,239,848</b>                      |

(See independent auditor's report.)

## **INTERNAL SERVICE FUNDS**

**CITY OF ROCHELLE, ILLINOIS**

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

December 31, 2021

|   | <b>Administrative<br/>Services</b> | <b>Network<br/>Administration</b> | <b>Total<br/>Internal<br/>Service Funds</b> |
|---|------------------------------------|-----------------------------------|---|
| <b>CURRENT ASSETS</b>                           |                                    |                                   |   |
| Cash and Investments                            | \$ 44,799                          | \$ 34,661                         | \$ 79,460                                   |
| Receivables                                     |                                    |                                   |   |
| Other   | 71,435                             | -                                 | 71,435                                      |
| Total Current Assets                            | 116,234                            | 34,661                            | 150,895                                     |
| <b>NONCURRENT ASSETS</b>                        |                                    |                                   |   |
| None  | -                                  | -                                 | -   |
| Subtotal Noncurrent Assets                      | -                                  | -                                 | -   |
| <b>CAPITAL ASSETS</b>                           |                                    |                                   |   |
| Depreciable                                     | 116,880                            | 24,340                            | 141,220                                     |
| Accumulated Depreciation                        | (116,880)                          | (9,737)                           | (126,617)                                   |
| Total Capital Assets                            | -                                  | 14,603                            | 14,603                                      |
| Total Noncurrent Assets                         | -                                  | 14,603                            | 14,603                                      |
| Total Assets                                    | 116,234                            | 49,264                            | 165,498                                     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                                    |                                   |   |
| None  | -                                  | -                                 | -   |
| Total Deferred Outflows of Resources            | -                                  | -                                 | -   |
| Total Assets and Deferred Outflows of Resources | 116,234                            | 49,264                            | 165,498                                     |

(This statement is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS (Continued)**

December 31, 2021

|   | <b>Administrative<br/>Services</b> | <b>Network<br/>Administration</b> | <b>Total<br/>Internal<br/>Service Funds</b> |
|---|------------------------------------|-----------------------------------|---|
| <b>CURRENT LIABILITIES</b>                          |                                    |                                   |   |
| Accounts Payable                                    | \$ 5,023                           | \$ 15,593                         | \$ 20,616                                   |
| Accrued Payroll                                     | 84,470                             | 3,985                             | 88,455                                      |
| Compensated Absences Payable                        | 39,954                             | 9,373                             | 49,327                                      |
| Total Current Liabilities                           | 129,447                            | 28,951                            | 158,398                                     |
| <b>LONG-TERM LIABILITIES</b>                        |                                    |                                   |   |
| None  | -                                  | -                                 | -   |
| Total Long-Term Liabilities                         | -                                  | -                                 | -   |
| Total Liabilities                                   | 129,447                            | 28,951                            | 158,398                                     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                                    |                                   |   |
| None  | -                                  | -                                 | -   |
| Total Deferred Inflows of Resources                 | -                                  | -                                 | -   |
| Total Liabilities and Deferred Inflows of Resources | 129,447                            | 28,951                            | 158,398                                     |
| <b>NET POSITION</b>                                 |                                    |                                   |   |
| Unrestricted (Deficit)                              | (13,213)                           | 20,313                            | 7,100                                       |
| <b>TOTAL NET POSITION (DEFICIT)</b>                 | \$ (13,213)                        | \$ 20,313                         | \$ 7,100                                    |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS****COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2021

|                                     | <b>Administrative<br/>Services</b> | <b>Network<br/>Administration</b> | <b>Total<br/>Internal<br/>Service Funds</b> |
|-------------------------------------|------------------------------------|-----------------------------------|---|
| <b>OPERATING REVENUES</b>           |                                    |                                   |   |
| Charges for Services                | \$ 1,404,990                       | \$ 525,587                        | \$ 1,930,577                                |
| Miscellaneous                       | 2,164                              | -                                 | 2,164                                       |
| Total Operating Revenues            | 1,407,154                          | 525,587                           | 1,932,741                                   |
| <b>OPERATING EXPENSES</b>           |                                    |                                   |   |
| Administration                      | 1,444,598                          | 263,172                           | 1,707,770                                   |
| Commodities                         | -                                  | 74,780                            | 74,780                                      |
| Contractual Services                | -                                  | 270,953                           | 270,953                                     |
| Depreciation                        | -                                  | 4,868                             | 4,868                                       |
| Total Operating Expenses            | 1,444,598                          | 613,773                           | 2,058,371                                   |
| OPERATING INCOME (LOSS)             | (37,444)                           | (88,186)                          | (125,630)                                   |
| CHANGE IN NET POSITION              | (37,444)                           | (88,186)                          | (125,630)                                   |
| NET POSITION, JANUARY 1             | 24,231                             | 108,499                           | 132,730                                     |
| NET POSITION (DEFICIT), DECEMBER 31 | \$ (13,213)                        | \$ 20,313                         | \$ 7,100                                    |

(See independent auditor's report.)



**CITY OF ROCHELLE, ILLINOIS**

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

For the Year Ended December 31, 2021

|   | <b>Administrative<br/>Services</b> | <b>Network<br/>Administration</b> | <b>Total<br/>Internal<br/>Service Funds</b> |
|---|------------------------------------|-----------------------------------|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                                    |                                   |   |
| Receipts from Interfund Service Transactions                        | \$ 1,402,763                       | \$ 525,587                        | \$ 1,928,350                                |
| Payments to Suppliers   | (484,718)                          | (332,874)                         | (817,592)                                   |
| Payments to Employees   | (941,768)                          | (251,986)                         | (1,193,754)                                 |
| Net Cash from Operating Activities                                  | (23,723)                           | (59,273)                          | (82,996)                                    |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>          |                                    |                                   |   |
| None  | -                                  | -                                 | -   |
| Net Cash from Noncapital<br>Financing Activities                    | -                                  | -                                 | -   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b> |                                    |                                   |   |
| None  | -                                  | -                                 | -   |
| Net Cash from Capital and Related<br>Financing Activities           | -                                  | -                                 | -   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                                    |                                   |   |
| None  | -                                  | -                                 | -   |
| Net Cash from Investing Activities                                  | -                                  | -                                 | -   |
| <b>NET DECREASE IN CASH AND<br/>CASH EQUIVALENTS</b>                | (23,723)                           | (59,273)                          | (82,996)                                    |
| <b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>                         | 68,522                             | 93,934                            | 162,456                                     |
| <b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>                       | \$ 44,799                          | \$ 34,661                         | \$ 79,460                                   |

(This statement is continued on the following page.)

**CITY OF ROCHELLE, ILLINOIS**

**COMBINING STATEMENT OF CASH FLOWS (Continued)**  
**INTERNAL SERVICE FUNDS**

For the Year Ended December 31, 2021

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|   | <b>Administrative<br/>Services</b> | <b>Network<br/>Administration</b> | <b>Total<br/>Internal<br/>Service Funds</b> |
|---|------------------------------------|-----------------------------------|---|
| <b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>  |                                    |                                   |   |
| <b>TO NET CASH FLOWS FROM</b>   |                                    |                                   |   |
| <b>OPERATING ACTIVITIES</b>   |                                    |                                   |   |
| Operating Income (Loss)   | \$ (37,444)                        | \$ (88,186)                       | \$ (125,630)                                |
| Adjustments to Reconcile Operating Income (Loss)<br>to Net Cash From Operating Activities |                                    |                                   |   |
| Depreciation  | -                                  | 4,868                             | 4,868                                       |
| Changes in Assets and Liabilities   |                                    |                                   |   |
| Accounts Receivables  | (4,391)                            | -                                 | (4,391)                                     |
| Accounts Payable  | (64,964)                           | 12,859                            | (52,105)                                    |
| Accrued Payroll   | 71,745                             | 1,813                             | 73,558                                      |
| Compensated Absences  | 11,331                             | 9,373                             | 20,704                                      |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>   | <b>\$ (23,723)</b>                 | <b>\$ (59,273)</b>                | <b>\$ (82,996)</b>                          |

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

# CITY OF ROCHELLE, ILLINOIS

## COMBINING STATEMENT OF PLAN NET POSITION PENSION TRUST FUNDS

December 31, 2021

|   | <b>Pension Trust</b>      |                                  |                       |
|---|---------------------------|----------------------------------|-----------------------|
|   | <b>Police<br/>Pension</b> | <b>Firefighters'<br/>Pension</b> | <b>Total</b>          |
| <b>ASSETS</b>                                       |                           |                                  |                       |
| Cash and Short-Term Investments                     | \$ 816,753                | \$ 351,220                       | \$ 1,167,973          |
| Investments, at Fair Value                          |                           |                                  |                       |
| U.S. Treasury Securities                            | 1,616,407                 | 608,502                          | 2,224,909             |
| U.S. Agency Securities                              | 716,854                   | 2,594,872                        | 3,311,726             |
| Equity Mutual Funds                                 | 2,131,816                 | 6,717,941                        | 8,849,757             |
| Fixed Income Mutual Funds                           | 943,319                   | -                                | 943,319               |
| Corporate Bonds                                     | 2,582,021                 | 741,139                          | 3,323,160             |
| Municipal Bonds                                     | -                         | 722,057                          | 722,057               |
| Equities  | 5,674,398                 | 220,904                          | 5,895,302             |
| Negotiable Certificates of Deposit                  | -                         | 166,901                          | 166,901               |
| Annuity Contracts                                   | -                         | 205,144                          | 205,144               |
| Receivables   |                           |                                  |                       |
| Accrued Interest                                    | 35,016                    | 26,441                           | 61,457                |
| <br>Total Assets                                    | <br>14,516,584            | <br>12,355,121                   | <br>26,871,705        |
| <b>LIABILITIES</b>                                  |                           |                                  |                       |
| None  | -                         | -                                | -                     |
| <br>Total Liabilities                               | <br>-                     | <br>-                            | <br>-                 |
| <br><b>NET POSITION RESTRICTED<br/>FOR PENSIONS</b> | <br><br>\$ 14,516,584     | <br><br>\$ 12,355,121            | <br><br>\$ 26,871,705 |

(See independent auditor's report.)

