



2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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City of Rockford, Illinois

Annual Comprehensive Financial Report

For the Fiscal Year Ended December 31, 2024

Prepared by:

Finance Office

City of Rockford, Illinois

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INTRODUCTORY SECTION



*Carrie Hagerty
Director
Finance Department*

June 30, 2025

Citizens of the City of Rockford, Illinois,
Honorable Mayor and
Honorable Members of Council

The Annual Comprehensive Financial Report (Annual Report) of the City of Rockford, Illinois for the fiscal year ending December 31, 2024, is hereby submitted. This report is prepared by the Finance Department of the City of Rockford, Illinois. We believe the data, as presented, is accurate in all material respects; is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To provide a reasonable basis for making these representations, the City of Rockford management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City of Rockford's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Rockford's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The independent auditing firm of Baker Tilly US, LLP has audited the City of Rockford's financial statements. The purpose of the independent audit conducted by Baker Tilly was to review and provide reasonable assurance that the City's financial statements for the fiscal year ending December 31, 2024 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the government-wide and fund financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Rockford's financial statements for the fiscal year ended December 31, 2024 are fairly presented in conformity with GAAP.

In addition to the independent audit of the financial statements, a separate, federally mandated "Single Audit" was performed to meet the needs of specific grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls over compliance and compliance with legal requirements applicable to certain federal awards. These reports are available in the City of Rockford's separately issued Single Audit Report.

GAAP requires that management 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 letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Rockford's MD&A can be found in the Financial Section, immediately following the report of the independent auditors.

Profile of the City

The City of Rockford is a non-home rule city, incorporated in 1839 as a town and became a city in 1852. Located in North Central Illinois approximately 17 miles south of the Wisconsin border and 80 miles northwest of downtown Chicago, Rockford is the fifth largest city in Illinois with approximately 148,655 residents encompassing approximately 64.48 square miles and serves as the county seat for Winnebago County. The City is empowered to levy property taxes (subject to the Property Tax Extension Limitation Law provisions, which limits the annual growth in property tax extensions for the City to the lesser of 5% or the percentage increase in the Consumer Price Index during the preceding calendar year plus full credit for new construction and annexations) on both real and personal property located within its boundaries and has the authority to extend its corporate limits through annexation, when deemed appropriate and as approved by City Council.

The City has operated under the Mayor-Alderman form of government since April 1852. Policy-making and legislative authority are vested in the City Council consisting of the mayor and fourteen aldermen. The City Council is responsible for enacting ordinances, resolutions and regulations governing the City, adopting the budget, as well as appointing the members of various statutory and ordinance boards, and for approving the appointments by the Mayor for the City Administrator and the heads of the various departments. The Mayor and Aldermen (one from each ward) are elected and serve four year terms.

The City of Rockford provides a full range of services, including police and fire protection, emergency communication center, public works services, water distribution services, and general administrative services. The City also assists or contributes significantly to the Rockford Public Library, the Rockford Mass Transit District, and the Rockford Metropolitan Exposition, Auditorium and Office Building Authority, which are accounted for in the financial statements as component units.

The Rockford School District 205 and the Greater Rockford Airport do not meet the criteria for inclusion in the financial reporting entity and, accordingly, are not presented in this report.

The annual budget serves as the foundation for the City of Rockford's financial planning and control. During the budget preparation process, each department and agency of the reporting entity provides detailed estimates of revenue and expenditures for evaluation by the City Finance Director. The Finance Director also reviews estimates of all pending capital projects and those recommended for approval in the next budget year and within the succeeding five years. The Finance Director, in conjunction with the department heads, may revise these estimates prior to submitting the budget to the City Council for approval. The budget is prepared by fund, function (e.g. public safety) and department (e.g. police). The budget must be approved by City Council prior to the end of the first quarter of the budget year. Neither transfers within a department nor transfers between departments are made once the budget is approved.

Factors Affecting Financial Condition

Local economy. The City of Rockford continues to expand and diversify its industrial base and employment opportunities. Rockford's economy is diversified with manufacturing and medical as its primary base, while call center/office operations, distribution centers, and educational institutions become more important to the economy. The 2024 average unemployment rate for the metropolitan area was 4.9% as compared to the state average of 4.9% and the national average of 4.1%.

Rockford is home to the operations of several large companies such as: Mercy Health System, UW Health, Collins Aerospace, United Parcel Service, OSF St. Anthony's Healthcare, Stellantis, Woodward Inc., Lowe's Distribution Center, Mondelez International, Amazon, and Packaging Coordinators Inc. Rockford is proud of its quality of life, skilled workforce, and low cost of living. The City and private interests are aggressively pursuing the expansion and diversification of the work force. The City has created tax increment districts, an enterprise zone, and small business loan programs, and administers the Community Development Block Grant Program.

One of Rockford's assets is the quality of higher education in and around the community. Rockford is home to: Rock Valley College - a two year community college with a state of the art Technology Center that is used by area manufacturers and businesses; Rockford University - a fully accredited independent institution that awards bachelor degrees in over thirty majors in arts and science as well as graduate programs in business and education; Northern Illinois University, Rockford Campus - offers courses in business, education, engineering and engineering technology, health and human sciences, and liberal arts and sciences, as well as a cooperative effort with Rock Valley College to award bachelor degrees in Nursing, General Studies, Computer Science, Industrial Technology, Community Health and Elementary Education; University of Illinois College of Medicine at Rockford - provides education to second, third, and fourth year medical students in the fields of primary care, family practice, internal medicine, pediatrics and other medical specialties; Rasmussen University Rockford Campus – featuring two year degrees that work in harmony with Rockford's business community and employer demands.

Long-term financial planning. The City of Rockford utilizes a five-year capital improvement program to prioritize public projects which will be scheduled over a number of years as financial resources are available. The City utilizes a variety of methods to fund these projects such as: public-private cooperative efforts, special purpose taxes, cost sharing with other governmental agencies, and issuing general obligation and alternate revenue bonds. The Program's mission is the advancement of enhancing public safety, maintaining and improving the movement of commerce and economic activity throughout the City, and promoting a sense of well-being for the community as a whole.

Areas of emphasis that are apparent in the Capital program include the programming of regular maintenance activities to economically prolong the life of our infrastructure, targeted repairs to our highway structures, improvement of our stormwater system, continued investment into neighborhood and arterial streets, and the enhancement of our City-wide pedestrian and bicycle accommodations.

Cash management policies and practices. The primary objective of the City investment policy is to provide for the safety of principal, liquidity and a reasonable rate of return. The City complies with the Illinois State Statute requirements in purchasing securities for investment of the City's idle cash. The investment maturities range from daily for money markets, to 15 years for U.S. Treasury and Agency bonds, with a 2-year average maturity for the portfolio. The City currently looks at a shorter time horizon when investing the City's funds.

Risk management. The City of Rockford is self-funded for all general liability claims up to \$750,000. Comprehensive general liability insurance covers losses from \$750,000 to \$12 million. Liabilities are recorded when it is probable that a liability has been incurred as of the balance sheet date and the amount of the liability can be reasonably estimated. Both the current and non-current portions of any liability are reported in the Internal Service Funds. The City will continue to evaluate loss potential, risk retention, and insurance coverage to achieve optimum levels of risk management. The City's major facilities are insured for property damage.

The City's health plan is self-funded. Excess coverage covers losses in excess of the \$225,000 retention. Risk control techniques include pre-certification and utilization review process, pre-employment drug testing, an employee assistance program, voluntary second opinion for surgery program, and alcohol and substance abuse training. These initiatives were implemented to enhance employee life while controlling total City risk. In 2014, the City opened the Wellness Center, a medical clinic available to plan participants, with a focus on employee wellness in an effort to reduce costs and improve employee health. The City is also self-funded for unemployment and workmen's compensation claims. Excess coverage is in place for losses in excess of \$750,000 per occurrence for workers compensation claims.

Employee Retirement Plans. The State of Illinois statutes provide for three pension funds for municipal employees: the Illinois Municipal Retirement Fund, the Police Pension Fund, and the Firefighters' Pension Fund. Each plan has retirement, disability, and death benefits for eligible employees. The Rockford Mass Transit District provides its employees a single-employer retirement system.

The Police and Firefighters' Pension Funds are each administered by separate local boards. The Police Pension Board and the Firefighters' Pension Board are composed of five members each. The Mayor appoints two members to each board; two members are elected from the regular active members of the police force and firefighters, and one member is elected to each board by and from the beneficiaries of the fund. Illinois State Statutes determine the amount of contribution that each police officer and firefighter makes to their respective fund. The City each year engages an independent actuary to calculate the amount of the annual contribution that the City of Rockford must make to each pension fund to ensure that the plan will be able to meet its obligations on a timely basis.

The City of Rockford contributes to the Illinois Municipal Retirement Fund ("IMRF"), an agent for multiple-employer, public employee retirement systems, acting as a common investment and administrative agent for local governments and school districts in Illinois. The City's contribution is determined each year by IMRF and for 2024 the amount was 5.98% of covered payroll. Additional information on the City of Rockford's pension arrangements and post-employment benefits can be found in the notes to the financial statements.

The City implemented GASB Statement No. 75, Accounting and Financial Reporting by Employees for Post-Employment Benefit Plans Other than Pensions. Since the City does not contribute towards the cost of the retiree's health insurance, the City is reporting only the implicit liability that is created when the retiree (by State Statute) is charged the group rate for the insurance as opposed to the true rate that would have been charged based on the risk.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to the City of Rockford, Illinois, for its annual comprehensive financial report for the fiscal year ended December 31, 2023. This was the forty-fifth consecutive year the City of Rockford has received this award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report, the contents of which conform to program

standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The City of Rockford also prepared the City's Popular Annual Financial Report (PAFR) for the fiscal year ending December 31, 2023 and submitted that document for review under GFOA's PAFR program. The City was awarded the GFOA PAFR award.

In addition, the City of Rockford received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning January 1, 2024. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The preparation of this report has been accomplished through the diligent efforts of the staff of the Finance Department. I would like to express my appreciation to members of this department who assisted and contributed to its preparation.

I also thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operations of the City.

Respectfully submitted,



Carrie Hagerty
Finance Director

CITY OF ROCKFORD, ILLINOIS

Officials and Officers

December 31, 2024

MAYOR

Thomas P. McNamara

CITY COUNCIL MEMBERS

Jeff Bailey
Isidro B. Barrios
Franklin C. Beach
Mark Bonne
Timothy J. Durkee
Kevin Frost
Karen K. Hoffman

Jonathan Logemann
Gina Meeks
Aprél Prunty
Bill Rose
Gabrielle Torina
Chad Tuneberg
Janessa Wilkins