**CITY OF ROCHELLE, ILLINOIS**

**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION  
PENSION TRUST FUNDS**

For the Year Ended December 31, 2021

|  | <b>Pension Trust</b>      |                                  |               |
|--|---------------------------|----------------------------------|---------------|
|  | <b>Police<br/>Pension</b> | <b>Firefighters'<br/>Pension</b> | <b>Total</b>  |
| <b>ADDITIONS</b>                                 |                           |                                  |               |
| Contributions                                    |                           |                                  |               |
| Employer Contributions                           | \$ 949,365                | \$ 658,021                       | \$ 1,607,386  |
| Employee Contributions                           | 173,998                   | 111,379                          | 285,377       |
| Total Contributions                              | 1,123,363                 | 769,400                          | 1,892,763     |
| Investment Income                                |                           |                                  |               |
| Net Appreciation in Fair<br>Value of Investments | 626,847                   | 679,314                          | 1,306,161     |
| Interest   | 440,471                   | 510,209                          | 950,680       |
| Total Investment Income                          | 1,067,318                 | 1,189,523                        | 2,256,841     |
| Less Investment Expense                          | (34,492)                  | (31,252)                         | (65,744)      |
| Net Investment Income                            | 1,032,826                 | 1,158,271                        | 2,191,097     |
| Total Additions                                  | 2,156,189                 | 1,927,671                        | 4,083,860     |
| <b>DEDUCTIONS</b>                                |                           |                                  |               |
| Benefits and Refunds                             | 871,116                   | 626,651                          | 1,497,767     |
| Administrative Expenses                          | 20,213                    | 17,698                           | 37,911        |
| Total Deductions                                 | 891,329                   | 644,349                          | 1,535,678     |
| CHANGE IN NET POSITION                           | 1,264,860                 | 1,283,322                        | 2,548,182     |
| <b>NET POSITION RESTRICTED<br/>FOR PENSIONS</b>  |                           |                                  |               |
| January 1  | 13,251,724                | 11,071,799                       | 24,323,523    |
| December 31                                      | \$ 14,516,584             | \$ 12,355,121                    | \$ 26,871,705 |

(See independent auditor's report.)

## **SUPPLEMENTARY INFORMATION**

**CITY OF ROCHELLE, ILLINOIS**

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

For the Year Ended December 31, 2021

| <b>CSFA<br/>Number</b> | <b>Program<br/>Name</b>                                      | <b>State</b>     | <b>Federal</b>    | <b>Other</b>         | <b>Total</b>         |
|------------------------|--|------------------|-------------------|----------------------|----------------------|
| 494-60-0327            | Airport Improvement Program -<br>Airport Ramp Reconstruction | \$ 803           | \$ 14,457         | \$ 803               | \$ 16,063            |
| 494-60-0327            | Airport Improvement Program -<br>Airport Ramp Reconstruction | 1,763            | 31,734            | 1,763                | 35,260               |
| 494-60-0327            | Airport Improvement Program -<br>Airport Ramp Reconstruction | 142              | 2,560             | 142                  | 2,844                |
| 494-00-0957            | EDP South Main Street  | 85,000           | -                 | -                    | 85,000               |
|                        | Other Grant Programs and Activities                          | 7,929            | 58,000            | -                    | 65,929               |
|                        | All Other Costs not Allocated                                | -                | -                 | 60,263,612           | 60,263,612           |
|                        | <b>TOTALS</b>  | <u>\$ 95,637</u> | <u>\$ 106,751</u> | <u>\$ 60,266,320</u> | <u>\$ 60,468,708</u> |

(See independent auditor's report.)

## STATISTICAL SECTION

This part of the City of Rochelle, Illinois' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

| <u>Contents</u>   | <u>Page(s)</u> |
|---|----------------|
| Financial Trends<br>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.   | 128-137        |
| Revenue Capacity<br>These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax and property tax.   | 138-141        |
| Debt Capacity<br>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.                            | 142-146        |
| Demographic and Economic Information<br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.                                    | 147-148        |
| Operating Information<br>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 149-153        |

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*



**CITY OF ROCHELLE, ILLINOIS**

**NET POSITION BY COMPONENT**

Last Ten Fiscal Years

| <b>Fiscal Year</b>                    | <b>2013</b>           | <b>2014</b>           | <b>2015</b>           | <b>2016</b>           |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>        |                       |                       |                       |                       |
| Net Investment in Capital Assets      | \$ 45,652,694         | \$ 46,244,092         | \$ 48,124,038         | \$ 49,182,739         |
| Restricted                            | 2,153,415             | 2,601,692             | 2,173,047             | 1,880,549             |
| Unrestricted                          | (1,720,909)           | (955,731)             | (1,516,370)           | (10,770,965)          |
| <b>TOTAL GOVERNMENTAL ACTIVITIES</b>  | <b>\$ 46,085,200</b>  | <b>\$ 47,890,053</b>  | <b>\$ 48,780,715</b>  | <b>\$ 40,292,323</b>  |
| <b>BUSINESS-TYPE ACTIVITIES</b>       |                       |                       |                       |                       |
| Net Investment in Capital Assets      | \$ 54,389,403         | \$ 57,684,867         | \$ 57,302,570         | \$ 63,145,375         |
| Restricted                            | 10,475,599            | 12,873,509            | 10,930,174            | 8,406,663             |
| Unrestricted                          | 19,281,545            | 16,046,361            | 19,307,149            | 16,529,457            |
| <b>TOTAL BUSINESS-TYPE ACTIVITIES</b> | <b>\$ 84,146,547</b>  | <b>\$ 86,604,737</b>  | <b>\$ 87,539,893</b>  | <b>\$ 88,081,495</b>  |
| <b>PRIMARY GOVERNMENT</b>             |                       |                       |                       |                       |
| Net Investment in Capital Assets      | \$ 100,042,097        | \$ 103,928,959        | \$ 105,426,608        | \$ 112,328,114        |
| Restricted                            | 12,629,014            | 15,475,201            | 13,103,221            | 10,287,212            |
| Unrestricted                          | 17,560,636            | 15,090,630            | 17,790,779            | 5,758,492             |
| <b>TOTAL PRIMARY GOVERNMENT</b>       | <b>\$ 130,231,747</b> | <b>\$ 134,494,790</b> | <b>\$ 136,320,608</b> | <b>\$ 128,373,818</b> |

\*The City changed its fiscal year end to December 31, effective December 31, 2016.

Data Source

Audited Financial Statements

| 2016*          | 2017           | 2018           | 2019           | 2020           | 2021           |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 50,119,377  | \$ 49,454,386  | \$ 51,569,571  | \$ 56,955,178  | \$ 58,859,625  | \$ 56,052,242  |
| 2,793,415      | 3,603,895      | 4,821,676      | 5,704,813      | 5,013,689      | 6,716,537      |
| (11,717,240)   | (10,156,454)   | (10,607,508)   | (10,454,471)   | (5,597,443)    | (2,912,534)    |
| \$ 41,195,552  | \$ 42,901,827  | \$ 45,783,739  | \$ 52,205,520  | \$ 58,275,871  | \$ 59,856,245  |
| \$ 66,767,303  | \$ 66,624,091  | \$ 68,151,628  | \$ 72,056,083  | \$ 79,346,069  | \$ 82,675,832  |
| 6,791,996      | 7,581,483      | 8,564,665      | 9,843,922      | 563,537        | 96,626         |
| 18,127,812     | 19,287,555     | 20,199,507     | 21,818,321     | 35,080,354     | 30,520,400     |
| \$ 91,687,111  | \$ 93,493,129  | \$ 96,915,800  | \$ 103,718,326 | \$ 114,989,960 | \$ 113,292,858 |
| \$ 116,886,680 | \$ 116,078,477 | \$ 119,721,199 | \$ 129,011,261 | \$ 138,205,694 | \$ 138,728,074 |
| 9,585,411      | 11,185,378     | 13,386,341     | 15,548,735     | 5,577,226      | 6,813,163      |
| 6,410,572      | 9,131,101      | 9,591,999      | 11,363,850     | 29,482,911     | 27,607,866     |
| \$ 132,882,663 | \$ 136,394,956 | \$ 142,699,539 | \$ 155,923,846 | \$ 173,265,831 | \$ 173,149,103 |

**CITY OF ROCHELLE, ILLINOIS**

**CHANGE IN NET POSITION**

Last Ten Fiscal Years

| <b>Fiscal Year</b>                               | <b>2013</b>          | <b>2014</b>          | <b>2015</b>          | <b>2016</b>          |
|--|----------------------|----------------------|----------------------|----------------------|
| <b>EXPENSES</b>                                  |                      |                      |                      |                      |
| Governmental Activities                          |                      |                      |                      |                      |
| General Government                               | \$ 2,061,279         | \$ 1,991,208         | \$ 2,024,267         | \$ 2,413,156         |
| Public Safety                                    | 5,034,276            | 5,240,013            | 5,506,420            | 6,846,217            |
| Public Works                                     | 4,841,587            | 3,643,889            | 3,975,074            | 3,746,863            |
| Public Service Enterprises                       | 138,179              | 277,549              | 162,196              | 198,816              |
| Conservation and Development                     | 514,955              | 374,558              | 534,560              | 792,489              |
| Interest   | 180,611              | 172,584              | 84,999               | 130,792              |
| Total Governmental Activities Expenses           | 12,770,887           | 11,699,801           | 12,287,516           | 14,128,333           |
| <b>BUSINESS-TYPE ACTIVITIES</b>                  |                      |                      |                      |                      |
| Electric   | 27,290,007           | 30,900,842           | 34,790,641           | 35,706,844           |
| Water**  | 3,989,355            | 4,198,382            | 4,235,635            | 4,284,257            |
| Water Reclamation**                              | -                    | -                    | -                    | -                    |
| Communications                                   | 1,104,006            | 834,028              | 815,032              | 724,692              |
| Technology Center                                | 564,706              | 815,123              | 875,591              | 930,401              |
| Landfill   | 452,664              | 502,936              | 577,716              | 827,404              |
| Airport  | 611,097              | 739,131              | 536,528              | 592,585              |
| Total Business-Type Activities Expenses          | 34,011,835           | 37,990,442           | 41,831,143           | 43,066,183           |
| <b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>         | <b>\$ 46,782,722</b> | <b>\$ 49,690,243</b> | <b>\$ 54,118,659</b> | <b>\$ 57,194,516</b> |
| <b>PROGRAM REVENUES</b>                          |                      |                      |                      |                      |
| Governmental Activities                          |                      |                      |                      |                      |
| Charges for Services                             |                      |                      |                      |                      |
| General Government                               | \$ 562,912           | \$ 715,864           | \$ 1,063,522         | \$ 1,823,521         |
| Public Safety                                    | 654,474              | 489,758              | 695,058              | 492,360              |
| Public Works                                     | 277,273              | 338,940              | 335,859              | 243,586              |
| Public Service Enterprises                       | 45,047               | 45,374               | 40,478               | 50,895               |
| Operating Grants and Contributions               | 311,353              | 292,235              | 252,066              | 271,822              |
| Capital Grants and Contributions                 | 10,852,788           | 1,131,988            | 774,261              | 633,615              |
| Total Governmental Activities Program Revenues   | 12,703,847           | 3,014,159            | 3,161,244            | 3,515,799            |
| Business-Type Activities                         |                      |                      |                      |                      |
| Charges for Services                             |                      |                      |                      |                      |
| Electric   | 27,399,527           | 28,677,373           | 31,727,508           | 33,991,035           |
| Water**  | 4,710,716            | 4,895,848            | 5,020,871            | 5,640,153            |
| Water Reclamation**                              | -                    | -                    | -                    | -                    |
| Communications                                   | 947,423              | 962,487              | 831,694              | 680,050              |
| Technology Center                                | 565,308              | 626,084              | 1,127,944            | 1,359,234            |
| Landfill   | 662,243              | 981,632              | 1,178,675            | 1,396,251            |
| Airport  | 462,822              | 384,818              | 462,817              | 415,736              |
| Operating Grants and Contributions               | -                    | -                    | -                    | -                    |
| Capital Grants and Contributions                 | 2,601,474            | 1,516,037            | 1,655,641            | 803,867              |
| Total Business-Type Activities Program Revenues  | 37,349,513           | 38,044,279           | 42,005,150           | 44,286,326           |
| <b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b> | <b>\$ 50,053,360</b> | <b>\$ 41,058,438</b> | <b>\$ 45,166,394</b> | <b>\$ 47,802,125</b> |