ADMINISTRATION

Todd M. Cagnoni, City Administrator

Sarah Leys, Interim Community and Economic Development

Carrie Hagerty, Finance Director

Michele Pankow, Fire Chief

Carla Redd, Police Chief

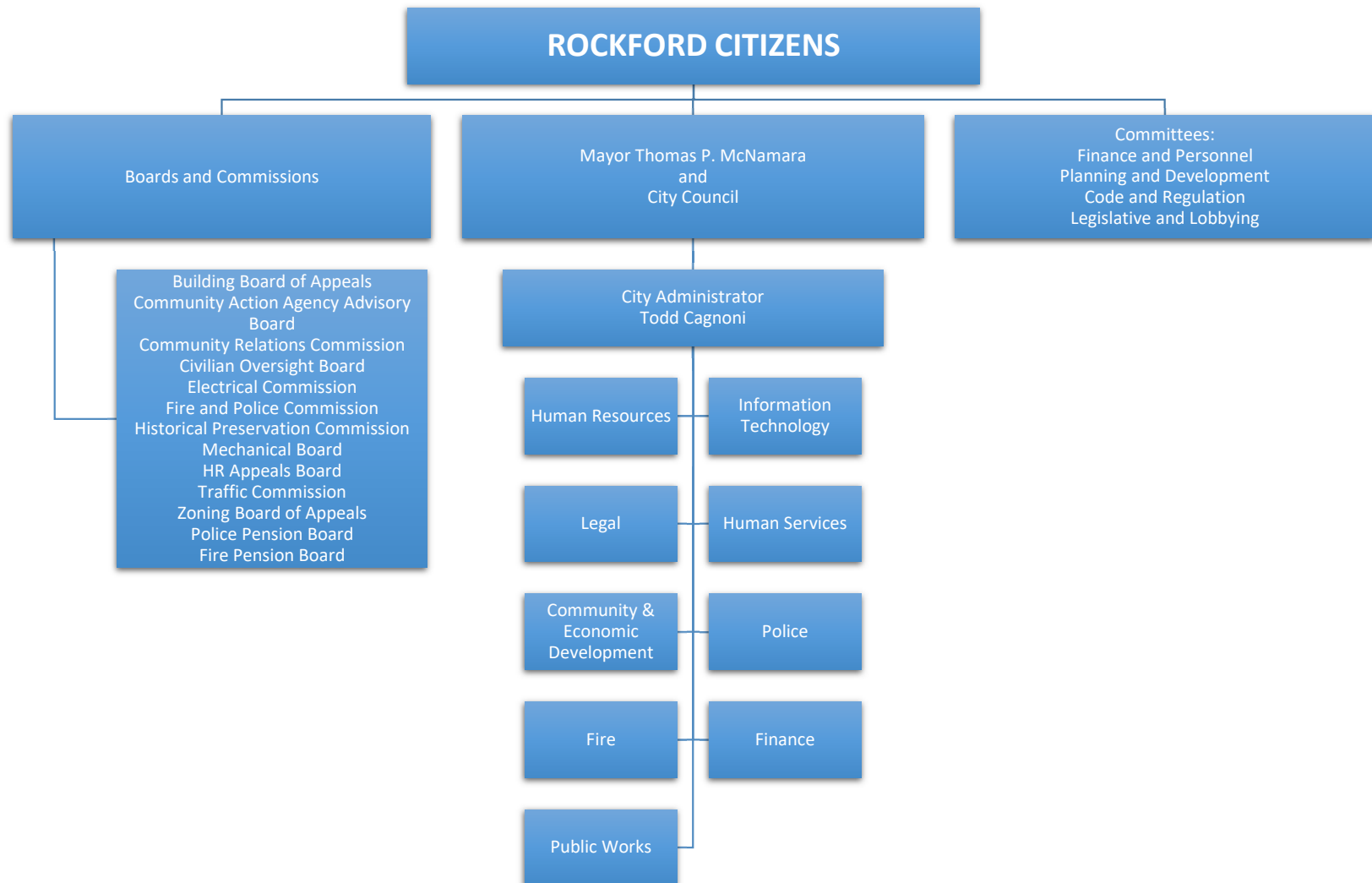
Shurice Hunter, Human Resources Director

Anqunette Parham, Health and Human Services Director

Angela Hammer, Interim Legal Director

Todd Hughes, Information Technology Director

Timothy Hinkens, Interim Public Works Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Rockford
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Independent Auditors' Report

To the Honorable City Mayor and Members of the City Council of
City of Rockford, 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, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Rockford (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City as of December 31, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Rockford Metropolitan Exposition, Auditorium and Office Building Authority, a discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Rockford Metropolitan Exposition, Auditorium and Office Building Authority are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, net position and fund balance as of December 31, 2023 has been restated to correct material misstatements due to a correction in the recognition of employer pension contribution revenue and associated receivables and liabilities and the proper presentation of the Rockford Public Library. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 GAAS and *Government 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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 supplementary 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 comprehensive financial report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Oak Brook, Illinois
June 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

December 31, 2024

The management of the City of Rockford, Illinois, (the City) presents this narrative overview and analysis to facilitate both short and long-term analysis of the financial activities of the City for the fiscal year ended December 31, 2024. This Management Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions which existed as of the date of the independent auditor's report. Additional information outside the scope of this analysis can be found in the Letter of Transmittal. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- With total assets and deferred outflows of \$987.6 million and total liabilities and deferred inflows of \$847.3 million, the City's total net position was \$140.3 million at December 31, 2024. Of this amount, approximately \$468.4 million represent the City's net investment in capital assets, \$37.7 million was held for restricted purposes and (\$365.7) million is classified as unrestricted.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$174.6 million, an increase of \$4.7 million in comparison with the prior year as restated. Approximately 40.0 percent of this total amount, \$69.7 million, is unassigned and available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$69.7 million, or 33.5 percent of total General Fund expenditures. In comparison, the prior year unassigned fund balance was \$127.5 million, 68.5 percent of General Fund expenditures.
- During the current fiscal year, the City's total long-term bonded debt decreased by 5.7 percent or \$4.2 million.
- As a result of audit review, it was determined that per GASB 61, the Rockford Public Library should be reported as a discretely presented component unit within the City financials. The Library has been restated through this report. Additionally, the Police and Firefighters' Pension funds and General Fund were restated to record the property tax receivable and recognize revenue that aligns with GASB 33.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's annual report consists of three components: 1) the basic government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required and nonrequired supplementary information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements report information about the City as a whole, and are designed to provide readers with a broad overview of the City's finances, using accounting methods in a manner similar to a private-sector business.

Management's Discussion and Analysis

December 31, 2024

The government-wide financial statements of the City are divided into three categories:

Governmental activities (Primary government) - The governmental activities of the City include general government (general administration), public safety (police, fire, building inspection, street lighting), streets, alleys and bridges (public works administration, engineering, street, traffic), sanitation (public works, sewer, garbage and refuse), community development (planning & zoning), and public health and welfare (human services). Property taxes, State shared revenues, and operating grants from Federal and State agencies finance most of these activities.

Business-type activities (Primary government) - The City charges fees to customers to help cover the costs of certain services it provides. The water utility and parking systems are reported here.

Component units - The City includes three other entities in its report: the Rockford Public Library, the Rockford Mass Transit District and the Rockford Metropolitan Exposition, Auditorium and Office Building Authority. Although legally separated, these component units are important because the City is financially accountable for them.

The two government-wide statements are as follows:

Statement of net position - The statement of net position presents financial information on all of the City's assets and deferred outflows of resources, liabilities, and deferred inflows with the difference between them reported as net position. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the City is improving or needs improvement.

Statement of activities - The statement of activities presents financial information on how the City's net position changed during the current 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 related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of these statements assist assessing the overall condition of the City, but one also needs to consider additional nonfinancial factors such as changes in the City's property tax base and the condition of the City's capital assets (roads and bridges, buildings, and water).

Fund financial statements

The fund financial statements provide more detailed information about the City's most significant funds, but not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required to be established by State law and bond covenants. The City also establishes many other funds to help it control and manage resources for particular purposes (e.g., capital improvement projects, or to show that it is properly using certain taxes (Library), or grants (Community Development and Human Services)).

Management's Discussion and Analysis

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The City has three types of 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 at the end of the fiscal year. Consequently, the governmental fund statements provide a short-term view and help determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation is provided that explains the relationship or differences between the governmental funds and governmental activities.

The City maintains 10 individual governmental funds of which six are considered major funds. Information is presented separately for the City's major funds in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The General Fund, Community Development Fund, Human Services Fund, Tax Increment Financing Fund, Debt Service Fund, and Capital Projects Fund are considered the City's major funds. Financial data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund financial data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of its governmental funds, except for the Human Services Fund and the Workforce Connection, Inc. Fund. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with this budget.

Proprietary funds - Services for which the City charges customers a fee are generally reported in proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented ad hoc business-type activities in the government-wide financial statements, only in more detail. The City uses enterprise funds to account for its Water Utility Fund and its Parking System Fund, both of which are considered to be major funds of the City. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, building maintenance, management information system, health system, 911 communications, and services for the City's other programs and services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 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. The City has two fiduciary funds, the police pension and firefighters' pension funds. The City is the trustee for these pensions and it is also responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

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, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide benefits to its employees.

CITY OF ROCKFORD, ILLINOIS

Management's Discussion and Analysis

December 31, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets/deferred outflows exceeded liabilities/deferred inflows by \$140.3 million at the close of the fiscal year ended December 31, 2024.

The City's net position includes assets invested in capital net of related debt, restricted net position, and unrestricted net position. In 2024, assets invested in capital net of related debt were equal to \$468.4 million. These assets reflect the City's investment in capital assets (land, buildings, equipment, other improvements and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses this capital 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 to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of the City's Net Position at December 31, 2024 and 2023:

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023*	2024	2023	2024	2023*
Assets						
Current and other assets	\$ 294,058,937	\$ 306,439,244	\$ 33,659,433	\$ 37,533,350	\$ 327,718,370	\$ 343,972,594
Capital assets	349,904,628	359,221,352	243,097,986	231,846,545	593,002,614	591,067,897
Total assets	643,963,565	665,660,596	276,757,419	269,379,895	920,720,984	935,040,491
Deferred outflows of resources	65,045,782	96,775,967	1,909,777	3,321,312	66,955,559	100,097,279
Total assets/deferred outflows	709,009,347	762,436,563	278,667,196	272,701,207	987,676,543	1,035,137,770
Liabilities						
Long-term liabilities	642,626,346	611,913,655	49,058,655	47,101,338	691,685,001	659,014,993
Current liabilities	48,454,319	40,273,009	12,108,674	12,193,804	60,562,993	52,466,813
Total liabilities	691,080,665	652,186,664	61,167,329	59,295,142	752,247,994	711,481,806
Deferred inflows of resources	86,363,967	87,563,290	8,652,741	8,616,145	95,016,708	96,179,435
Total liabilities/deferred inflows	777,444,632	739,749,954	69,820,070	67,911,287	847,264,702	807,661,241
Net position						
Net invested in capital assets	272,846,971	269,436,848	195,594,259	187,438,140	468,441,230	456,874,988
Restricted	28,501,305	51,253,571	9,243,478	8,492,301	37,744,783	59,745,872
Unrestricted	(369,783,561)	(298,003,810)	4,009,389	8,859,479	(365,774,172)	(289,144,331)
Total net position	\$ (68,435,285)	\$ 22,686,609	\$ 208,847,126	\$ 204,789,920	\$ 140,411,841	\$ 227,476,529

* The prior year amounts were not updated to reflect the impact of the restatement for correction of errors as described in Note 3.

Management's Discussion and Analysis

December 31, 2024

Normal Impacts

There are five basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities - which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing of Capital - which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital - which will reduce current assets and increase capital assets. There is a second impact, an increase in the City's investment in capital assets and an increase in related net debt which will not change the net investment in capital assets.

Principal Payment on Debt - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation - which will reduce capital assets and net investment in capital assets.

Current Year Impacts

Total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources of the City's governmental activities by \$68.5 million compared to at the end of 2023 where assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$22.7 million. Unrestricted net position, which may be used to finance the day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, was (\$369.8) million. Restricted net position, those restricted for special purposes such as capital projects and various grant related activities decreased by 44.7 percent.

At the end of the current fiscal year, the City reported positive balances in all three categories of net position for the business-type activities. Total net position increased to \$208.8 million compared to \$204.8 million in the previous year.

CITY OF ROCKFORD, ILLINOIS

Management's Discussion and Analysis

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A summary of the City's 2024 Changes in Net Position is presented below:

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023*	2024	2023	2024	2023*
REVENUES						
Program revenues:						
Charges for services	\$ 53,276,291	\$ 51,256,543	\$ 40,322,269	\$ 42,874,504	\$ 93,598,560	\$ 94,131,047
Operating grants and contributions	56,500,371	50,161,134	-	-	56,500,371	50,161,134
Capital grants and contributions	10,388,121	7,857,504	1,286,012	1,651,403	11,674,133	9,508,907
General revenues:						
Taxes						
Property taxes	57,954,278	63,699,332	-	-	57,954,278	63,699,332
Sales tax	64,592,842	50,985,850	-	-	64,592,842	50,985,850
Use taxes	5,508,674	6,622,473	-	-	5,508,674	6,622,473
Telecommunications taxes	2,060,196	2,142,514	-	-	2,060,196	2,142,514
Utility taxes	8,627,365	9,171,226	-	-	8,627,365	9,171,226
Gaming taxes	6,174,688	-	-	-	6,174,688	-
Other taxes	5,476,718	18,269,317	-	-	5,476,718	18,269,317
Intergovernmental - Unrestricted						
Income tax	25,590,204	23,901,617	-	-	25,590,204	23,901,617
Replacement tax	12,156,351	23,170,810	-	-	12,156,351	23,170,810
Grants	-	415,431	-	-	-	415,431
Other	6,458,901	-	212,084	-	6,670,985	-
Interest earnings	8,070,657	2,589,386	588,697	89,712	8,659,354	2,679,098
Other	7,406,147	3,108,366	93,577	-	7,499,724	3,108,366
Total revenues	330,241,804	313,351,503	42,502,639	44,615,619	372,744,443	357,967,122
EXPENSES						
General government	37,223,439	40,910,756			37,223,439	40,910,756
Public safety	238,260,368	166,536,916	-	-	238,260,368	166,536,916
Streets, alleys and bridges	42,510,617	25,624,252	-	-	42,510,617	25,624,252
Community development	34,435,938	30,497,306	-	-	34,435,938	30,497,306
Sanitation and sewers	-	30,124	-	-	-	30,124
Culture and recreation	3,832,983	8,869,861	-	-	3,832,983	8,869,861
Public health and welfare	24,658,918	27,616,955	-	-	24,658,918	27,616,955
Interest and fiscal charges	5,034,794	5,566,720	-	-	5,034,794	5,566,720
Water	-	-	34,500,064	30,748,914	34,500,064	30,748,914
Parking	-	-	3,945,369	3,907,184	3,945,369	3,907,184
Total expenses	385,957,057	305,652,890	38,445,433	34,656,098	424,402,490	340,308,988
Increase (decrease) in net position before transfers	(55,715,253)	7,698,613	4,057,206	9,959,521	(51,658,047)	17,658,134
Transfers	-	-	-	-	-	-
Change in net position	(55,715,253)	7,698,613	4,057,206	9,959,521	(51,658,047)	17,658,134
Net position - beginning, as reported	22,686,609	14,987,996	204,789,920	194,830,399	227,476,529	209,818,395
Restatement for correction of an error	(35,406,641)	-	-	-	(35,406,641)	-
Net position - beginning, as restated	(12,720,032)	14,987,996	204,789,920	194,830,399	192,069,888	209,818,395
Net position - ending	\$ (68,435,285)	\$ 22,686,609	\$ 208,847,126	\$ 204,789,920	\$ 140,411,841	\$ 227,476,529

* The prior year amounts were not updated to reflect the impact of the restatement for correction of errors as described in Note 3.

Management's Discussion and Analysis

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Normal Impacts

Revenues:

Economic Conditions - which can reflect a declining, stable, or growing economic environment and has a substantial impact on property, sales, income, utility tax revenues as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/Decrease in the City Approved Rates - while certain tax rates are set by statute, the City has significant authority to impose and periodically increase/decrease rates.

Changing Patterns in Intergovernmental and Grant Revenue - (both recurring and nonrecurring) - certain recurring revenue (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-date comparison.

Market Impact on Investment Income - the City's investment portfolio is managed utilizing investments of various maturities. Changes in market conditions will cause investment income to fluctuate due to the related appreciation or depreciation of these assets.

Expenses:

Changes in Authorized Personnel - changes in service demand may cause the City to increase/decrease authorized staffing.

Salary Increase (annual adjustments and merit) - the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the market place.

Inflation - while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuels, and parts. Some function may experience unusual commodity-specific increases.

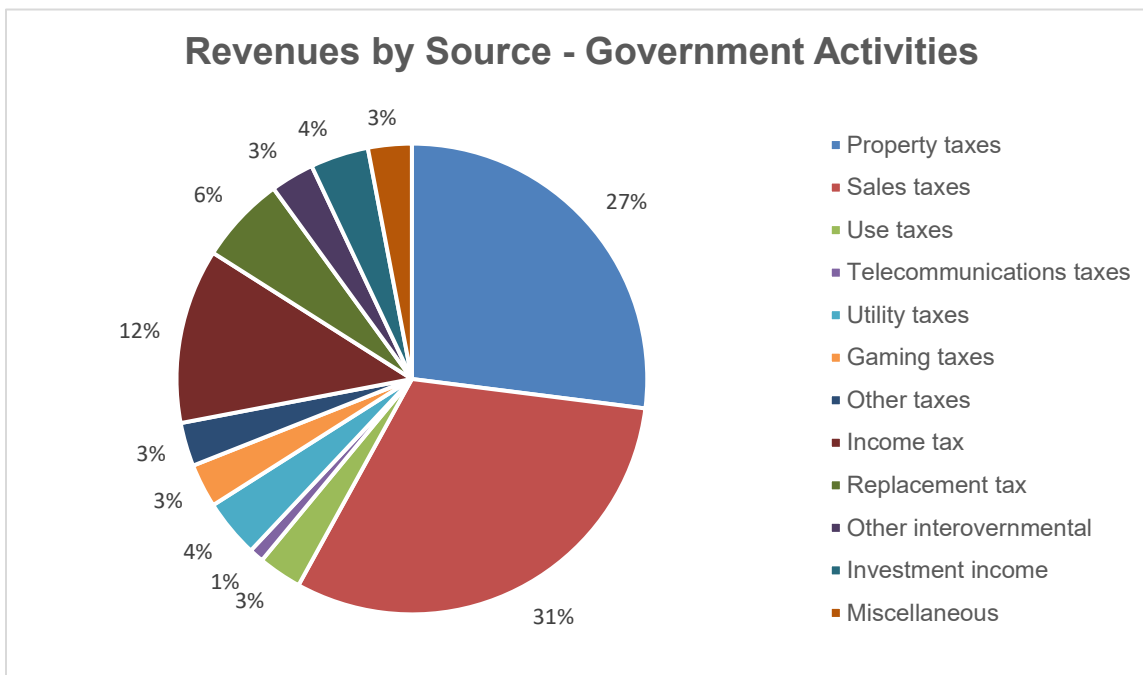
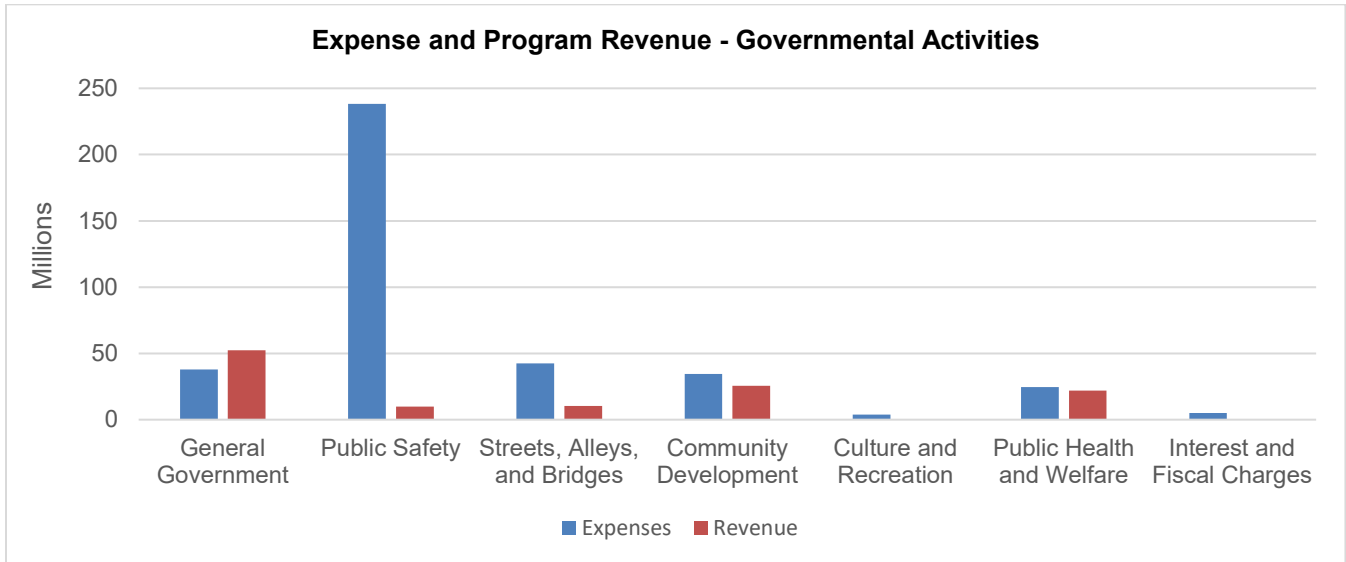
Current Year Impacts

Total governmental activities' revenue for the current year was \$330.2 million compared to \$313.4 million in 2023, an increase of 5.3 percent. The leading factors are as follows:

- Total operating grants and contributions for the current year were \$56.5 million an increase of \$6.4 million due to an increase in Community and Economic Development awards and Emergency Operations reimbursement programs.
- Total governmental activities' expense for the current year was \$386.0 million compared to \$305.7 million in 2023, an increase of 26.4 percent, due primarily to changes in the net pension liabilities, the allocation of surplus funds, and deferred collections for the Police and Firefighters' pension funds.

The graph on the next page shows a comparison between the expenses by governmental activity type and the revenues generated that are specific to those activities.

Management's Discussion and Analysis
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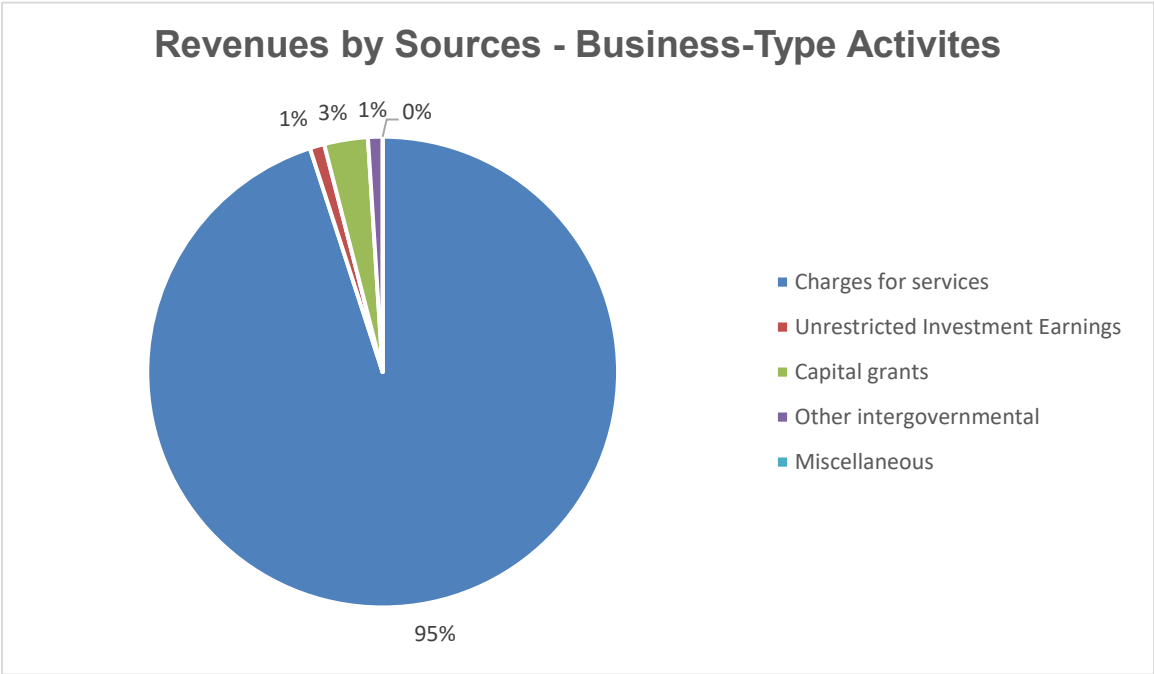
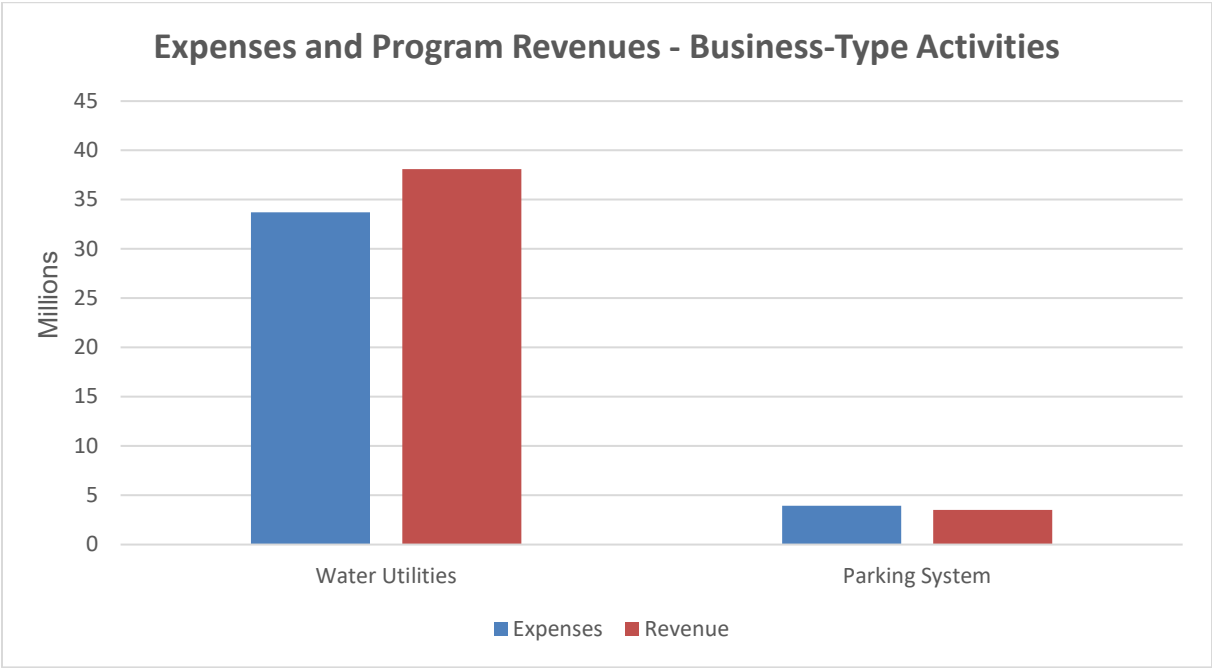
The cost of all governmental activities this year was \$386.0 million. However, the amount that taxpayers paid for these activities through City and State taxes was only \$194.6 million, a decrease of \$3.5 million from the previous year due to a decrease in replacement taxes. Some of the costs were paid by:

- Those who directly benefited from the services - \$53.3 million in 2024, an increase of \$2.0 million from 2023.
- Other governments and organizations that subsidized certain programs with grants - \$56.5 million in 2024, an increase of \$6.4 million due to an increase in Community and Economic Development awards as well as Public Safety reimbursement programs.