|    | 2016*      | 2017          | 2018          | 2019          | 2020          | 2021          |
|----|------------|---------------|---------------|---------------|---------------|---------------|
| \$ | 2,371,762  | \$ 2,223,886  | \$ 2,625,102  | \$ 2,151,923  | \$ 2,333,766  | \$ 2,383,960  |
|    | 4,865,637  | 6,178,925     | 7,114,566     | 7,242,733     | 6,689,478     | 6,284,213     |
|    | 2,545,336  | 3,476,945     | 3,890,595     | 4,129,244     | 4,385,718     | 6,255,947     |
|    | 115,159    | 119,565       | 230,942       | 153,869       | 140,131       | 212,432       |
|    | 629,061    | 726,054       | 657,933       | 545,596       | 376,860       | 399,595       |
|    | 91,162     | 134,347       | 141,853       | 271,801       | 258,405       | 235,492       |
|    | 10,618,117 | 12,859,722    | 14,660,991    | 14,495,166    | 14,184,358    | 15,771,639    |
|    | 23,889,662 | 36,247,916    | 35,119,696    | 33,569,899    | 35,499,007    | 35,116,085    |
|    | 3,086,559  | 4,682,269     | 5,624,050     | 6,026,110     | 3,063,276     | 3,332,190     |
|    | -          | -             | -             | -             | 3,276,009     | 4,213,447     |
|    | 476,654    | -             | -             | -             | -             | -             |
|    | 646,669    | 1,184,320     | 1,149,385     | 1,161,545     | 870,283       | 890,176       |
|    | 471,220    | 567,450       | 379,612       | 379,992       | 445,106       | 555,521       |
|    | 491,928    | 583,104       | 641,746       | 585,281       | 489,087       | 589,650       |
|    | 29,062,692 | 43,265,059    | 42,914,489    | 41,722,827    | 43,642,768    | 44,697,069    |
| \$ | 39,680,809 | \$ 56,124,781 | \$ 57,575,480 | \$ 56,217,993 | \$ 57,827,126 | \$ 60,468,708 |
| \$ | 1,162,738  | \$ 2,505,643  | \$ 2,536,084  | \$ 2,953,400  | \$ 1,145,510  | \$ 1,073,874  |
|    | 394,864    | 546,731       | 690,712       | 651,916       | 729,978       | 1,052,005     |
|    | 238,358    | 324,057       | 423,402       | 417,931       | 418,161       | 358,212       |
|    | 223,469    | 234,906       | 214,115       | 207,445       | 224,452       | 287,731       |
|    | 253,482    | 354,304       | 383,263       | 348,271       | 1,255,248     | 441,057       |
|    | 308,156    | 5,606         | 1,788,889     | 3,812,585     | 1,623,130     | 295,321       |
|    | 2,581,067  | 3,971,247     | 6,036,465     | 8,391,548     | 5,396,479     | 3,508,200     |
|    | 37,475,729 | 26,749,579    | 38,988,537    | 39,026,749    | 36,430,535    | 35,466,187    |
|    | 5,050,143  | 3,870,287     | 6,175,344     | 6,183,478     | 3,199,659     | 3,324,397     |
|    | -          | -             | -             | -             | 3,485,392     | 3,795,872     |
|    | 628,911    | 343,615       | -             | -             | -             | -             |
|    | 1,185,971  | 761,308       | 1,287,994     | 1,394,169     | 1,522,874     | 1,439,758     |
|    | 1,233,518  | 840,940       | 807,633       | 656,506       | 700,373       | 727,444       |
|    | 361,269    | 443,835       | 308,849       | 367,352       | 214,312       | 345,050       |
|    | -          | -             | -             | -             | -             | -             |
|    | 25,511     | 1,294,396     | 1,881         | 905,050       | 387,556       | 54,167        |
|    | 45,961,052 | 34,303,960    | 47,570,238    | 48,533,304    | 45,940,701    | 45,152,875    |
| \$ | 48,542,119 | \$ 38,275,207 | \$ 53,606,703 | \$ 56,924,852 | \$ 51,337,180 | \$ 48,661,075 |

**CITY OF ROCHELLE, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

| <b>Fiscal Year</b>  | <b>2013</b>          | <b>2014</b>           | <b>2015</b>           | <b>2016</b>           |
|---|----------------------|-----------------------|-----------------------|-----------------------|
| <b>NET (EXPENSE) REVENUE</b>                              |                      |                       |                       |                       |
| Governmental Activities                                   | \$ (67,040)          | \$ (8,685,642)        | \$ (9,126,272)        | \$ (10,612,534)       |
| Business-Type Activities                                  | 3,337,678            | 53,837                | 174,007               | 1,220,143             |
| <b>TOTAL PRIMARY GOVERNMENT NET REVENUES (EXPENSES)</b>   | <b>\$ 3,270,638</b>  | <b>\$ (8,631,805)</b> | <b>\$ (8,952,265)</b> | <b>\$ (9,392,391)</b> |
| <b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b> |                      |                       |                       |                       |
| Governmental Activities                                   |                      |                       |                       |                       |
| Taxes   |                      |                       |                       |                       |
| Property and Replacement**                                | \$ 2,160,763         | \$ 2,605,811          | \$ 2,826,331          | \$ 3,069,810          |
| Sales and Use   | 2,874,151            | 3,161,390             | 3,081,073             | 3,023,254             |
| Telecommunications  | 419,475              | 394,192               | 409,595               | 365,031               |
| Hotel/Motel   | 214,837              | 199,768               | 212,328               | 240,367               |
| Utility   | 350,293              | 378,945               | 373,430               | 358,799               |
| Other   | 40,440               | 99,417                | 128,027               | 144,399               |
| Shared Income Tax   | 862,814              | 932,950               | 937,626               | 1,020,325             |
| Intergovernmental - Unrestricted                          | -                    | -                     | -                     | -                     |
| Replacement Taxes**                                       | -                    | -                     | -                     | -                     |
| Investment Income   | 8,689                | 3,483                 | 3,581                 | 5,962                 |
| Miscellaneous   | 27,949               | 99,939                | 81,894                | 43,588                |
| Sale of Transmission Assets                               | -                    | -                     | -                     | -                     |
| Gain on Sale of Capital Assets                            | -                    | -                     | -                     | 10,400                |
| Transfers In  | 1,666,642            | 1,949,164             | 1,963,096             | 2,161,975             |
| Total Governmental Activities                             | <u>8,626,053</u>     | <u>9,825,059</u>      | <u>10,016,981</u>     | <u>10,443,910</u>     |
| Business-Type Activities                                  |                      |                       |                       |                       |
| Replacement Taxes   | -                    | 58,912                | 57,837                | 58,563                |
| Investment Income   | 37,417               | 35,054                | 31,851                | 43,871                |
| Sale of Transmission Assets                               | -                    | -                     | -                     | -                     |
| Gain on Sale of Capital Assets                            | -                    | -                     | -                     | -                     |
| Miscellaneous   | 127,225              | 96,902                | 353,381               | 642,203               |
| Transfers   | (1,666,642)          | (1,949,164)           | (1,963,096)           | (2,161,975)           |
| Total Business-Type Activities                            | <u>(1,502,000)</u>   | <u>(1,758,296)</u>    | <u>(1,520,027)</u>    | <u>(1,417,338)</u>    |
| <b>TOTAL PRIMARY GOVERNMENT</b>                           | <b>\$ 7,124,053</b>  | <b>\$ 8,066,763</b>   | <b>\$ 8,496,954</b>   | <b>\$ 9,026,572</b>   |
| <b>CHANGE IN NET POSITION</b>                             |                      |                       |                       |                       |
| Governmental Activities                                   | \$ 8,559,013         | \$ 1,139,417          | \$ 890,709            | \$ (168,624)          |
| Business-Type Activities                                  | 1,835,678            | (1,704,459)           | (1,346,020)           | (197,195)             |
| <b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>    | <b>\$ 10,394,691</b> | <b>\$ (565,042)</b>   | <b>\$ (455,311)</b>   | <b>\$ (365,819)</b>   |

\*Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

\*\*The Water and Water Reclamation Fund was split into two separate funds as of the start of fiscal year 2020.

\*\*\*Starting in fiscal year 2021, the City split the Property and Replacement Taxes into two separate categories.