Management’s Discussion and Analysis
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Business-type Activities - Business-type activities net position increased by \$4.1 million in 2024, compared to an increase of \$10.0 million in 2023. Revenues from business-type activities decrease by 4.7 percent to \$42.5 million and expenses increased 10.9 percent to \$38.4 million. Key elements contributing to these results included:

- Expenses increased by \$3.8 million due to an increase in pension liability, depreciation, and an increase in lead service line replacements.



CITY OF ROCKFORD, ILLINOIS

Management's Discussion and Analysis

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FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the City'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 a government's net resources available for spending at the end of the fiscal year.

As the City completed the year 2024, its governmental funds reported a combined fund balance of \$174.6 million, an increase of \$4.7 million, or 2.80 percent, in comparison with the prior year as restated. Unassigned fund balance was \$69.7 million, which is available for spending at the government's discretion. The remaining \$104.9 million is for a variety of nonspendable, restricted or assigned purposes and is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund is \$69.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents 33.5 percent of total General Fund expenditures.

The General Fund's fund balance at year end was \$69.7 million, a decrease of \$51.3 million from the previous year as restated. This 42.4 percent decrease is primarily due to the restatement of the Rockford Public Library as a component unit and the adjustment to the recording of tax receivable for the pension funds. Additionally, reductions in fund balance were expected as previous years' surplus funds were programmed for various projects, resulting in transfers out to other funds. There were also increases in tax collections, charges for services, and investment income.

The following schedule presents the governmental funds summary of revenues for the years ended December 31, 2024 and 2023:

	2024	Percent of Total	2023	Amount of increase (decrease)	Percent of increase (decrease)
Revenues by source					
Taxes	\$ 147,923,899	46.40%	\$ 146,468,381	\$ 1,455,518	1.0%
Licenses and permits	9,379,000	2.94%	11,388,480	(2,009,480)	(17.65)%
Intergovernmental	111,261,997	34.92%	109,928,827	1,333,170	1.22%
Charges for services	39,274,930	12.32%	38,547,402	727,528	1.89%
Fines	1,281,295	0.40%	1,320,661	(39,366)	(2.98)%
Investment income	7,363,570	2.31%	2,526,269	4,837,301	191.48%
Miscellaneous	2,276,516	0.71%	3,108,366	(831,850)	(26.76)%
Total revenues	\$ 318,761,207	100.00%	\$ 313,288,386	\$ 5,472,821	1.75%

Revenues of the City's governmental funds decreased \$5.5 million or 1.75 percent from the prior fiscal year.

CITY OF ROCKFORD, ILLINOIS

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The following schedule presents the governmental funds summary of expenditures for the years ended December 31, 2024 and 2023:

	2024	Percent of Total	2023	Amount of increase (decrease)	Percent of increase (decrease)
Expenditures by function					
General government	\$ 28,047,865	8.91%	\$ 28,889,610	(\$ 841,745)	(2.9%)
Public safety	149,296,244	47.42%	137,290,476	12,005,768	8.7%
Streets, alleys and bridges	33,940,722	10.78%	17,431,049	16,509,673	94.7%
Community development	34,159,361	10.66%	30,375,214	3,784,147	12.5%
Culture and recreation	-	0.00%	8,369,498	(8,369,498)	(100%)
Public health and welfare	21,976,307	6.98%	27,346,093	(5,369,786)	(19.6%)
Debt service:					
Principal payments	12,208,308	3.88%	13,050,443	(842,135)	(6.5%)
Interest and fiscal charges	3,230,173	1.54%	5,030,566	(1,800,393)	(35.8%)
Capital expenditures	31,909,967	9.83%	29,536,222	2,373,745	8.0%
Total expenditures	\$ 314,808,507	100.00%	\$ 297,319,171	\$ 17,489,336	5.8%

Expenditures of the City's governmental funds increased by \$17.5 million or 5.8 percent compared to the previous year. Capital expenditures increased by \$2.4 million and allocations were made for the surplus funding policy.

The Community Development Fund's fund balance at year-end was \$0.6 million, down \$0.1 million from the prior year. This decrease is due to transfers to the General Fund for previous year activity. Program activity remain steady for 2024.

The Human Services Fund's fund balance at year-end was \$1.4 million, down \$0.4 million from the prior year. This decrease is due to a loss in investment income. Program activities remained steady for 2024.

The Tax Increment Fund's fund balance at year-end was \$0.9 million, up \$7.0 million from the prior year. This increase is due to an increase in property tax revenue and a decrease in TIF eligible activities.

The Debt Service Fund total fund balance at year-end was \$9.2 million, up \$0.7 million from the prior year as restated, all of which is assigned for the payment of debt service. This increase was due to an increase in transfers in from other funds in the current year.

Capital Projects Fund total fund balance at year-end was \$57.1 million, up \$45.2 million from the prior year, all of which is assigned for future capital projects. This increase is due to the designation of surplus funds to be used for future capital improvement projects.

Proprietary funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

CITY OF ROCKFORD, ILLINOIS

Management's Discussion and Analysis

December 31, 2024

General Fund Budgetary Highlights

The City Council passed a supplemental budget appropriation increasing expenditures by \$12.6 million (6.1 percent) in the General Fund, due to timing of capital purchases, allocating surplus funds, and unexpected personnel expenditures related to snow removal and police and fire department staffing. The City is legally authorized by State statutes to amend the budget after June 30. Budgetary results for the General Fund departments are as follows:

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues	\$ 195,431,948	\$ 195,431,948	\$ 211,794,681	\$ 16,362,733
Expenditures	206,870,669	219,492,144	208,417,055	11,075,089
Excess (deficiency) of revenues over (under) expenditures	(11,438,721)	(24,060,196)	3,377,626	27,437,822
Other financing sources (uses)				
Debt/lease issuance	14,023,000	14,023,000	8,084,695	(5,938,305)
Transfers from other funds	4,604,273	4,604,273	3,545,394	(1,058,879)
Transfers to other funds	(7,335,831)	(62,975,923)	(66,274,630)	(3,298,707)
Net change in fund balance	\$ (147,279)	\$ (68,408,846)	\$ (51,266,915)	\$ 17,141,931

During the year the City spent 95.0 percent of the final amount appropriated in the General Fund. Actual General Fund revenues were more than budgetary estimates by 8.4 percent.

CITY OF ROCKFORD, ILLINOIS

Management's Discussion and Analysis

December 31, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The City's investment in capital assets for its governmental and business-type activities as of December 31, 2024, amounts to \$592.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, improvements, roads and bridges, and water and sewer lines. The City's investment in capital assets net of accumulated depreciation for the governmental activities increased by 1.5 percent and the business-type activities increased by 6.4 percent.

	Primary Government Capital Assets (net of depreciation)					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$2,729,446	\$3,769,766	\$6,973,799	\$6,973,799	\$9,703,245	\$10,743,565
Construction in progress	33,038,087	25,503,596	25,392,211	21,712,427	58,430,298	47,216,023
Land improvements	1,047,712	1,036,694	1,197,190	245,851	2,244,902	1,282,545
Lease assets - land improvements	176,104	236,836	—	—	176,104	236,836
Building improvements	51,495,327	52,473,453	31,409,487	32,034,216	82,904,814	84,507,669
Lease assets - buildings	1,437,754	8,137,668	—	—	1,437,754	8,137,668
Improvements other than building	—	—	174,609,336	167,603,692	174,609,336	167,603,692
Equipment	13,906,121	15,188,618	2,060,252	1,367,262	15,966,373	16,555,880
Lease assets - equipment	265,683	310,774	1,436,238	1,846,592	1,701,921	2,157,366
Subscription assets - software	12,087,733	14,300,865	19,473	62,706	12,015,730	14,363,571
Infrastructure	233,720,661	238,263,082	—	—	233,720,661	238,263,082
Totals	\$349,904,628	\$359,221,352	\$243,097,986	\$231,846,545	\$592,911,138	\$591,067,897

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

	Governmental Activities	Business-Type Activities
Land	\$ 1,000	\$ —
Construction in progress	17,271,214	19,078,322
Land improvements	392,742	52,738
Lease assets - land improvements	—	—
Building improvements	8,302,947	605,144
Improvements other than buildings	—	15,614,381
Equipment	5,374,120	1,220,573
Lease assets - equipment	28,088	—
Subscription assets - software	5,386,849	23,800
Infrastructure	2,980,400	—
	\$ 39,737,360	\$ 36,594,958

Additional information on the City of Rockford's capital assets can be found in Note 3 of this report.

Management’s Discussion and Analysis
December 31, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION - Continued

Long-term Debt - At the end of the current fiscal year, the City of Rockford had total bonded debt outstanding of \$69.1 million. This debt is backed by the full faith and credit of the City.

Primary Government Outstanding Debt					
General Obligation and Revenue Bonds					
Governmental Activities		Business-Type Activities		Totals	
2024	2023	2024	2023	2024	2023
General obligation revenue bonds	\$ 56,959,088	\$ 58,815,895	\$ 12,157,912	\$ 14,534,105	\$ 69,117,000
					\$ 73,350,000

The City of Rockford's bond rating is A3 from Moody's Investors Services.

The State imposes a legal limit of 8.625% of total equalized assessed valuation on the amount of general bond indebtedness. The City further limits their indebtedness, by ordinance, to 80.0% of the State limit. As of December 31, 2024, the City's indebtedness was \$167.2 million less than the City limit and \$212.3 million less than the State limit.

Additional information on the City of Rockford’s long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

Rockford is the industrial and business hub of the Rock River Valley as well as North Central and Northwestern Illinois. Located just 65 miles northwest of Chicago’s O’Hare International Airport and 90 miles east of the Mississippi River, its location allows for easy access to regional, national, and international markets. The economy is still based largely on manufacturing and is the largest fastener product producer (screw, nuts, and bolts) in the United States. Rockford is also one of the largest machine tool centers in the world. Furniture, hardware, farm implements, automobile parts, aviation and space instruments and machinery are among the more than 300 types of products made in Rockford.

The City's goal in developing the 2025 budget was to continue offering citizens basic services, economic development efforts, a continuing capital improvements program, and fiscal stability. Development and adoption of this budget was premised on maintaining a level of service equivalent to 2024, making incremental improvements where possible, and maintaining a flat or reduced property tax levy.

The City of Rockford is projecting \$226.3M of revenue in FY2025, which represents a 5.7% increase over the prior year. Budgeted expenditures are projected to increase by 5.6% or \$12.08M to \$226.25M in FY2025.

Management's Discussion and Analysis

December 31, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - Continued

General fund revenues are derived from eight major sources: taxes, licenses, intergovernmental revenues, service charges, fines, interest income, transfers and other miscellaneous income. Elastic revenues, sales and intergovernmental taxes, account for more than one-half of the fund and with property taxes included, they comprise 80% of the total.

- Community & Economic Development's appropriation increased \$1.8 million, based on personnel cost increases and inflationary increases in the City-wide garbage collection contract.
- Public Safety's appropriation increased by \$18.0 million. The primary drivers include contractual increases in wages and benefits, a \$4.2 million increase in the City's required pension contribution, and a backlog of capital equipment purchases.
- Health and Human Services appropriation decreased \$4 million based on allocated state and federal funding for programs.
- Public Works' appropriation increased by \$1.2 million, driven by personnel cost increases and inflationary increases in services and supplies.
- Legislative & Management appropriation increased \$2 million due to personnel cost increases and increases in service contracts for IT equipment maintenance.
- Non-Operating Funds appropriation increased \$3 million, reflecting increases in pension payroll costs and service costs related to the City's self-insured health plan.