Data Source

Audited Financial Statements

| 2016*          | 2017            | 2018           | 2019           | 2020           | 2021            |
|----------------|-----------------|----------------|----------------|----------------|-----------------|
| \$ (8,037,050) | \$ (8,888,475)  | \$ (8,624,526) | \$ (6,103,618) | \$ (8,787,879) | \$ (12,263,439) |
| 16,898,360     | (8,961,099)     | 4,655,749      | 6,810,477      | 2,297,933      | 455,806         |
| \$ 8,861,310   | \$ (17,849,574) | \$ (3,968,777) | \$ 706,859     | \$ (6,489,946) | \$ (11,807,633) |
| \$ 3,120,172   | \$ 3,376,985    | \$ 3,455,154   | \$ 3,575,806   | \$ 3,747,149   | \$ 3,925,817    |
| 2,092,098      | 3,103,976       | 3,379,510      | 3,653,642      | 3,476,277      | 4,246,783       |
| 241,024        | 298,393         | 304,444        | 317,761        | 294,976        | 265,957         |
| 176,766        | 225,959         | 252,426        | 263,299        | 105,727        | 242,022         |
| 243,024        | 385,033         | 444,058        | 489,247        | 496,334        | 536,084         |
| 109,493        | 158,963         | 177,277        | 178,915        | 150,281        | 341,250         |
| 581,502        | 879,364         | 916,864        | 1,019,048      | 1,040,397      | 1,263,654       |
| 78,747         | 78,022          | 369,607        | 75,000         | 75,000         | 75,000          |
| -              | -               | -              | -              | -              | 433,191         |
| 7,884          | 33,906          | 123,024        | 210,623        | 120,034        | 19,020          |
| 423,491        | 67,454          | 133,531        | 64,468         | 36,197         | 93,625          |
| -              | -               | -              | -              | 3,730,000      | -               |
| -              | 10,249          | 168,845        | -              | -              | -               |
| 1,866,078      | 2,353,969       | 2,076,297      | 2,677,590      | 1,585,858      | 2,401,410       |
| 8,940,279      | 10,972,273      | 11,801,037     | 12,525,399     | 14,858,230     | 13,843,813      |
| 63,084         | 61,739          | 19,287         | 61,013         | 59,498         | 59,398          |
| 28,917         | 95,728          | 301,569        | 398,054        | 197,758        | 99,271          |
| -              | -               | -              | -              | 9,989,799      | -               |
| -              | -               | -              | -              | 80,681         | -               |
| 138,425        | 354,412         | 250,360        | 373,355        | 231,817        | 89,833          |
| (1,866,078)    | (2,353,969)     | (2,076,297)    | (2,677,590)    | (1,585,858)    | (2,401,410)     |
| (1,635,652)    | (1,842,090)     | (1,505,081)    | (1,845,168)    | 8,973,695      | (2,152,908)     |
| \$ 7,304,627   | \$ 9,130,183    | \$ 10,295,956  | \$ 10,680,231  | \$ 23,831,925  | \$ 11,690,905   |
| \$ 903,229     | \$ 2,083,798    | \$ 3,176,511   | \$ 6,421,781   | \$ 6,070,351   | \$ 1,580,374    |
| 15,262,708     | (10,803,189)    | 3,150,668      | 4,965,309      | 11,271,628     | (1,697,102)     |
| \$ 16,165,937  | \$ (8,719,391)  | \$ 6,327,179   | \$ 11,387,090  | \$ 17,341,979  | \$ (116,728)    |

**CITY OF ROCHELLE, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

| <b>Fiscal Year</b>                        | <b>2013</b>         | <b>2014</b>         | <b>2015</b>         | <b>2016</b>         |
|---|---------------------|---------------------|---------------------|---------------------|
| <b>GENERAL FUND</b>                       |                     |                     |                     |                     |
| Nonspendable                              | \$ -                | \$ -                | \$ 687,504.00       | \$ 171,592          |
| Restricted                                |                     |                     |                     |                     |
| Cemetery                                  | 150,081             | 114,916             | 138,314             | 140,630             |
| Community Development                     | -                   | -                   | 68,477              | 787                 |
| Unassigned                                | 1,633,858           | 1,715,903           | 1,036,154           | 1,202,523           |
| Reserved                                  |                     |                     |                     |                     |
| Cemetery                                  | -                   | -                   | -                   | -                   |
| Noncurrent Interfunds                     | -                   | -                   | -                   | -                   |
| Unreserved                                |                     |                     |                     |                     |
| Designated                                | -                   | -                   | -                   | -                   |
| Undesignated                              | -                   | -                   | -                   | -                   |
| <b>TOTAL GENERAL FUND</b>                 | <b>\$ 1,783,939</b> | <b>\$ 1,830,819</b> | <b>\$ 1,930,449</b> | <b>\$ 1,515,532</b> |
| <b>ALL OTHER GOVERNMENTAL FUNDS</b>       |                     |                     |                     |                     |
| Nonspendable Prepaid Items                | \$ 85,262           | \$ 212,505          | \$ 215,260          | \$ 217,950          |
| Restricted                                |                     |                     |                     |                     |
| Maintenance of Roadways                   | 557,533             | 683,554             | 705,760             | 50,692              |
| Tourism                                   | 68,898              | 269,541             | 272,159             | 242,212             |
| Employee Retirement                       | -                   | -                   | -                   | -                   |
| Insurance                                 | -                   | -                   | -                   | -                   |
| Capital Improvements                      | 1,343,870           | 1,504,837           | 758,341             | 1,042,541           |
| Economic Development                      | -                   | 2,961               | 142,151             | 361,688             |
| Specific Purposes                         | -                   | -                   | 58,945              | 3,236               |
| Public Safety                             | 33,033              | 25,883              | 28,947              | 32,219              |
| Unrestricted                              |                     |                     |                     |                     |
| Committed - Ambulance Replacement         | -                   | -                   | -                   | -                   |
| Assigned - Ambulance Replacement          | 368,127             | 478,307             | 478,635             | 27,214              |
| Assigned - Stormwater                     | 301,017             | 143,697             | 124,507             | 119,483             |
| Assigned - Railroad                       | -                   | -                   | -                   | 768,745             |
| Assigned - Capital Purposes               | 42,433              | 37,470              | 37,217              | 36,940              |
| Unassigned                                | (1,528,752)         | (1,074,194)         | (641,744)           | (178,417)           |
| Reserved                                  |                     |                     |                     |                     |
| Prepaid Items                             | -                   | -                   | -                   | -                   |
| Encumbrances                              | -                   | -                   | -                   | -                   |
| Maintenance of Roadways                   | -                   | -                   | -                   | -                   |
| Economic Development                      | -                   | -                   | -                   | -                   |
| Tourism                                   | -                   | -                   | -                   | -                   |
| Stormwater                                | -                   | -                   | -                   | -                   |
| Railroad                                  | -                   | -                   | -                   | -                   |
| Capital Improvements                      | -                   | -                   | -                   | -                   |
| Employee Retirement                       | -                   | -                   | -                   | -                   |
| Public Safety                             | -                   | -                   | -                   | -                   |
| Unreserved                                |                     |                     |                     |                     |
| Designated - Special Revenue Funds        | -                   | -                   | -                   | -                   |
| Designated - Capital Projects Funds       | -                   | -                   | -                   | -                   |
| Undesignated - Special Revenue Funds      | -                   | -                   | -                   | -                   |
| Undesignated - Capital Projects Funds     | -                   | -                   | -                   | -                   |
| <b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b> | <b>\$ 1,271,421</b> | <b>\$ 2,284,561</b> | <b>\$ 2,180,178</b> | <b>\$ 2,724,503</b> |

\*The City changed its fiscal year end to December 31, effective December 31, 2016.

Data Source

Audited Financial Statements

| 2016*        | 2017         | 2018          | 2019          | 2020         | 2021         |
|--------------|--------------|---------------|---------------|--------------|--------------|
| \$ -         | \$ -         | \$ -          | \$ 54,802     | \$ 48,167    | \$ 22,225    |
| 141,244      | 142,281      | 118,555       | 121,731       | 122,500      | 122,550      |
| 267          | -            | -             | -             | -            | -            |
| 1,975,346    | 1,992,109    | 2,646,925     | 3,483,358     | 8,265,364    | 9,286,921    |
| -            | -            | -             | -             | -            | -            |
| -            | -            | -             | -             | -            | -            |
| -            | -            | -             | -             | -            | -            |
| -            | -            | -             | -             | -            | -            |
| \$ 2,116,857 | \$ 2,134,390 | \$ 2,765,480  | \$ 3,659,891  | \$ 8,436,031 | \$ 9,431,696 |
| \$ 294,061   | \$ 13,789    | \$ 13,581     | \$ 564,360    | \$ 13,646    | \$ -         |
| 239,433      | 396,015      | 586,421       | 807,163       | 280,785      | 989,573      |
| 195,302      | 161,373      | 174,498       | 199,873       | 157,334      | 221,696      |
| 153,014      | 2,553        | 30,475        | 27,569        | 29,464       | 44,100       |
| -            | 58,062       | -             | 99,483        | 97,700       | 66,966       |
| 1,864,478    | 2,423,859    | 7,773,430     | 8,087,647     | 3,191,020    | 3,650,951    |
| 140,428      | 373,361      | 579,373       | 809,383       | 1,071,598    | 1,567,467    |
| 16,518       | 14,051       | 3,662         | 2,662         | 2,885        | 6,559        |
| 42,731       | 32,340       | 55,262        | 49,302        | 46,757       | 46,675       |
| -            | -            | -             | -             | -            | -            |
| 40,565       | 60,711       | 205,079       | 83,018        | 780          | 160,628      |
| 117,286      | 108,260      | 128,646       | 178,523       | 180,405      | 169,278      |
| 656,813      | 1,873,310    | 1,796,258     | 1,604,639     | 1,805,310    | 1,529,976    |
| 22,483       | 34,650       | 48,468        | 47,016        | 1,847,724    | 164,605      |
| (1,040,345)  | (625,916)    | (303,391)     | (149,153)     | (61,851)     | (39,849)     |
| -            | -            | -             | -             | -            | -            |
| -            | -            | -             | -             | -            | -            |
| -            | -            | -             | -             | -            | -            |
| -            | -            | -             | -             | -            | -            |
| -            | -            | -             | -             | -            | -            |
| -            | -            | -             | -             | -            | -            |
| -            | -            | -             | -             | -            | -            |
| -            | -            | -             | -             | -            | -            |
| -            | -            | -             | -             | -            | -            |
| -            | -            | -             | -             | -            | -            |
| -            | -            | -             | -             | -            | -            |
| -            | -            | -             | -             | -            | -            |
| \$ 2,742,767 | \$ 4,926,418 | \$ 11,091,762 | \$ 12,411,485 | \$ 8,663,557 | \$ 8,578,625 |