While the local economic environment and the impact it has on the City's available revenues continues to present a challenge, in December 2024, the City Council approved the proposed budget. Staff reviewed all revenues and expenditures, changes were made as necessary, and a balanced General Fund GAAP budget was adopted. This budget allows the City to maintain the necessary fund and cash balances, as well as allowing the 2026 budget process to begin on a sound financial footing.

The City was awarded \$54.8 million in American Rescue Plan Act funding, the first half of which was received in May 2021. Projects and programs were selected for funding based on stability of operations, including deferred capital investments, economic development, and violence prevention for those most impacted by the pandemic.

Requests for information

This financial report is designed to provide a general overview of the City of Rockford's finances for all those with an interest in the Government's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 425 E State Street, Rockford, Illinois 61104.

Basic Financial Statements

City of RockfordStatement of Net Position
December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	\$ 143,130,774	\$ 11,950,209	\$ 155,080,983
Restricted cash and investments	-	9,243,478	9,243,478
Receivables - net of allowances	89,598,485	14,605,745	104,204,230
Internal balances	11,230,000	(11,230,000)	-
Due from other governmental units	41,667,853	5,790,120	47,457,973
Inventories	420,541	1,799,881	2,220,422
Prepaid items	8,011,284	1,500,000	9,511,284
Capital assets:			
Capital Assets not being depreciated	35,767,533	32,366,010	68,133,543
Capital assets being depreciated, net of depreciation	314,137,095	210,731,976	524,869,071
Total assets	643,963,565	276,757,419	920,720,984
Deferred Outflows of Resources			
Deferred charge on refunding	285,445	-	285,445
Deferred outflows related to pensions	56,004,580	1,219,331	57,223,911
Deferred outflows related to OPEB	8,755,757	107,431	8,863,188
Deferred outflows related to ARO	-	583,015	583,015
Total deferred outflows of resources	65,045,782	1,909,777	66,955,559
Total assets and deferred outflows of resources	\$ 709,009,347	\$ 278,667,196	\$ 987,676,543

See notes to financial statements

Component Units		
Rockford Public Library	Rockford Mass Transit District	Rockford Metropolitan Exposition, Auditorium and Office Building Authority
\$ 16,238,050	\$ 2,601,302	\$ 4,462,373
-	3,988,760	743,990
9,394,530	1,278,117	10,903,506
-	-	-
-	3,708,798	-
-	631,034	124,127
-	320,299	79,488
906,320	3,643,023	6,394,864
50,218,785	43,042,769	33,169,169
<u>76,757,685</u>	<u>59,214,102</u>	<u>55,877,517</u>
-	-	-
916,280	221,538	-
-	-	-
-	-	-
<u>916,280</u>	<u>221,538</u>	<u>-</u>
<u>\$ 77,673,965</u>	<u>\$ 59,435,640</u>	<u>\$ 55,877,517</u>

See notes to financial statements

City of RockfordStatement of Net Position
December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable and other accrued liabilities	\$ 24,012,858	\$ 6,010,117	\$ 30,022,975
Accrued payroll and benefits	2,862,640	199,660	3,062,300
Due to other governmental units	68,964	-	68,964
Other payables	-	-	-
Other liabilities	-	-	-
Unearned revenues	1,643,440	-	1,643,440
Deposits and advances	-	143,400	143,400
Accrued interest payable	120,262	132,948	253,210
Noncurrent liabilities:			
Due within one year	19,746,155	5,622,549	25,368,704
Due in more than one year	642,626,346	49,058,655	691,685,001
Total liabilities	691,080,665	61,167,329	752,247,994
Deferred Inflows of Resources			
Property taxes levied for future periods	59,507,316	-	59,507,316
Unearned for grants	2,000,000	-	2,000,000
Deferred inflows related to pensions	53,034	8,608	61,642
Deferred inflows related to OPEB	11,866,591	145,599	12,012,190
Deferred inflows related to leases	12,937,026	8,498,534	21,435,560
Total deferred inflows of resources	86,363,967	8,652,741	95,016,708
Net Position			
Net investment in capital assets	272,846,971	195,594,259	468,441,230
Restricted for:			
Community development	8,121,492	-	8,121,492
Public health and welfare	1,396,119	-	1,396,119
Highways and streets	18,983,694	-	18,983,694
Capital projects	-	1,000,000	1,000,000
Debt service	-	8,243,478	8,243,478
Insurance and claims	-	-	-
Culture and recreation	-	-	-
Unrestricted	(369,783,561)	4,009,389	(365,774,172)
Total net position	(68,435,285)	208,847,126	140,411,841
Total liabilities, deferred inflows of resources and net position	\$ 709,009,347	\$ 278,667,196	\$ 987,676,543

See notes to financial statements

Component Units		
Rockford Public Library	Rockford Mass Transit District	Rockford Metropolitan Exposition, Auditorium and Office Building Authority
\$ 627,104	\$ 973,965	\$ 1,548,450
120,111	1,245,419	-
-	-	-
-	775,000	-
-	253,237	10,283,664
-	2,262,243	-
-	-	-
857	-	-
399,056	167,484	314,541
2,210,790	7,721,486	1,556,430
3,357,918	13,398,834	13,703,085
7,995,896	-	-
-	-	-
6,469	272,739	-
-	-	-
-	-	-
8,002,365	272,739	-
49,973,182	44,876,613	39,564,034
-	-	-
-	-	-
-	-	-
-	-	-
-	813,325	-
-	-	743,990
16,340,500	74,129	1,866,408
66,313,682	45,764,067	42,174,432
\$ 77,673,965	\$ 59,435,640	\$ 55,877,517

See notes to financial statements

City of Rockford

Statement of Activities

Year Ended December 31, 2024

		Program Revenues		
Functions/Programs	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 37,223,439	\$ 51,994,996	\$ 460,000	\$ -
Public safety	238,260,368	1,281,295	8,545,287	-
Streets, alleys and bridges	42,510,617	-	-	10,388,121
Community development	36,000,744	-	25,548,309	-
Culture and recreation	3,832,983	-	-	-
Public health and welfare	24,658,918	-	21,946,775	-
Interest and fiscal charges	3,469,988	-	-	-
Total governmental activities	385,957,057	53,276,291	56,500,371	10,388,121
Business-type activities:				
Water	34,500,064	37,763,823	-	336,137
Parking system	3,945,369	2,558,446	-	949,875
Total business-type activities	38,445,433	40,322,269	-	1,286,012
Total primary government	\$ 424,402,490	\$ 93,598,560	\$ 56,500,371	\$ 11,674,133
Component Unit				
Rockford Public Library	\$ 10,638,932	\$ 196,958	\$ 926,242	\$ 36,214,512
Rockford Mass Transit District	\$ 26,982,481	\$ 1,508,648	\$ 22,628,504	\$ 10,965,032
Rockford Metropolitan Exposition, Auditorium and Office Building Authority	\$ 18,858,837	\$ 16,448,358	\$ 923,428	\$ 9,458,596

General revenues:

Taxes:

Property taxes, levied for general purposes
Sales taxes
Use taxes
Telecommunications taxes
Utility taxes
Gaming taxes
Other taxes

Unrestricted intergovernmental revenue:

Income tax
Replacement tax
Other
Investment income
Miscellaneous

Total general revenues

Change in net position

Net position, beginning, as reported

Restatement for correction of an error (see note disclosure)

Net position, beginning, as restated

Net position, ending

See notes to financial statements

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Rockford Public Library	Rockford Mass Transit District	Rockford Metropolitan Exposition, Auditorium and Office Building Authority
\$ 15,231,557	\$ -	\$ 15,231,557	\$ -	\$ -	\$ -
(228,433,786)	-	(228,433,786)	-	-	-
(32,122,496)	-	(32,122,496)	-	-	-
(10,452,435)	-	(10,452,435)	-	-	-
(3,832,983)	-	(3,832,983)	-	-	-
(2,712,143)	-	(2,712,143)	-	-	-
(3,469,988)	-	(3,469,988)	-	-	-
(265,792,274)	-	(265,792,274)	-	-	-
-	3,599,896	3,599,896	-	-	-
-	(437,048)	(437,048)	-	-	-
-	3,162,848	3,162,848	-	-	-
(265,792,274)	3,162,848	(262,629,426)	-	-	-
-	-	-	26,698,780	-	-
-	-	-	-	8,119,703	-
-	-	-	-	-	7,971,545
57,954,278	-	57,954,278	7,709,194	-	-
64,592,842	-	64,592,842	-	-	-
5,508,674	-	5,508,674	-	-	-
2,060,196	-	2,060,196	-	-	-
8,627,365	-	8,627,365	-	-	-
6,174,688	-	6,174,688	-	-	-
5,476,718	-	5,476,718	-	-	319,347
25,590,204	-	25,590,204	-	-	-
12,156,351	-	12,156,351	1,448,750	-	-
6,458,901	212,084	6,670,985	-	-	-
8,070,657	588,697	8,659,354	867,233	179,754	30,059
7,406,147	93,577	7,499,724	657,810	-	-
210,077,021	894,358	210,971,379	10,682,987	179,754	349,406
(55,715,253)	4,057,206	(51,658,047)	37,381,767	8,299,457	8,320,951
22,686,609	204,789,920	227,476,529	-	37,464,610	33,853,481
(35,406,641)	-	(35,406,641)	28,931,915	-	-
(12,720,032)	204,789,920	192,069,888	28,931,915	37,464,610	33,853,481
\$ (68,435,285)	\$ 208,847,126	\$ 140,411,841	\$ 66,313,682	\$ 45,764,067	\$ 42,174,432

See notes to financial statements

City of Rockford

Balance Sheet - Governmental Funds

December 31, 2024

	Major Funds			
	General	Community Development	Human Services	Tax Increment
Assets				
Cash and cash equivalents	\$ 34,501,672	\$ 642,131	\$ -	\$ 917,053
Receivables (net):				
Property taxes	48,994,690	-	-	10,641,998
Accounts	12,680,122	-	504,692	-
Notes	-	54,935	-	-
Leases	12,971,387	-	-	-
Accrued interest	48,530	-	-	-
Due from Federal Government	191,562	2,282,652	4,096,802	-
Due from State of Illinois	14,034,478	192,394	5,974,682	-
Due from other governmental units	656,278	65,874	-	-
Due from other funds	20,396,119	-	-	-
Prepays	-	-	-	-
Total assets	<u>\$ 144,474,838</u>	<u>\$ 3,237,986</u>	<u>\$ 10,576,176</u>	<u>\$ 11,559,051</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 10,013,648	\$ 2,280,196	\$ 1,753,478	\$ 83,834
Accrued payroll and benefits	2,440,141	18,275	106,552	-
Due to other governmental units	-	62,588	-	-
Due to other funds	-	-	6,596,804	-
Due to fiduciary funds	61,445	-	-	-
Unearned revenues	418,399	247,283	751,836	-
Total liabilities	<u>12,933,633</u>	<u>2,608,342</u>	<u>9,208,670</u>	<u>83,834</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	48,882,447	-	-	10,624,869
Deferred inflows related to leases	12,937,026	-	-	-
Unearned for grants	-	-	-	-
Total deferred inflows of resources	<u>61,819,473</u>	<u>-</u>	<u>-</u>	<u>10,624,869</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted:				
Community development	-	326,717	-	850,348
Public health and welfare	-	-	1,367,506	-
Highways and streets	-	-	-	-
Assigned:				
Debt service	-	-	-	-
Community development	-	302,927	-	-
Unassigned	69,721,732	-	-	-
Total fund balances	<u>69,721,732</u>	<u>629,644</u>	<u>1,367,506</u>	<u>850,348</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 144,474,838</u>	<u>\$ 3,237,986</u>	<u>\$ 10,576,176</u>	<u>\$ 11,559,051</u>

See notes to financial statements

Major Funds		Nonmajor Governmental Funds	Total Governmental Funds
Debt Service	Capital Projects		
\$ 9,054,261	\$ 45,421,150	\$ 34,874,086	\$ 125,410,353
-	-	-	59,636,688
-	1,136,611	755,902	15,077,327
-	-	-	54,935
-	-	-	12,971,387
-	2,984	5,337	56,851
-	2,831,096	99,089	9,501,201
177,921	9,089,206	1,400,019	30,868,700
-	391,190	33,884	1,147,226
-	-	-	20,396,119
-	6,000,000	1,986,388	7,986,388
<u>\$ 9,232,182</u>	<u>\$ 64,872,237</u>	<u>\$ 39,154,705</u>	<u>\$ 283,107,175</u>