**CITY OF ROCHELLE, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

| <b>Fiscal Year</b>   | <b>2013</b>           | <b>2014</b>           | <b>2015</b>       | <b>2016</b>       |
|--|-----------------------|-----------------------|-------------------|-------------------|
| <b>REVENUES</b>  |                       |                       |                   |                   |
| Taxes  | \$ 6,038,257          | \$ 6,817,791          | \$ 7,007,823      | \$ 7,182,863      |
| Licenses and Permits   | 214,563               | 346,245               | 262,205           | 287,451           |
| Intergovernmental  | 5,771,389             | 1,399,886             | 1,963,953         | 1,925,762         |
| Charges for Services   | 1,120,525             | 1,051,482             | 1,726,395         | 2,154,558         |
| Fines and Forfeitures  | 140,596               | 132,548               | 99,198            | 102,461           |
| Investment Income  | 8,689                 | 3,483                 | 3,581             | 5,962             |
| Miscellaneous  | 110,898               | 201,432               | 151,974           | 128,277           |
| Total revenues   | 12,407,471            | 13,404,917            | 9,952,867         | 11,215,129        |
| <b>EXPENDITURES</b>  |                       |                       |                   |                   |
| Current  |                       |                       |                   |                   |
| General Government   | 1,975,333             | 2,099,082             | 1,978,273         | 2,264,576         |
| Public Safety  | 4,893,561             | 5,115,991             | 5,343,694         | 5,719,994         |
| Public Works   | 2,208,093             | 1,815,695             | 1,998,301         | 2,049,433         |
| Public Service Enterprises   | 123,943               | 296,959               | 138,957           | 174,413           |
| Conservation and Development                                       | 507,463               | 371,996               | 530,128           | 758,724           |
| Capital Outlay   | 7,194,270             | 1,798,044             | 3,964,145         | 4,840,071         |
| Debt Service   |                       |                       |                   |                   |
| Principal  | -                     | 3,000,000             | 90,000            | 285,000           |
| Interest and Fiscal Charges  | 174,148               | 212,008               | 89,480            | 138,232           |
| Total expenditures   | 15,774,141            | 17,076,811            | 14,709,775        | 14,132,978        |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER EXPENDITURES               | (3,366,670)           | (3,671,894)           | (4,756,908)       | (2,917,849)       |
| <b>OTHER FINANCING SOURCES (USES)</b>                              |                       |                       |                   |                   |
| Transfers In   | 4,083,047             | 4,155,467             | 5,611,857         | 5,435,967         |
| Transfers (Out)  | (2,416,405)           | (2,025,908)           | (2,698,761)       | (2,903,950)       |
| Bonds Issued   | -                     | 2,955,000             | -                 | 2,000,000         |
| Premium on Bonds Issued  | -                     | 66,933                | -                 | 36,644            |
| Sale of Capital Assets   | 2,775                 | -                     | -                 | 10,400            |
| Loan Proceeds  | -                     | -                     | -                 | -                 |
| Total Other Financing Sources (Uses)                               | 1,962,235             | 1,669,417             | 5,151,492         | 2,913,096         |
| <b>SPECIAL ITEM</b>  |                       |                       |                   |                   |
| Sale of Transmission Assets  | -                     | -                     | -                 | -                 |
| <b>NET CHANGE IN FUND BALANCES</b>                                 | <b>\$ (1,404,435)</b> | <b>\$ (2,002,477)</b> | <b>\$ 394,584</b> | <b>\$ (4,753)</b> |
| <b>DEBT SERVICE AS A PERCENTAGE<br/>OF NONCAPITAL EXPENDITURES</b> |                       |                       |                   |                   |
|  | 1.55%                 | 23.95%                | 1.70%             | 3.72%             |

Note: The increase in the 2014 debt service as a percentage of noncapital expenditures was due to the current refunding of the Tax Increment Financing Bonds in 2014.

\*The City changed its fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2016.

Data Source

Audited Financial Statements

| 2016*        | 2017         | 2018         | 2019         | 2020         | 2021         |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 5,958,206 | \$ 7,484,642 | \$ 7,912,091 | \$ 8,452,142 | \$ 8,242,094 | \$ 9,956,395 |
| 184,556      | 258,990      | 311,395      | 344,112      | 328,074      | 246,369      |
| 1,221,887    | 1,317,296    | 3,458,623    | 5,254,904    | 3,993,775    | 2,075,033    |
| 1,776,011    | 3,180,816    | 3,207,235    | 3,678,563    | 2,031,310    | 2,431,319    |
| 50,823       | 103,713      | 106,399      | 87,554       | 79,369       | 94,335       |
| 7,884        | 33,906       | 123,024      | 210,623      | 120,034      | 19,020       |
| 455,901      | 199,939      | 473,593      | 211,459      | 144,195      | 123,264      |
| 11,787,334   | 9,655,268    | 12,579,302   | 18,239,357   | 14,938,851   | 14,945,735   |
| 1,773,811    | 2,315,674    | 2,473,148    | 2,551,879    | 2,278,385    | 2,339,730    |
| 4,169,903    | 5,946,478    | 5,757,199    | 6,019,750    | 6,360,396    | 6,995,207    |
| 1,372,779    | 1,969,887    | 2,122,787    | 2,462,170    | 2,354,797    | 2,550,510    |
| 91,864       | 125,360      | 120,859      | 163,727      | 118,694      | 187,108      |
| 564,957      | 743,017      | 626,328      | 521,778      | 371,916      | 400,576      |
| 2,690,199    | 1,229,701    | 4,129,423    | 7,089,820    | 6,556,624    | 3,425,846    |
| 125,000      | 300,000      | 309,668      | 314,294      | 900,185      | 934,138      |
| 119,788      | 139,680      | 133,468      | 223,045      | 285,500      | 263,047      |
| 16,230,443   | 10,908,301   | 12,769,797   | 19,346,463   | 19,226,497   | 17,096,162   |
| (4,443,109)  | (1,253,033)  | (190,495)    | (1,107,106)  | (4,287,646)  | (2,150,427)  |
| 3,514,282    | 4,041,652    | 3,533,855    | 5,311,380    | 5,941,413    | 4,425,356    |
| (1,648,204)  | (1,687,683)  | (1,457,558)  | (2,633,790)  | (4,355,555)  | (2,023,946)  |
| -            | -            | 4,500,000    | 598,973      | -            | -            |
| -            | -            | 128,005      | -            | -            | -            |
| -            | 10,249       | 217,329      | -            | -            | -            |
| -            | 27,461       | -            | -            | -            | 659,750      |
| 4,579,061    | 1,866,078    | 2,391,679    | 3,276,563    | 1,585,858    | 3,061,160    |
| -            | -            | -            | -            | 3,730,000    | -            |
| \$ 135,952   | \$ 613,045   | \$ 2,201,184 | \$ 2,169,457 | \$ 1,028,212 | \$ 910,733   |
| 2.82%        | 3.79%        | 3.06%        | 4.52%        | 9.23%        | 7.63%        |

**CITY OF ROCHELLE, ILLINOIS**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**

Last Ten Levy Years

| <b>Levy Year</b> | <b>Farm Property</b> | <b>Residential Property</b> | <b>Commercial Property</b> | <b>Industrial Property</b> | <b>State Railroad</b> | <b>Local Railroad</b> | <b>Total Taxable Assessed Value</b> | <b>Total Direct Tax Rate</b> | <b>Estimated Actual Taxable Value</b> | <b>Estimated Actual Taxable Value</b> |
|------------------|----------------------|-----------------------------|----------------------------|----------------------------|-----------------------|-----------------------|-------------------------------------|------------------------------|---------------------------------------|---------------------------------------|
| 2012             | \$ 3,073,447         | \$ 91,492,076               | \$ 40,876,648              | \$ 67,372,730              | \$ 15,949,007         | \$ 7,520              | \$ 218,771,428                      | 0.94226                      | \$ 656,379,922                        | 33.33%                                |
| 2013             | 3,114,773            | 84,613,120                  | 42,499,156                 | 78,233,664                 | 16,786,145            | 7,520                 | 225,254,378                         | 1.00483                      | 675,830,717                           | 33.33%                                |
| 2014             | 3,131,074            | 80,191,232                  | 43,456,382                 | 78,870,652                 | 16,761,683            | 7,520                 | 222,418,543                         | 1.05366                      | 667,322,361                           | 33.33%                                |
| 2015             | 3,255,060            | 80,299,631                  | 46,016,248                 | 87,823,817                 | 17,667,970            | 7,520                 | 235,070,246                         | 1.01410                      | 705,281,266                           | 33.33%                                |
| 2016             | 4,885,200            | 81,882,208                  | 46,606,561                 | 88,391,613                 | 17,648,663            | 7,520                 | 239,421,765                         | 1.05306                      | 718,337,129                           | 33.33%                                |
| 2017             | 7,928,518            | 84,527,440                  | 47,852,965                 | 99,109,865                 | 17,644,897            | 7,520                 | 257,071,205                         | 1.00775                      | 771,290,744                           | 33.33%                                |
| 2018             | 6,723,087            | 83,935,586                  | 42,416,179                 | 74,220,535                 | 17,991,900            | 7,520                 | 225,294,807                         | 1.11420                      | 675,952,016                           | 33.33%                                |
| 2019             | 7,024,626            | 86,099,543                  | 42,486,321                 | 100,621,937                | 18,626,315            | 7,520                 | 254,866,262                         | 1.02484                      | 764,675,254                           | 33.33%                                |
| 2020             | 7,883,855            | 88,403,827                  | 46,611,035                 | 97,837,213                 | 19,026,718            | 7,520                 | 259,770,168                         | 1.04623                      | 779,388,443                           | 33.33%                                |
| 2021             | 9,082,201            | 93,324,615                  | 47,972,109                 | 97,837,213                 | 19,873,811            | 7,520                 | 268,097,469                         | 1.04307                      | 804,372,844                           | 33.33%                                |

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value.