\$ -	\$ 5,504,538	\$ 3,109,014	\$ 22,744,708
-	45,268	26,123	2,636,359
-	6,376	-	68,964
-	-	355,881	6,952,685
-	-	-	61,445
-	216,666	-	1,634,184
-	5,772,848	3,491,018	34,098,345
-	-	-	59,507,316
-	-	-	12,937,026
-	2,000,000	-	2,000,000
-	2,000,000	-	74,444,342
-	6,000,000	1,986,388	7,986,388
-	-	4,958,039	6,135,104
-	-	28,613	1,396,119
-	-	18,983,694	18,983,694
9,232,182	-	-	9,232,182
-	51,099,389	9,706,953	61,109,269
-	-	-	69,721,732
<u>9,232,182</u>	<u>57,099,389</u>	<u>35,663,687</u>	<u>174,564,488</u>
<u>\$ 9,232,182</u>	<u>\$ 64,872,237</u>	<u>\$ 39,154,705</u>	<u>\$ 283,107,175</u>

See notes to financial statements

City of Rockford

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
December 31, 2024

Total Fund Balances - Governmental Funds **\$ 174,564,488**

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not current financial resources
and therefore are not reported in the governmental funds:

Capital assets	\$ 591,618,245	
Accumulated depreciation	<u>(257,302,924)</u>	334,315,321

Deferred charge on refunding does not relate to current financial resources and is not reported in the governmental funds.	285,445
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	54,411,074
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Deferred outflows of resources related to other postemployment benefits do not relate to current financial resources and are not reported in the governmental funds.	8,755,757
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(41,785)
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Deferred inflows of resources related to other postemployment benefits do not relate to current financial resources and are not reported in the governmental funds.	(11,866,591)
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Some liabilities reported in the Statement of Net Position do not require the use of
current financial resources and therefore, are not reported as liabilities in
governmental funds. These activities consist of:

Compensated absences	(11,277,901)	
Accrued interest payable	(106,832)	
Net pension liability	(497,352,238)	
Total OPEB liability	(38,194,892)	
Lease liability	(714,566)	
General obligation bonds payable	(51,104,088)	
SBITA liability	(6,342,665)	
Installment contracts payable	(11,218,880)	
Installment note payable	(288,717)	
Intergovernmental payable	(3,172,042)	
Section 108 loans payable	(2,018,000)	
Bond premium	<u>(482,120)</u>	(622,272,941)

Internal service funds are reported in the Statement of Net Position as governmental activities.	<u>(6,586,053)</u>
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Net Position of Governmental Activities **\$ (68,435,285)**

City of Rockford

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended December 31, 2024

	Major Funds			
	General	Rockford Public Library	Community Development	Human Services
Revenues				
Taxes	\$ 105,462,459	\$ -	\$ -	\$ -
Licenses and permits	9,379,000	-	-	-
Intergovernmental	49,538,190	-	6,451,686	21,946,775
Charges for services	39,274,930	-	-	-
Fines	1,281,295	-	-	-
Investment income (loss)	6,256,610	-	258,555	(634,375)
Miscellaneous	602,197	-	44,372	297,146
Total revenues	211,794,681	-	6,754,613	21,609,546
Expenditures				
Current:				
General government	28,047,865	-	-	-
Public safety	147,442,454	-	-	-
Streets, alleys and bridges	13,651,901	-	-	-
Community development	3,814,000	-	6,488,778	-
Public health and welfare	-	-	-	21,976,307
Debt service:				
Principal payments	2,228,862	-	174,480	51,230
Interest and fiscal charges	218,209	-	71,256	2,768
Bond issuance costs	39,560	-	-	-
Capital outlay	12,974,204	-	-	-
Total expenditures	208,417,055	-	6,734,514	22,030,305
Excess (deficiency) of revenues over expenditures	3,377,626	-	20,099	(420,759)
Other Financing Sources (Uses)				
Bond issuance	5,637,000	-	-	-
Lease/SBITA issuance	2,447,695	-	9,056	2,448
Transfers in	3,545,394	-	-	-
Transfers out	(66,274,630)	-	(85,782)	-
Total other financing sources (uses)	(54,644,541)	-	(76,726)	2,448
Net change in fund balances	(51,266,915)	-	(56,627)	(418,311)
Fund Balances (Deficits), Beginning (as reported)	127,463,373	17,350,517	686,271	1,785,817
Restatement for correction of an error (see note disclosure)	(6,474,726)	(17,350,517)	-	-
Fund Balances (Deficits), Beginning (as restated)	120,988,647	-	686,271	1,785,817
Fund Balances, Ending	\$ 69,721,732	\$ -	\$ 629,644	\$ 1,367,506

See notes to financial statements

Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
Tax Increment	Debt Service	Capital Projects		
\$ 8,832,559	\$ 2,094,047	\$ 22,697,459	\$ 8,837,375	\$ 147,923,899
-	-	-	-	9,379,000
-	460,000	6,251,245	26,614,101	111,261,997
-	-	-	-	39,274,930
-	-	-	-	1,281,295
(192,615)	-	474,480	1,200,915	7,363,570
-	164,392	1,070,898	97,511	2,276,516
<u>8,639,944</u>	<u>2,718,439</u>	<u>30,494,082</u>	<u>36,749,902</u>	<u>318,761,207</u>
-	-	-	-	28,047,865
-	-	-	1,853,790	149,296,244
-	-	18,184,612	2,104,209	33,940,722
2,306,685	-	-	21,549,898	34,159,361
-	-	-	-	21,976,307
248,976	9,355,852	10,032	138,876	12,208,308
95,044	2,445,472	298	397,126	3,230,173
-	-	-	-	39,560
-	-	16,267,253	2,668,510	31,909,967
<u>2,650,705</u>	<u>11,801,324</u>	<u>34,462,195</u>	<u>28,712,409</u>	<u>314,808,507</u>
<u>5,989,239</u>	<u>(9,082,885)</u>	<u>(3,968,113)</u>	<u>8,037,493</u>	<u>3,952,700</u>
-	-	-	-	5,637,000
-	-	38,523	-	2,497,722
1,281,364	9,764,225	50,050,637	2,223,551	66,865,171
(274,078)	-	(919,734)	(6,655,544)	(74,209,768)
<u>1,007,286</u>	<u>9,764,225</u>	<u>49,169,426</u>	<u>(4,431,993)</u>	<u>790,125</u>
6,996,525	681,340	45,201,313	3,605,500	4,742,825
(6,146,177)	8,780,330	11,898,076	32,058,187	193,876,394
-	(229,488)	-	-	(24,054,731)
<u>(6,146,177)</u>	<u>8,550,842</u>	<u>11,898,076</u>	<u>32,058,187</u>	<u>169,821,663</u>
<u>\$ 850,348</u>	<u>\$ 9,232,182</u>	<u>\$ 57,099,389</u>	<u>\$ 35,663,687</u>	<u>\$ 174,564,488</u>

See notes to financial statements

City of Rockford

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities Year Ended December 31, 2024

Net change in total governmental fund balances \$ 4,742,825

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report purchases of capital assets as expenditures while
governmental activities report depreciation expense to allocate those
expenditures over the life of the assets.

Capital expenditures	\$ 30,999,433	
Depreciation	(18,925,549)	
Net book value of assets retired	(7,919,906)	
Capital expenditures in excess of depreciation		4,153,978

Some expenses in the Statement of Activities do not require the use of current
financial resources and, therefore, are not reported as expenditures in the
governmental funds.

Accrued interest on debt	75,350	
Amortization of bond premiums	47,817	
Amortization of deferred charge on refunding	(101,973)	
Net pension liability	(34,921,918)	
Total OPEB liability	3,184,540	
Deferred outflows of resources related to pensions	(28,716,198)	
Deferred outflows of resources related to OPEB	(65,272)	
Deferred inflows of resources related to pensions	576,666	
Deferred inflows of resources related to OPEB	(4,901,994)	
Compensated absences	(1,460,326)	
		(66,283,308)

Debt issued provides current financial resources to governmental funds, but
issuing debt increases long-term liabilities in the statement of net position.
Repayment of debt principal is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the Statement of Net Position.

Lease and SBITA liability issued	(2,497,722)	
Lease and SBITA liability repaid	2,321,324	
Lease and SBITAs forgiven	6,624,633	
Debt issued	(5,637,000)	
Principal repaid	5,843,807	
Installment contracts repaid	3,512,045	
Transfer of installment contract	969,966	
Installment note repaid	137,078	
Intergovernmental payable repaid	245,054	
Section 108 loans repaid	149,000	
		11,668,185

Internal service funds are used by management to charge self insurance costs
to individual funds. The change in net position of the internal service fund is
reported with governmental activities.

(9,996,933)

Change in Net Position of Governmental Activities

\$ (55,715,253)

City of Rockford

Statement of Net Position

Proprietary Funds

December 31, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Utility	Parking System	Total	Internal Service Fund
Assets and Deferred Outflows of Resources				
Assets				
Current assets:				
Cash and cash equivalents	\$ 11,950,209	\$ -	\$ 11,950,209	\$ 17,720,421
Receivables (net):				
Water	1,799,346	-	1,799,346	-
Estimated unbilled water usage	4,253,000	-	4,253,000	-
Accounts	-	-	-	1,795,268
Other	9,313	6,751	16,064	6,029
Due from State of Illinois	5,790,120	-	5,790,120	-
Due from other governmental units	-	-	-	150,726
Leases	-	8,537,335	8,537,335	-
Inventories	1,799,881	-	1,799,881	420,541
Prepays	1,500,000	-	1,500,000	24,896
Restricted assets:				
Revenue bond renewal and replacement account	1,000,000	-	1,000,000	-
Alternate bond current debt service account	8,243,478	-	8,243,478	-
Total current assets	36,345,347	8,544,086	44,889,433	20,117,881
Noncurrent assets:				
Land	644,094	6,329,705	6,973,799	-
Construction in progress	25,131,834	260,377	25,392,211	1,878,055
Land improvements	744,366	6,274,947	7,019,313	615,752
Buildings and improvements	26,434,046	30,447,254	56,881,300	9,131,888
Improvements other than buildings	280,929,206	-	280,929,206	-
Equipment	5,335,404	412,690	5,748,094	9,561,643
Lease assets - equipment	2,256,946	-	2,256,946	27,065
Leased buildings	-	-	-	1,463,010
Subscription assets - computers	23,800	-	23,800	8,002,480
Accumulated depreciation	(120,181,206)	(21,945,477)	(142,126,683)	(15,090,586)
Total noncurrent assets	221,318,490	21,779,496	243,097,986	15,589,307
Total assets	257,663,837	30,323,582	287,987,419	35,707,188
Deferred Outflows of Resources				
Deferred outflows related to pensions	1,168,670	50,661	1,219,331	1,593,506
Deferred outflows related to OPEB	103,544	3,887	107,431	-
Deferred outflows related to ARO	583,015	-	583,015	-
Total deferred outflows of resources	1,855,229	54,548	1,909,777	1,593,506

See notes to financial statements

City of Rockford

Statement of Net Position

Proprietary Funds

December 31, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Utility	Parking System	Total	Internal Service Fund
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Current liabilities:				
Accounts payable	\$ 5,663,386	\$ 346,731	\$ 6,010,117	\$ 1,206,705
Accrued payroll and benefits	193,154	6,506	199,660	226,281
Accrued interest payable	123,771	9,177	132,948	13,430
Unearned revenues	-	-	-	9,256
Due to other funds	-	11,230,000	11,230,000	2,213,434
Deposits and advances	143,400	-	143,400	-
Refundable water main extension advances	270,969	-	270,969	-
Compensated absences	100,342	1,754	102,096	99,421
Installment contracts payable	205,707	-	205,707	192,700
Leases payable	139,982	-	139,982	172,925
Subscriptions payable	9,001	-	9,001	1,580,408
General obligation alternate bonds payable	1,960,000	522,879	2,482,879	880,000
IEPA loan payable	2,411,915	-	2,411,915	-
Claims and judgements payable	-	-	-	3,005,002
Total current liabilities	11,221,627	12,117,047	23,338,674	9,599,562
Noncurrent liabilities:				
Customer water deposits	213,725	-	213,725	-
Net pension liability	1,425,852	61,810	1,487,662	1,944,177
Total OPEB liability	451,686	16,954	468,640	-
Compensated absences	401,366	7,016	408,382	397,682
Installment contracts payable	1,468,415	-	1,468,415	52,939
Leases payable	1,801,996	-	1,801,996	839,712
Subscriptions payable	5,343	-	5,343	3,561,465
General obligation alternate bonds payable (net of unamortized premiums/discounts)	4,667,282	5,320,033	9,987,315	5,687,796
IEPA loan payable	27,951,303	-	27,951,303	-
Claims and judgements payable	-	-	-	21,792,165
Asset retirement obligation	5,265,874	-	5,265,874	-
Total noncurrent liabilities	43,652,842	5,405,813	49,058,655	34,275,936
Total liabilities	54,874,469	17,522,860	72,397,329	43,875,498
Deferred Inflows of Resources				
Deferred inflows related to pensions	8,250	358	8,608	11,249
Deferred inflows related to OPEB	140,332	5,267	145,599	-
Deferred inflows related to leases	-	8,498,534	8,498,534	-
Total deferred inflows of resources	148,582	8,504,159	8,652,741	11,249
Net Position				
Net investment in capital assets	179,657,675	15,936,584	195,594,259	9,189,158
Restricted for:				
Capital projects	1,000,000	-	1,000,000	-
Debt service	8,243,478	-	8,243,478	-
Unrestricted	15,594,862	(11,585,473)	4,009,389	(15,775,211)
Total net position	204,496,015	4,351,111	208,847,126	(6,586,053)
Total liabilities, deferred inflows of resources and net position	\$ 259,519,066	\$ 30,378,130	\$ 289,897,196	\$ 37,300,694