Data Source

Office of the County Treasurer

# CITY OF ROCHELLE, ILLINOIS

## PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

| Levy Year                         | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>DIRECT CITY RATE</b>           |         |         |         |         |         |         |         |         |         |         |
| City of Rochelle                  | 0.74480 | 0.67390 | 0.71125 | 0.65046 | 0.64053 | 0.58893 | 0.64020 | 0.56652 | 0.54273 | 0.55312 |
| City of Rochelle Pension          | 0.19750 | 0.33090 | 0.34241 | 0.36364 | 0.41253 | 0.41882 | 0.47122 | 0.45832 | 0.50350 | 0.48995 |
| Total Direct City Rate            | 0.94230 | 1.00480 | 1.05366 | 1.01410 | 1.05306 | 1.00775 | 1.11142 | 1.02484 | 1.04623 | 1.04307 |
| <b>OVERLAPPING RATES</b>          |         |         |         |         |         |         |         |         |         |         |
| Ogle County                       | 0.55358 | 0.55690 | 0.56104 | 0.56200 | 0.56131 | 0.56148 | 0.58330 | 0.55938 | 0.55675 | 0.55313 |
| Ogle County Mental Health         | 0.05321 | 0.05377 | 0.05561 | 0.05073 | 0.05298 | 0.05209 | 0.05215 | 0.05924 | 0.05758 | 0.05717 |
| Ogle County Extension             | 0.00985 | 0.00929 | 0.00955 | 0.00941 | 0.00920 | 0.00878 | 0.00896 | 0.00858 | 0.00818 | 0.00807 |
| Ogle County Veterans Assistance   | 0.00631 | 0.00498 | 0.00512 | 0.00504 | 0.00514 | 0.00492 | 0.00409 | 0.00458 | 0.00468 | 0.00717 |
| Ogle County Senior Services       | 0.01478 | 0.01407 | 0.01447 | 0.01529 | 0.01421 | 0.01418 | 0.01550 | 0.01558 | 0.01582 | 0.01546 |
| Ogle County Pension               | 0.09920 | 0.12282 | 0.12931 | 0.15287 | 0.14436 | 0.13716 | 0.12573 | 0.10841 | 0.10522 | 0.09059 |
| Rochelle High School 212          | 2.53074 | 2.54466 | 2.49790 | 2.51481 | 2.52178 | 2.47856 | 2.44119 | 2.35295 | 2.42334 | 2.35999 |
| Rochelle High School 212 Pension  | 0.05085 | 0.04555 | 0.04618 | 0.04541 | 0.04555 | 0.04513 | 0.04601 | 0.04385 | 0.00426 | 0.04088 |
| Rochelle Grade School 231         | 3.01011 | 3.00422 | 3.05081 | 3.22491 | 3.21174 | 3.13806 | 3.19539 | 3.20986 | 3.22861 | 3.20043 |
| Rochelle Grade School 231 Pension | 0.06343 | 0.06671 | 0.07571 | 0.07223 | 0.07129 | 0.04655 | 0.05331 | 0.06513 | 0.06364 | 0.06136 |
| Kishwaukee College 523            | 0.64306 | 0.72368 | 0.71134 | 0.69299 | 0.66779 | 0.66490 | 0.66566 | 0.65504 | 0.06484 | 0.63978 |
| Flagg Rochelle Library            | 0.17032 | 0.17025 | 0.17934 | 0.17706 | 0.17386 | 0.17460 | 0.17916 | 0.17740 | 0.17787 | 0.18157 |
| Flagg Rochelle Library Pension    | 0.00977 | 0.00993 | 0.01231 | 0.01212 | 0.00789 | 0.01153 | 0.01334 | 0.01238 | 0.01376 | 0.01480 |
| Flagg Rochelle Parks              | 0.56849 | 0.59249 | 0.60141 | 0.59049 | 0.58425 | 0.58925 | 0.59180 | 0.81418 | 0.77872 | 0.77004 |
| Flagg Rochelle Park Pension       | 0.01781 | 0.01691 | 0.02084 | 0.01230 | 0.00400 | 0.00039 | 0.00387 | 0.00575 | 0.00105 | 0.00050 |
| Flagg Road                        | 0.32745 | 0.33521 | 0.35007 | 0.35250 | 0.35260 | 0.35438 | 0.36180 | 0.36302 | 0.36232 | 0.36004 |
| Flagg Township                    | 0.15385 | 0.15735 | 0.16995 | 0.17566 | 0.17840 | 0.17859 | 0.17658 | 0.17594 | 0.16813 | 0.15871 |
| Flagg Township Pension            | 0.02344 | 0.02415 | 0.02778 | 0.02604 | 0.02420 | 0.02145 | 0.01781 | 0.01723 | 0.02081 | 0.02358 |

Data Source

Office of the County Clerk

**CITY OF ROCHELLE, ILLINOIS**

**PRINCIPAL PROPERTY TAXPAYERS**

Current Year and Nine Years Ago

| Taxpayer                           | Type of Business         | 2021                   |      |   | 2012                   |      |   |
|------------------------------------|--------------------------|------------------------|------|---|------------------------|------|---|
|                                    |                          | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Valuation | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Valuation |
| Americold Real Estate LP           | Cold Storage             | \$ 30,678,897          | 1    | 11.44%  | \$ 10,736,180          | 1    | 5.01%   |
| Illinois River Energy              | Ethanol Plant            | 13,334,284             | 2    | 4.97%   | 7,589,945              | 4    | 3.54%   |
| Sara Lee Corporation               | Cold Storage             | 11,870,000             | 3    | 4.43%   | 8,240,300              | 3    | 3.85%   |
| Exeter                             | Distribution & Warehouse | 11,264,353             | 4    | 4.20%   |                        |      |   |
| Icon Pac                           | Cold Storage             | 6,954,205              | 5    | 2.59%   |                        |      |   |
| Lineage Master                     | Manufacturing Facility   | 5,666,195              | 8    | 2.11%   |                        |      |   |
| 1600 Ritchie Court LLC             | Manufacturing Facility   | 5,999,400              | 7    | 2.24%   |                        |      |   |
| Pasquesi Farms LLC                 | Hydroponic Greenhouse    | 6,090,051              | 6    | 2.27%   |                        |      |   |
| The Northern Trust                 | Data Center              | 3,848,953              | 9    | 1.44%   | 2,921,520              | 9    | 1.36%   |
| Quest Richard R Successor Trustee  | Distribution & Warehouse | 3,540,315              | 10   | 1.32%   |                        |      |   |
| Rochelle Development Joint Venture | Distribution & Warehouse |                        |      |   | 3,642,882              | 7    | 1.70%   |
| Total Logistic Control             | Distribution & Warehouse |                        |      |   | 4,249,395              | 6    | 1.98%   |
| Par Industrial LLC                 | Distribution & Warehouse |                        |      |   | 5,795,170              | 5    | 2.71%   |
| Pro Logis Land LLC                 | Distribution & Warehouse |                        |      |   | 10,103,006             | 2    | 4.72%   |
| Nippon Sharyo Manufacturing        | Manufacturing Facility   |                        |      |   | 3,352,281              | 8    | 1.57%   |
| Allstate Insurance Co.             | Data Center              |                        |      |   | 2,302,900              | 10   | 1.08%   |
|                                    |                          | <u>\$ 99,246,653</u>   |      | <u>37.01%</u>                                       | <u>\$ 58,933,579</u>   |      | <u>25.95%</u>                                       |

**CITY OF ROCHELLE, ILLINOIS**

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Levy Years

| Levy<br>Year | Tax Levied |           | Collected within the<br>Fiscal Year of the Levy |                       | Collections<br>in Subsequent<br>Years | Total Collections to Date |                       |
|--------------|------------|-----------|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
|              |            |           | Amount  | Percentage<br>of Levy | Amount                                | Amount                    | Percentage<br>of Levy |
| 2012         | \$         | 2,017,884 | \$ 1,919,824                                    | 95.14%                | \$ -                                  | \$ 1,919,824              | 95.14%                |
| 2013         |            | 2,167,126 | 2,062,815                                       | 95.19%                | -                                     | 2,062,815                 | 95.19%                |
| 2014         |            | 2,227,858 | 2,189,648                                       | 98.28%                | -                                     | 2,189,648                 | 98.28%                |
| 2015         |            | 2,277,251 | 2,265,091                                       | 99.47%                | -                                     | 2,265,091                 | 99.47%                |
| 2016         |            | 2,372,996 | 2,361,297                                       | 99.51%                | -                                     | 2,361,297                 | 99.51%                |
| 2017         |            | 2,445,391 | 2,437,333                                       | 99.67%                | -                                     | 2,437,333                 | 99.67%                |
| 2018         |            | 2,504,018 | 2,498,523                                       | 99.78%                | -                                     | 2,498,523                 | 99.78%                |
| 2019         |            | 2,612,017 | 2,583,545                                       | 98.91%                | 24,762                                | 2,608,307                 | 99.86%                |
| 2020         |            | 2,717,843 | 2,698,261                                       | 99.28%                | -                                     | 2,698,261                 | 99.28%                |
| 2021         |            | 2,796,479 | N/A   | N/A                   | N/A                                   | N/A                       | N/A                   |

N/A - Information not available

Note: 2021 property taxes will not be received until the fiscal year 2022.

2020 property tax collections higher than levy due to collection of prior year property taxes.

Data Source

Office of the Ogle County Treasurer

**CITY OF ROCHELLE, ILLINOIS**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years

| Fiscal<br>Year<br>Ended | Governmental Activities        |                                    |   |                         | Business-Type Activities |   |                                |                            |                         | Total<br>Primary<br>Government | Percentage of<br>Actual Taxable<br>Value (1) of<br>Property | Per<br>Capita (2) | Debt<br>Outstanding as<br>a Percentage<br>of Personal<br>Income |
|-------------------------|--------------------------------|------------------------------------|---|-------------------------|--------------------------|---|--------------------------------|----------------------------|-------------------------|--------------------------------|---|-------------------|---|
|                         | General<br>Obligation<br>Bonds | General<br>Obligation<br>TIF Bonds | General<br>Obligation<br>Debt<br>Certificates | Installment<br>Contract | Revenue<br>Bonds         | General<br>Obligation<br>Debt<br>Certificates | General<br>Obligation<br>Bonds | IEPA<br>Revolving<br>Loans | Installment<br>Contract |                                |   |                   |   |
| 2013                    | \$ -                           | \$ 2,940,000                       | \$ -  | \$ -                    | \$ 13,165,000            | \$ 4,305,000                                  | \$ 675,000                     | \$ 1,500,446               | \$ -                    | \$ 22,585,446                  | 10.32%  | \$ 2,359.04       | 10.28%  |
| 2014                    | -                              | 2,895,000                          | -   | -                       | 11,950,000               | 4,115,000                                     | 645,000                        | 1,255,964                  | -                       | 20,860,964                     | 9.26%   | 2,186.91          | 9.23%   |
| 2015                    | -                              | 2,805,000                          | -   | -                       | 16,370,000               | 3,915,000                                     | 615,000                        | 1,004,474                  | -                       | 24,709,474                     | 11.11%  | 2,603.46          | 10.99%  |
| 2016                    | -                              | 2,690,000                          | 1,830,000                                     | -                       | 15,755,000               | 3,705,000                                     | 585,000                        | 3,811,656                  | -                       | 28,376,656                     | 12.07%  | 2,989.85          | 12.62%  |
| 2016*                   | -                              | 2,617,493                          | 1,861,891                                     | -                       | 16,169,536               | 3,485,000                                     | 585,000                        | 3,608,792                  | -                       | 28,257,892                     | 11.80%  | 2,977.34          | 12.56%  |
| 2017                    | -                              | 2,484,869                          | 1,689,682                                     | 27,461                  | 15,497,305               | 3,470,715                                     | 595,000                        | 5,054,195                  | -                       | 28,819,227                     | 11.21%  | 3,146.55          | 14.29%  |
| 2018                    | 4,628,005                      | 2,347,244                          | 1,517,437                                     | 22,793                  | 14,810,075               | 3,157,468                                     | 550,000                        | 6,394,567                  | -                       | 33,427,589                     | 14.84%  | 3,597.07          | 15.91%  |
| 2019                    | 4,613,782                      | 2,204,620                          | 1,345,192                                     | 617,472                 | 14,107,845               | 2,879,221                                     | 510,000                        | 6,597,322                  | -                       | 32,875,454                     | 14.59%  | 3,611.50          | 14.81%  |
| 2020                    | 4,114,560                      | 2,056,995                          | 1,177,947                                     | 512,286                 | -                        | 2,595,976                                     | 465,000                        | 11,917,700                 | -                       | 22,840,464                     | 8.79%   | 2,523.25          | 9.65%   |
| 2021                    | 3,585,337                      | 1,904,370                          | 1,010,702                                     | 1,067,899               | 8,681,124                | 2,302,729                                     | 420,000                        | 11,534,902                 | 1,300,000               | 31,807,063                     | 11.86%  | 3,472.39          | 13.90%  |

Note: Details of the City's outstanding debt can be found in the notes to financial statements.