See notes to financial statements

City of Rockford
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds

Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Utility	Parking System	Total	Internal Service Fund
Operating Revenues				
Charges for services	\$ 36,995,896	\$ 2,558,446	\$ 39,554,342	\$ 50,058,171
Fines	767,927	-	767,927	-
Intergovernmental	212,084	-	212,084	2,302,813
Miscellaneous	95,297	(1,720)	93,577	5,129,631
Total operating revenues	38,071,204	2,556,726	40,627,930	57,490,615
Operating Expenses				
Salaries and benefits	8,375,017	382,805	8,757,822	10,840,974
Services	9,443,048	1,925,918	11,368,966	54,333,958
Supplies and materials	3,978,472	20,503	3,998,975	3,379,377
Depreciation and amortization	7,554,225	1,158,373	8,712,598	4,542,949
Charges from General Fund	3,603,212	-	3,603,212	1,447,920
Miscellaneous	1,993	11,023	13,016	107,414
Total operating expenses	32,955,967	3,498,622	36,454,589	74,652,592
Operating income (loss)	5,115,237	(941,896)	4,173,341	(17,161,977)
Nonoperating Revenues (Expenses)				
Investment income (loss)	1,067,097	(478,400)	588,697	707,392
Gain (loss) on sale of capital assets	(769,969)	-	(769,969)	(7,404)
Contributions	336,137	949,875	1,286,012	312,481
Interest and fiscal charges	(874,435)	(446,747)	(1,321,182)	(340,851)
Amortization expense	100,307	-	100,307	118,799
Total nonoperating revenues (expenses)	(140,863)	24,728	(116,135)	790,417
Income (loss) before transfers	4,974,374	(917,168)	4,057,206	(16,371,560)
Transfers				
Transfers in	-	-	-	6,374,627
Total transfers	-	-	-	6,374,627
Change in net position	4,974,374	(917,168)	4,057,206	(9,996,933)
Net Position, Beginning of Year	199,521,641	5,268,279	204,789,920	3,410,880
Net Position, End of Year	\$ 204,496,015	\$ 4,351,111	\$ 208,847,126	\$ (6,586,053)

See notes to financial statements

City of Rockford
Statement of Cash Flows
Proprietary Funds

Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Utility	Parking System	Total	Internal Service Fund
Cash Flows From Operating Activities				
Cash received from customers and users	\$ 35,254,061	\$ 2,555,684	\$ 37,809,745	\$ 4,382,001
Cash received from interfund service	-	-	-	52,310,029
Cash payments for goods and services	(17,431,826)	(1,905,877)	(19,337,703)	(49,301,591)
Cash payments to employees	(7,061,372)	(336,819)	(7,398,191)	(9,147,243)
Net cash provided by (used in) operating activities	10,760,863	312,988	11,073,851	(1,756,804)
Cash Flows From Noncapital Financing Activities				
Principal payments on bonds	-	-	-	(850,000)
Interest paid on debt	-	-	-	(268,550)
Due to other funds	-	1,343,334	1,343,334	(1,389,713)
Payments from (to) nonservice interfund accounts	-	-	-	6,374,627
Net cash provided by (used in) noncapital financing activities	-	1,343,334	1,343,334	3,866,364
Cash Flows From Capital and Related Financing Activities				
Purchase of capital assets	(4,728,212)	(215,197)	(4,943,409)	(2,348,703)
Interest paid on debt	(804,657)	(447,437)	(1,252,094)	(72,622)
Principal payments on loans	(2,372,996)	-	(2,372,996)	-
Principal payments on installment contracts	(265,811)	-	(265,811)	(187,559)
Principal payments on leases	(142,894)	-	(142,894)	(169,828)
Principal payments on subscriptions	(70,570)	-	(70,570)	(1,682,325)
Transfer of installment contract	955,894	-	955,894	14,448
Principal payments on bonds	(1,865,000)	(511,193)	(2,376,193)	-
Cash received from sale of assets	59,316	-	59,316	-
Net cash used in capital and related financing activities	(9,234,930)	(1,173,827)	(10,408,757)	(4,446,589)
Cash Flows From Investing Activities				
Income and dividends received	1,070,142	(482,495)	587,647	713,227
Net cash provided by (used in) investing activities	1,070,142	(482,495)	587,647	713,227
Net increase (decrease) in cash	2,596,075	-	2,596,075	(1,623,802)
Cash and Cash Equivalents, Beginning	18,597,612	-	18,597,612	19,344,223
Cash and Cash Equivalents, Ending	<u>\$ 21,193,687</u>	<u>\$ -</u>	<u>\$ 21,193,687</u>	<u>\$ 17,720,421</u>
Reconciliation to Statement of Net Position				
Cash and cash equivalents	\$ 11,950,209	\$ -	\$ 11,950,209	\$ 17,720,421
Restricted cash and cash equivalents	9,243,478	-	9,243,478	-
Total cash and cash equivalents	<u>\$ 21,193,687</u>	<u>\$ -</u>	<u>\$ 21,193,687</u>	<u>\$ 17,720,421</u>

See notes to financial statements

City of Rockford

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Utility	Parking System	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 5,115,237	\$ (941,896)	\$ 4,173,341	\$ (17,161,977)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	7,554,225	1,158,373	8,712,598	4,542,949
Termination of liabilities	-	-	-	(386,324)
Change in operating assets and liabilities:				
Accounts receivable	(95,339)	6,628	(88,711)	(76,977)
Due from other governments	(2,721,804)	-	(2,721,804)	(3,424)
Inventory	(253,210)	-	(253,210)	(37,903)
Prepaid items	-	-	-	18,206
Deferred outflows, ARO	274,729	-	274,729	-
Deferred outflows, pension	1,168,884	41,545	1,210,429	1,390,421
Deferred outflows, OPEB	8,302	827	9,129	-
Accounts payable	(381,839)	51,567	(330,272)	(1,058,318)
Accrued salaries	62,871	1,824	64,695	91,112
Deposits and advances	55,860	-	55,860	-
Customer water deposits	(100,641)	-	(100,641)	-
Claims payable	-	-	-	10,713,233
Compensated absences	64,186	(1,392)	62,794	48,674
Net pension liability	39,341	7,118	46,459	174,272
Net OPEB liability	(72,982)	(5,159)	(78,141)	-
Deferred inflows leases	-	(7,670)	(7,670)	-
Deferred inflows, pension	(8,982)	(322)	(9,304)	(10,748)
Deferred inflows, OPEB	52,025	1,545	53,570	-
Total adjustments	5,645,626	1,254,884	6,900,510	15,405,173
Net cash provided (used) by operating activities	\$ 10,760,863	\$ 312,988	\$ 11,073,851	\$ (1,756,804)
Noncash Capital and Related Financing Activities				
Capital contributions from other governments	336,137	949,875	1,286,012	312,481

See notes to financial statements

City of Rockford

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2024

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 219,639
Investments:	
Annuities	163,042
Illinois Police Officer's Pension Investment Fund	228,587,781
Illinois Firefighters' Pension Investment Fund	184,412,530
Receivables:	
Accounts	29,390
Due from primary government	61,445
	<hr/>
Total assets	413,473,827
	<hr/>
Liabilities	
Accounts payable and other accrued liabilities	5,867
	<hr/>
Total liabilities	5,867
	<hr/>
Net Position	
Restricted for pensions	413,467,960
	<hr/>
Total net position	\$ 413,467,960
	<hr/>

See notes to financial statements

City of Rockford

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2024

	Pension Trust Funds
Additions	
Contributions:	
Employer	\$ 30,687,555
Plan members	5,378,766
Other	5,180
	<u>36,071,501</u>
Total contributions	
	<u>36,071,501</u>
Investment earnings:	
Net appreciation in fair value of investments	38,712,370
Investment earnings	124,675
	<u>38,837,045</u>
Total investment earnings	
	<u>38,837,045</u>
Investment expense	<u>(344,302)</u>
Net investment earnings	
	<u>38,492,743</u>
Total additions	
	<u>74,564,244</u>
Deductions	
Pension benefits	49,530,237
Refunds of contributions	304,226
Administration	361,364
	<u>50,195,827</u>
Total deductions	
	<u>50,195,827</u>
Change in net position	24,368,417
Net Position, Beginning (as reported)	<u>415,169,074</u>
Restatement for correction of an error (see note disclosure)	<u>(26,069,531)</u>
Net Position, Beginning (as restated)	<u>389,099,543</u>
Net Position, Ending	<u><u>\$ 413,467,960</u></u>

See notes to financial statements

City of Rockford

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December 31, 2024

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1. Summary of Significant Accounting Policies

The City of Rockford, Illinois (the City) was incorporated in 1839 as a town and became a city in 1852. The City is a non home-rule municipality, under the 1970 Illinois Constitution, located in Winnebago County, Illinois. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Discretely Presented Component Units

Rockford Mass Transit District

The government-wide financial statements include the Rockford Mass Transit District (District) as a component unit. The District is a legally separate organization. The board of the District is appointed by the the City's Mayor and substantial funding is provided by the City for their operations. The City also guarantees certain debt of the District. The District is a public service bus company organized to provide mass transit services to Rockford. As a component unit, the District's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended June 30, 2024. Separately issued financial statements of the Rockford Mass Transit District may be obtained from the District's office located at 520 Mulberry Street, Rockford, Illinois 61101.

Rockford Metropolitan Exposition, Auditorium and Office Building Authority

The government-wide financial statements include the Rockford Metropolitan Exposition, Auditorium and Office Building Authority (Authority) as a component unit. The Authority is a legally separate organization. The board of the Authority is appointed by the the City's Mayor and substantial funding is provided by the City for their operations. The Authority operates the Metro Centre with its responsibility to arrange, finance and maintain industrial, cultural, theatrical, sports, trade and other activities that meet the needs of the citizens of Rockford. The Authority is fiscally dependent on the City. As a component unit, the Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended June 30, 2024. Separately issued financial statements of the Rockford Metropolitan Exposition, Auditorium and Office Building Authority may be obtained from the Authority's office 300 Elm Street, Rockford, Illinois 61101.

Rockford Public Library

The government-wide financial statements include the Rockford Public Library (Library) as a component unit. The Library is a legally separate organization. The board of the Library is appointed by the the City's Mayor. As a component unit, the Library's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2024. The Library does not issue separate financial statements.

Fiduciary Component Units

The Police Pension Fund (PPF) is established for the City's police employees. PPF functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership and two police employees elected by the membership constitute the pension board. The City and the PPF participants are obligated to fund all PPF costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. 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 contribution levels. PPF is reported as a fiduciary component unit pension trust fund and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. No separate annual financial report is issued for the PPF.

The Fire Pension Fund (FPF) is established for the City's firefighters. FPF functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership; and two fire employees elected by the membership constitute the pension board. The City and the FPF participants are obligated to fund all FPF costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. 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 contribution levels. FPF is reported as a fiduciary component unit and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. No separate annual financial report is issued for the FPF.

Government-Wide and Fund Financial Statements

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This standard was implemented January 1, 2024.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented January 1, 2024.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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 and enterprise funds:

General Fund

General Fund is used to account for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains 7 special revenue funds. The Community Development Fund (a major fund) accounts for community rehabilitation projects, including certain community loans, financed primarily by community grants from the Federal government. Projects include public and private rehabilitation. The Human Services Fund (also a major fund) accounts for services provided by the City's Health and Human Services Department, including certain community loans. Services include Head Start program for children, weatherization of homes, payment of heat and electrical bills on behalf of persons in need and services related to intervention and correction programs for youths involved in anti-social behavior and gang activity. Financing is primarily provided by grants from the Federal government and the State of Illinois-Social Services and the General Fund. The Tax Increment Financing Fund (also a major fund) accounts for the redevelopment costs of each blighted area. Financing is provided from property taxes levied on property within each district, which will increase as a result of the redevelopment and the resulting increase assessed valuation within the districts.