\*The City changed its fiscal year end to December 31, effective December 31, 2016.

(1) Assessed value and actual value of taxable property

(2) See the schedule of Demographic and Economic Information for personal income and population data.

Data Source

City Records

**CITY OF ROCHELLE, ILLINOIS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

December 31, 2021

| <b>Governmental Unit</b>               | <b>Gross Debt</b>    | <b>Percentage Debt Applicable to the City (1)</b> | <b>City's Share of Debt</b> |
|--|----------------------|---|-----------------------------|
| City of Rochelle                       | \$ 7,568,308         | 100.00%   | \$ 7,568,308                |
| Flagg-Rochelle Community Park District | 5,900,000            | 75.02%  | 4,426,180                   |
| School District 231                    | 6,340,000            | 76.26%  | 4,834,884                   |
| School District 212                    | 7,840,000            | 56.53%  | 4,431,952                   |
| Kishwaukee Community College           | 58,670,000           | 9.76%   | 5,726,192                   |
| Subtotal                               | 78,750,000           |   | 19,419,208                  |
| <b>TOTAL</b>                           | <b>\$ 86,318,308</b> |   | <b>\$ 26,987,516</b>        |

Note: Overlapping information presented as of July 22, 2021 (most recent available).

(1) Percentages based on 2020 EAVs, the most recent available.

Data Source

Official Statement



**CITY OF ROCHELLE, ILLINOIS**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

| <b>Fiscal Year</b> | <b>Governmental Activities</b> | <b>Business-Type Activities</b> | <b>Less Amounts Available In Debt Service Fund</b> | <b>Total</b> | <b>Percentage of Estimated Actual Taxable Value of Property*</b> | <b>Per Capita</b> |
|--------------------|--------------------------------|---------------------------------|--|--------------|--|-------------------|
| 2013               | \$ 2,895,000                   | \$ 4,760,000                    | \$ -   | \$ 7,655,000 | 3.50%  | \$ 799.56         |
| 2014               | 2,895,000                      | 4,760,000                       | -  | 7,655,000    | 3.40%  | 802.50            |
| 2015               | 2,805,000                      | 4,530,000                       | -  | 7,335,000    | 3.30%  | 772.84            |
| 2016               | 4,520,000                      | 4,290,000                       | -  | 8,810,000    | 3.75%  | 928.25            |
| 2016**             | 4,479,384                      | 4,070,000                       | -  | 8,549,384    | 3.57%  | 900.79            |
| 2017               | 4,174,551                      | 4,065,715                       | -  | 8,240,266    | 3.21%  | 899.69            |
| 2018               | 8,492,686                      | 3,707,468                       | -  | 7,572,149    | 3.36%  | 814.82            |
| 2019               | 8,163,594                      | 3,389,221                       | -  | 11,552,815   | 4.53%  | 1,269.12          |
| 2020               | 7,349,502                      | 3,060,976                       | -  | 10,410,478   | 4.01%  | 1,150.07          |
| 2021               | 6,500,409                      | 2,722,729                       | -  | 9,223,138    | 3.44%  | 1,006.89          |

\*See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 138 for property value data.

\*\*The City changed its fiscal year end to December 31, effective December 31, 2016.

Note: Details of the City's outstanding debt can be found in the notes to financial statements.

Data Source

City Records

**CITY OF ROCHELLE, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN**

December 31, 2021

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|   |                              |
|---|------------------------------|
| <b>ASSESSED VALUATION - 2020 TAX YEAR</b>       | <u><u>\$ 268,097,469</u></u> |
| Legal Debt Limit - 8.625% of Assessed Valuation | \$ 23,123,407                |
| Amount of Debt Applicable to Debt Limit         | <u>7,318,768</u>             |
| <b>LEGAL DEBT MARGIN</b>                        | <u><u>\$ 15,804,639</u></u>  |

Data Source

City Records

**CITY OF ROCHELLE, ILLINOIS**

**LEGAL DEBT MARGIN INFORMATION**

Last Ten Levy Years

| <b>Levy Year</b>  | <b>2012</b>          | <b>2013</b>          | <b>2014</b>          | <b>2015</b>          | <b>2016</b>          | <b>2017</b>          | <b>2018</b>          | <b>2019</b>          | <b>2020</b>          | <b>2021</b>          |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Legal Debt Limit  | \$ 19,428,190        | \$ 19,428,190        | \$ 19,183,599        | \$ 20,274,809        | \$ 20,650,127        | \$ 22,172,391        | \$ 19,431,677        | \$ 21,982,215        | \$ 22,405,177        | \$ 23,123,407        |
| Total Net Debt<br>Applicable to Limit   | 4,760,000            | 4,760,000            | 4,530,000            | 6,120,000            | 5,931,891            | 5,755,397            | 9,852,910            | 9,348,195            | 8,353,483            | 7,318,768            |
| <b>LEGAL DEBT MARGIN</b>  | <b>\$ 13,889,036</b> | <b>\$ 14,668,190</b> | <b>\$ 14,668,190</b> | <b>\$ 14,653,599</b> | <b>\$ 14,154,809</b> | <b>\$ 14,718,236</b> | <b>\$ 16,416,994</b> | <b>\$ 14,206,772</b> | <b>\$ 14,051,694</b> | <b>\$ 15,804,639</b> |
| <b>TOTAL NET DEBT APPLICABLE<br/>TO THE LIMIT AS A<br/>PERCENTAGE OF DEBT LIMIT</b> | 24.50%               | 24.50%               | 23.61%               | 30.19%               | 28.73%               | 25.96%               | 50.71%               | 42.53%               | 37.28%               | 31.65%               |

Data Source

City Records

# CITY OF ROCHELLE, ILLINOIS

## DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

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| <b>Fiscal<br/>Year</b> | <b>Population</b> | <b>Personal<br/>Income</b> | <b>Per<br/>Capita<br/>Personal<br/>Income</b> | <b>Median<br/>Age</b> | <b>School<br/>Enrollment</b> | <b>Unemployment<br/>Rate</b> |
|------------------------|-------------------|----------------------------|---|-----------------------|------------------------------|------------------------------|
| 2013                   | 9,574             | \$ 201,417,812             | \$ 21,038                                     | 36.0                  | 2,480                        | 12.9%                        |
| 2014                   | 9,574             | 219,694,578                | 22,947  | 36.0                  | 2,415                        | 7.3%                         |
| 2015                   | 9,539             | 226,045,683                | 23,697  | 36.6                  | 2,027                        | 5.4%                         |
| 2016                   | 9,491             | 224,908,227                | 23,697  | 36.5                  | 2,531                        | 6.3%                         |
| 2016*                  | 9,491             | 224,908,227                | 23,697  | 36.5                  | 2,531                        | 6.3%                         |
| 2017                   | 9,159             | 201,690,339                | 22,021  | 35.4                  | 2,623                        | 4.5%                         |
| 2018                   | 9,293             | 210,114,730                | 22,610  | 35.7                  | 2,490                        | 4.7%                         |
| 2019                   | 9,103             | 221,940,243                | 24,381  | 36.0                  | 3,004                        | 4.1%                         |
| 2020                   | 9,052             | 236,800,320                | 26,160  | 36.6                  | 2,847                        | 4.7%                         |
| 2021                   | 9,160             | 228,890,080                | 24,988  | 36.5                  | 2,535                        | 6.3%                         |

\*The City changed its fiscal year end to December 31, effective December 31, 2016.

Unemployment rate is the 12-month average.

### Data Sources

City Records  
U.S. Census Bureau  
Office of the County Clerk  
IL Board of Education

# CITY OF ROCHELLE, ILLINOIS

## PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

| Employer                        | 2021                      |      |                                  | 2012                      |      |                                  |
|---------------------------------|---------------------------|------|----------------------------------|---------------------------|------|----------------------------------|
|                                 | Number<br>of<br>Employees | Rank | % of<br>Total City<br>Population | Number<br>of<br>Employees | Rank | % of<br>Total City<br>Population |
| Rochelle Foods                  | 800                       | 1    | 8.73%                            | 730                       | 1    | 7.66%                            |
| Tyson, Hillshire Brands         | 270                       | 2    | 2.95%                            |                           |      |                                  |
| Rochelle Community Hospital     | 266                       | 3    | 2.90%                            | 265                       | 2    | 2.78%                            |
| Elementary School District #231 | 260                       | 4    | 2.84%                            | 209                       | 3    | 2.19%                            |
| Sara Lee                        | 213                       | 5    | 2.33%                            |                           |      |                                  |
| Swift Transportation            | 205                       | 6    | 2.24%                            |                           |      |                                  |
| Silgan Containers               | 200                       | 7    | 2.18%                            | 188                       | 4    | 1.97%                            |
| High School District #212       | 180                       | 8    | 1.97%                            |                           |      |                                  |
| Bay Valley Foods                | 150                       | 9    | 1.64%                            |                           |      |                                  |
| DelMonte                        | 145                       | 10   | 1.58%                            | 145                       | 5    | 1.52%                            |
| Americold                       |                           |      |                                  | 80                        | 9    |                                  |
| City of Rochelle                |                           |      |                                  | 123                       | 7    | 1.29%                            |
| Ryder                           |                           |      |                                  | 125                       | 6    | 1.31%                            |
| Cedar Siding and Lumber Inc.    |                           |      |                                  | 66                        | 10   | 0.69%                            |
| Master Graphics                 |                           |      |                                  | 86                        | 8    | 0.90%                            |
| <b>TOTAL</b>                    | <b>2,689</b>              |      | <b>29.36%</b>                    | <b>2,017</b>              |      | <b>20.31%</b>                    |

### Data Source

Economic Development

**CITY OF ROCHELLE, ILLINOIS**  
**FULL-TIME EQUIVALENT EMPLOYEES**  
 Last Ten Fiscal Years

| <b>Function/Program</b>                               | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2016*</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|---|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
| <b>GENERAL FUND</b>                                   |             |             |             |             |              |             |             |             |             |             |
| Mayor and City Council                                | 7           | 7           | 7           | 7           | 7            | 7           | 7           | 7           | 7           | 7           |
| City Manager  | 2           | 2           | 2           | 2           | 2            | 2           | 0           | 0           | 0           | 0           |
| Municipal Building                                    | 1.5         | 1.5         | 1.0         | 1           | 1            | 1           | 1           | 1           | 0           | 0           |
| City Clerk  | 2           | 2           | 1           | 2           | 2            | 2           | 1           | 1           | 1           | 2           |
| Cemetery  | 1           | 1           | 1           | 1           | 1            | 1           | 0           | 1           | 1           | 1           |
| Community Development                                 | 4           | 3           | 4           | 5           | 5            | 5           | 5           | 4           | 4           | 4           |
| Economic Development                                  | 3           | 3           | 2           | 1           | 1            | 2           | 0           | 0           | 0           | 0           |
| Engineering   | 2           | 2           | 2           | 2           | 2            | 2           | 2           | 2           | 2           | 2           |
| Fire  | 12          | 13          | 13          | 13          | 13           | 13          | 13          | 13          | 13          | 13          |
| Police  | 26          | 26          | 26          | 25          | 25           | 26          | 26          | 26          | 28          | 28          |
| Street  | 10          | 10          | 10          | 10          | 10           | 10          | 10          | 9           | 12          | 12          |
| <b>ENTERPRISE FUND</b>                                |             |             |             |             |              |             |             |             |             |             |
| Airport   | 1.5         | 1.5         | 1.5         | 2.0         | 2.0          | 1.5         | 1.5         | 1           | 1           | 1           |
| Utilities - Administration                            | 1           | 2           | 0.5         | 0.5         | 0.5          | 1.0         | 1           | 1           | 0           | 1           |
| Utilities - Technology Center                         | 1.0         | 1           | 2.0         | 2           | 2            | 2           | 2           | 0           | 0           | 0           |
| Utilities - Communications/<br>Network Administration | 5           | 6           | 3           | 3           | 3            | 3           | 3           | 1           | 1           | 1           |
| Utilities - Electric                                  | 31          | 31          | 28          | 28          | 28           | 28          | 25          | 25          | 25          | 22          |
| Utilities - Water                                     | 4           | 4           | 5           | 5           | 5            | 5           | 5           | 4           | 7           | 9           |
| Utilities - Water Reclamation                         | 8           | 8           | 8           | 9           | 9            | 8           | 8           | 8           | 8           | 9           |
| <b>INTERNAL FUND</b>                                  |             |             |             |             |              |             |             |             |             |             |
| Administrative Services                               | 6           | 6           | 6           | 6           | 6            | 6           | 9           | 9           | 9           | 8           |
| Network Administration                                | -           | -           | -           | -           | -            | -           | 2           | 2           | 2           | 3           |

\*The City changed its fiscal year end to December 31, effective December 31, 2016.

Data Source

City Budget File

# CITY OF ROCHELLE, ILLINOIS

## OPERATING INDICATORS

Last Ten Fiscal Years

| Function/Program                       | 2013     | 2014   | 2015   | 2016   |
|--|----------|--------|--------|--------|
| <b>COMMUNITY DEVELOPMENT</b>           |          |        |        |        |
| New Construction Single Family Permits | -        | 3      | 3      | 3      |
| Number of Permits Issued               | 364      | 393    | 359    | 393    |
| Building and Engineering Inspections   | 1,092    | 1,179  | 1,077  | 1,179  |
| <b>POLICE</b>                          |          |        |        |        |
| DUI Arrests                            | 55       | 38     | 22     | 38     |
| Criminal Arrests                       | 310      | 321    | 268    | 321    |
| Accidents                              | 374      | 437    | 433    | 437    |
| Ordinance Enforcement                  | 21       | 29     | 14     | 29     |
| Total Tickets                          | 1,244    | 846    | 795    | 846    |
| Total Calls                            | **22,371 | 6,023  | 17,264 | 6,023  |
| <b>FIRE</b>                            |          |        |        |        |
| Number of Fire Calls Answered          | 276      | 208    | 274    | 208    |
| Number of EMS Calls Answered           | 1,741    | 1,749  | 1,470  | 1,749  |
| <b>PUBLIC WORKS</b>                    |          |        |        |        |
| Trees Planted                          | 24       | 109    | 70     | 109    |
| Trees Removed                          | 47       | 122    | 133    | 122    |
| Street Sweeping (Tons)                 | 340      | 359    | 350    | 359    |
| Street Sweeping (Hours)                | 1,200    | 1,200  | 1,200  | 1,200  |
| Snow Removal (Hours)                   | 1,929    | 1,764  | 641    | 1,764  |
| Catch Basins/Inlets Cleaned            | 1,200    | 500    | 900    | 500    |
| Sidewalk Replacement (Square Feet)     | 47,996   | 47,500 | 18,430 | 47,500 |
| <b>WATER AND SEWER</b>                 |          |        |        |        |
| Water MGD Pumped (Millions/Gallons)    | N/A      | 2.95   | 2.74   | 2.95   |
| Water MGD Billed (Millions/Gallons)    | N/A      | 2.57   | 2.37   | 2.57   |
| Sewer MGD Treated (Millions/Gallons)   | N/A      | 2.36   | 2.76   | 2.36   |
| Water Meter Installations (New)        | 17       | 6      | 5      | 6      |
| Water Meter Exchanges                  | 290      | 176    | 250    | 176    |
| Hydrants Flushed                       | 640      | 285    | -      | 285    |
| <b>ELECTRIC</b>                        |          |        |        |        |
| Pole Replacements                      | 44       | 27     | 34     | 27     |
| Electric Meter Installations           | 532      | 1,461  | 1,081  | 1,461  |

N/A - Not Available

\*The City changed its fiscal year end to December 31, effective December 31, 2016.

\*\*Increase to total calls are due to officer initiated business checks.

Data Source

City Records

| 2016*  | 2017   | 2018   | 2019   | 2020   | 2021   |
|--------|--------|--------|--------|--------|--------|
| 4      | 3      | 4      | 1      | 1      | 3      |
| 329    | 276    | 260    | 313    | 317    | 361    |
| 987    | 828    | 659    | 1,252  | 1,268  | 1,400  |
| 50     | 39     | 51     | 39     | 34     | 33     |
| 265    | 452    | 415    | 412    | 312    | 258    |
| 432    | 369    | 367    | 176    | 396    | 306    |
| 6      | N/A    | N/A    | N/A    | N/A    |        |
| 789    | 1,792  | 1,493  | 1,113  | 1,148  | 1,866  |
| 15,649 | 15,000 | 11,553 | 11,739 | 14,167 | 15,572 |
| 259    | 272    | 237    | 289    | 332    | 318    |
| 1,564  | 1,564  | 1,813  | 1,752  | 1,830  | 2,377  |
| 30     | 2      | -      | -      | 8      | 32     |
| 45     | 24     | 21     | 33     | 18     | 43     |
| 330    | 360    | 350    | 725    | 1,370  | 480    |
| 900    | 1,200  | 1,200  | 1,200  | 550    | 870    |
| 512    | 993    | 1,331  | 1,137  | 1,389  | 1,812  |
| 1,200  | 2,024  | 755    | 2,024  | 1,340  | 1,700  |
| 10,600 | 640    | 14,033 | 17,250 | 16,753 | 24,660 |
| 2.95   | 2.81   | 2.74   | 2.73   | 2.76   | 2.98   |
| 2.47   | 2.33   | 2.41   | 2.69   | 2.39   | 2.39   |
| 2.58   | 2.82   | 2.91   | 3.66   | 2.76   | 2.76   |
| 4      | 2      | 4      | 4      | 2      | 4      |
| 184    | 188    | 195    | 668    | 65     | 1,900  |
| 760    | 762    | 762    | 765    | 803    | 803    |
| 77     | 15     | 18     | 35     | 14     | 22     |
| 1,026  | 632    | 157    | 96     | 194    | 483    |



**CITY OF ROCHELLE, ILLINOIS**

**CAPITAL ASSETS STATISTICS BY FUNCTION**

Last Ten Fiscal Years

| <b>Function/Program</b>          | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> |
|----------------------------------|-------------|-------------|-------------|-------------|
| <b>GENERAL GOVERNMENT</b>        |             |             |             |             |
| General Government Buildings     | 46          | 48          | 48          | 48          |
| <b>PUBLIC SAFETY</b>             |             |             |             |             |
| Police                           |             |             |             |             |
| Number of Squad Cars             | 14          | 17          | 17          | 17          |
| Fire                             |             |             |             |             |
| Number of Vehicles               | 12          | 12          | 12          | 12          |
| <b>PUBLIC WORKS</b>              |             |             |             |             |
| Number of Vehicles and Equipment | 23          | 24          | 24          | 24          |
| Streets (Lane Miles)             | 160         | 160         | 160         | 160         |
| Alleys (Miles)                   | 7           | 7           | 7           | 7           |
| Bridges and Structures           | 20          | 20          | 20          | 20          |
| <b>WATER AND SEWER</b>           |             |             |             |             |
| Number of Vehicles and Equipment | 14          | 15          | 15          | 15          |
| Water Mains (Miles)              | 63          | 63          | 63          | 63          |
| Water Towers                     | 4           | 4           | 5           | 5           |
| Wells and Wellhouses             | 4           | 4           | 5           | 5           |
| Sanitary Sewers (Miles)          | 74          | 74          | 74          | 74          |
| Lift Stations                    | 11          | 12          | 12          | 12          |
| Number of Manholes               | 294         | 294         | 294         | 294         |
| Number of Fire Hydrants          | 707         | 707         | 707         | 707         |
| <b>ELECTRIC</b>                  |             |             |             |             |
| Number of Vehicles               | 19          | 19          | 19          | 19          |
| Overhead Line (Miles)            | 150         | 150         | 150         | 150         |
| Underground Line (Miles)         | 58          | 58          | 58          | 58          |
| <b>COMMUNICATIONS</b>            |             |             |             |             |
| Fiber (Miles)                    | 45          | 45          | 45          | 45          |

\*The City changed its fiscal year end to December 31, effective December 31, 2016.

Data Source

City Records

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| <b>2016*</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|--------------|-------------|-------------|-------------|-------------|-------------|
| 48           | 48          | 47          | 47          | 47          | 47          |
| 17           | 14          | 14          | 15          | 14          | 14          |
| 12           | 11          | 12          | 12          | 14          | 14          |
| 24           | 24          | 24          | 23          | 23          | 23          |
| 160          | 160         | 160         | 160         | 160         | 160         |
| 7            | 13          | 13          | 13          | 13          | 13          |
| 20           | 17          | 17          | 17          | 17          | 17          |
| 16           | 16          | 16          | 17          | 19          | 19          |
| 78           | 78          | 100         | 100         | 103         | 103         |
| 4            | 4           | 5           | 5           | 4           | 4           |
| 5            | 5           | 5           | 5           | 5           | 5           |
| 74           | 74          | 100         | 100         | 103         | 103         |
| 13           | 14          | 15          | 16          | 17          | 17          |
| 294          | 1,470       | 1,470       | 1,475       | 1,485       | 1,485       |
| 762          | 762         | 800         | 800         | 803         | 803         |
| 18           | 14          | 15          | 15          | 14          | 11          |
| 160          | 151         | 146         | 146         | 146         | 145         |
| 60           | 56          | 65          | 65          | 66          | 67          |
| 46           | 46          | 46          | 46          | 46          | 50          |