Debt Service Fund

Debt Service Fund is used to account for the accumulation of resources for the payment of principal and interest on general obligation bonds. Debt service resources are principally from property taxes levied by the City and transfers from other funds. The City maintains one debt service fund and it is treated as a major fund.

Capital Projects Fund

Capital Projects Fund is used to account for resources designated to construct or acquire general capital assets and major improvements. Such resources are provided principally from proceeds of general obligation bonds, Federal and State grants, interest earned on such funds and transfers from other funds. The City maintains one capital projects fund and it is treated as a major fund.

Enterprise Funds

Water Utility Fund is used to account for the provision of water services to the residents of the City and some residents of Winnebago County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Parking System Fund is used to account for the activities to provide ample parking for the business districts within the City. Activities include, but are not limited to, the collection of parking revenue from reserved spaces, the issuance and collection of parking fees, administration, operations and maintenance.

The City reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Motor Fuel Tax
Family Justice Center

Redevelopment
Workforce Connection, Inc.

In addition, the City reports the following fund types:

Internal Service Funds

Internal Service Funds are used to account for and report 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.

Central Garage
Building Maintenance
Health Insurance
911 Communications
Risk Management
Information System
Workmen's Compensation

Pension Trust Funds

Pension Trust Funds are used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans.

Police Pension Fund
Firefighters' Pension Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation**Government-Wide Financial Statements**

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for property taxes and 90 days for other taxes and intergovernmental revenues. Grant revenues are recognized when revenue recognition criteria has been met by the City. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, sales and use taxes, franchise taxes, utility taxes, hotel/motel taxes, fines, public charges for services and interest. Other general revenues such as inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the City to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Funds Investment Pool.

Illinois Public Act 101 0610 consolidated the assets of the state's more than 650 downstate and suburban public safety pension funds into two consolidated investment funds and required the Police Pension Fund and Firefighters' Pension Fund to pool their funds for investment purposes. The Illinois Police Officers' Pension Investment Fund and the Illinois Firefighters' Pension Investment Fund are external investment pools valued at share price, the price for which the investments could be sold. Additional information related to the Illinois Police Officers' Pension Investment Fund and the Illinois Firefighters' Pension Investment Fund can be found at <https://www.ipopif.org> and <https://www.ifpif.org>, respectively.

The Illinois Police Officers' Pension Investment Fund's investment policy statement has an investment objective to earn a long-term, net-of-fees, investment return that meets or exceeds the actuarial assumed rate of return and the return of the Policy Benchmark consistent with the risk level expected from the asset allocation.

The Illinois Firefighters' Pension Investment Fund's investment policy has an investment objective that seeks to maximize the likelihood of meeting long-term return objectives, while (i) maintaining prudent risk exposure, (ii) controlling fees and expenses related to management of the Fund and (iii) complying with the governing provisions of the Illinois Pension Code (40 ILCS 5 et seq.) and other applicable laws and regulations. Long-term return objectives are based on an assumed rate of return as set forth by the Illinois Firefighters' Pension Investment Fund's actuary.

The City has adopted an investment policy. That policy follows the state statute for allowable investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City has adopted a policy in regards to interest rate risk that states that the maximum maturity for its investments shall be under 15 years. The average maturity of the total portfolio shall not exceed 5 years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Statutes authorize the primary government to invest in obligations of the U.S. Treasury and U.S. Government Agencies, obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool. The primary government's investment policy does not further limit the allowed investments.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The primary government has adopted a policy addressing concentrations of credit risk. The policy states that U.S. Treasury Securities cannot exceed 50% of the portfolio, U.S. Government Agencies and Instrumentalities of Government Sponsored Corporations cannot exceed 50% of the portfolio, total certificates of deposits cannot exceed 50% of the portfolio, certificates of deposit of any one financial institution cannot exceed 20% of the portfolio, commercial paper cannot exceed 15% of the portfolio, Illinois Funds cannot exceed 50% of the portfolio, and securities purchased for interest rate play cannot exceed 25% of the portfolio.

Custodial Credit Risk, Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The primary government's (excluding the pension trust funds) policy with respect to custodial credit risk on deposits requires collateralization on all certificates of deposit purchased after January 1, 1999. The amount of collateral should be at least 105% of the total investment less the amount insured by the FDIC or the FSLIC.

Custodial Credit Risk, Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy does not address custodial credit risk.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investments could be sold.

Receivables

Property taxes for levy year 2024 attaches as an enforceable lien on January 1, 2024, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance).

The Property Tax Extension Limitation Law imposes mandatory property tax limitations on the ability of taxing districts in Illinois to raise revenues through unlimited property tax increases. The increase in property tax extensions is limited to the lesser of 5% or the percentage increase in the Consumer Price Index for all urban consumers. Even taxes levied for tort immunity, for prevention and safety, municipal retirement and social security purposes are subject to the limitation provisions. The amount of the limitation may be adjusted for new property added or annexed to the tax base and due to voter approved increase.

Tax bills for levy year 2024 are prepared by the County and issued on or about May 1, 2025 and are payable in two installments, on or about June and September, 2025 or within 30 days of the tax bills being issued.

The County collects such taxes and remits them periodically. The 2024 property tax levy is recognized as a receivable and deferred inflows in fiscal 2024, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2024, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2024 levy and any uncollected and available amounts from prior levies.

Accounts receivable have been shown net of an allowance for uncollectible accounts.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable (\$4,125,877) comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 1% (\$1,166,931) of outstanding property taxes at December 31, 2024.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

Notes receivable in the governmental funds consist primarily of rehabilitation and redevelopment loans that are generally not expected or scheduled to be collected in the subsequent year.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

Certain proceeds of Water Utility Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted cash and cash equivalents on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond renewal and replacement account" (\$1,000,000) is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. The "alternate bond current debt service account" (\$8,243,478) is used to segregate resources accumulated for alternate bond debt service payments over the next twelve months.

These accounts are all presented in the restricted asset accounts in both government-wide and fund financial statements.

It is the City's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Capital Assets**Government-Wide Financial Statements**

Capital assets, which include property, buildings, vehicles, plant and equipment, and infrastructure are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$25,000 (except for land which is an initial, individual cost of \$1 or more) and an estimated useful life in excess of one year. The Water Utility fund defines a capital asset as an asset with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Purchased or constructed capital assets are recorded at actual cost, including all ancillary and direct labor costs, based on invoices and/or other supporting documentation. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Land Improvements	5 Years
Buildings and Improvements	10-45 Years
Machinery and Equipment	3-20 Years
Infrastructure	50 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation and sick leave balances. The liability has been calculated using the vesting method, which means amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

Leases

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The City continues to report and depreciate the capital assets being leased as capital assets of the primary government.

The City is a lessee because it leases capital assets from other entities. As a lessee, the City reports a lease liability and an intangible right-to-use capital asset (known as the lease asset) on the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, the City recognizes lease proceeds and capital outlay at initiation of the lease, and the outflow of resources for the lease liability as a debt service payment.

Subscription-Based Information Technology Arrangements

The City reports a subscription liability and an intangible right-to-use capital asset (known as the subscription asset) on the government-wide financial statements and proprietary fund statements. In the governmental fund financial statements, the City recognizes subscription proceeds and capital outlay at initiation of the subscription, and the outflow of resources for the subscription liability as a debt service payment.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent is expressed by a) the City Council itself or b) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The City's highest level of decision-making authority is the City Council, who is authorized to assign amounts to a specific purpose. Assignments may take place after the end of the reporting period.

City of Rockford

Notes to Financial Statements
December 31, 2024

- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City has a policy to maintain fund balance in the General Fund equal to 20% of the adopted budget appropriation.

Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells and demolition of the City's water towers and stand pipes at the end of their estimated useful lives in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells are 21 years.

2. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget is as amended by the City Council. All annual appropriations lapse at fiscal year end.

Prior to December 31, the City Finance Director submits to the City Council a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to March 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the general fund and special revenue funds.

The City is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the City Council. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level for all funds but special revenue funds which is the fund level. The appropriated budget is prepared by fund, function and department. The City Finance Director is authorized to transfer budget amounts between departments (except the General Fund) within any fund; however, the City Council must approve revisions that alter the total expenditures of any fund.

The City did not adopt a budget for the Human Services Fund and Workforce Connection Inc. Fund.

Excess Expenditures Over Budget

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Motor Fuel Tax	\$ 100,000	\$ 3,818,009	\$ 3,718,009
Parking System	3,943,681	3,945,369	1,688
Central Garage	5,076,540	5,081,509	4,969
Building Maintenance	4,080,741	4,305,500	224,759
911 Communications	7,448,561	7,462,125	13,564

City of Rockford

Notes to Financial Statements
December 31, 2024

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2024, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
Health Insurance	\$ (3,968,731)
Risk Management	(24,139,036)

The Health Insurance (Internal Service) Fund's and the Risk Management (Internal Service) Fund's deficits will be alleviated by transfers in of budget surplus from other funds over the next several years until the funds are in compliance with the fund balance policy.

3. Detailed Notes on All Funds

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type'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.

Permitted Deposits and Investments - Illinois Statutes authorizes the City to make deposits/invest 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.

Deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>
Deposits	\$ 52,097,577	\$ 53,956,427
U.S. agency securities	15,537,090	15,537,090
U.S. treasury securities	63,835,217	63,835,217
Corporate bonds	10,925,623	10,925,623
Illinois funds	13,558,537	13,558,537
State and local bonds	1,942,972	1,942,972
Bank notes	1,584,137	1,584,137
Annuities	163,042	163,042
Mutual funds - other than bonds	3,276,217	3,276,217
Other debt securities	1,786,730	1,786,730
Illinois police officers' pension investment fund	228,587,781	228,587,781
Illinois firefighters' pension investment fund	184,412,530	184,412,530
Total deposits and investments	<u>\$ 577,707,453</u>	<u>\$ 579,566,303</u>

City of Rockford

Notes to Financial Statements

December 31, 2024

Reconciliation to financial statements

Per statement of net position:

Unrestricted cash and investments	\$ 155,080,983
Restricted cash and investments	9,243,478

Per statement of fiduciary net position:

Cash and cash equivalents	219,639
Annuities	163,042
Illinois police officers' pension investment fund	228,587,781
Illinois firefighters' pension investment fund	<u>184,412,530</u>

Total deposits and investments \$ 577,707,453

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- The City's investment valuation methods are disclosed in the table below.
- The Police Officers' Pension Investment Fund of \$228,587,781 is measured at net asset value.
- The Firefighters' Pension Fund's annuities - \$163,042 are measured at cash surrender value. The Firefighters' Pension Investment Fund of \$184,412,530 is measured at net asset value.

Investment Type	December 31, 2024			
	Level 1	Level 2	Level 3	Total
U.S. treasury securities	\$ 63,835,217	\$ -	\$ -	\$ 63,835,217
U.S. agency securities	-	15,537,090	-	15,537,090
State and local bonds	-	1,942,972	-	1,942,972
Corporate bonds	-	10,925,623	-	10,925,623
Bank notes	-	1,584,137	-	1,584,137
Other debt securities	-	1,786,730	-	1,786,730
Mutual funds - other than bonds	<u>3,276,217</u>	-	-	<u>3,276,217</u>
Total	<u>\$ 67,111,434</u>	<u>\$ 31,776,552</u>	<u>\$ -</u>	<u>\$ 98,887,986</u>

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk. The Police Pension and Fire Pension do not have any deposits exposed to custodial credit risk.

City of Rockford

Notes to Financial Statements
December 31, 2024

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk. The Police Pension and Fire Pension do not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2024, the City's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
U.S. treasury securities	AA+	Aaa
U.S. agency securities	AA+	Aaa
State and local bonds	AA- to AAA	NR to Aaa
Corporate bonds	A- to AA	A3 to Aa1
Illinois funds	AAA	N/A
Other debt securities	AAA	Aaa
Bank notes	A to A+	A2 to Aa2

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2024, the City's investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Home Loan Mortgage Corporation	U.S. agency securities	10.50 %

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

City of Rockford

Notes to Financial Statements
December 31, 2024

As of December 31, 2024, investments were as follows:

City

Investment Type	Fair Value	Maturity (In Years)			
		Less than 1	1-5	6-10	More than 10
U.S. treasury securities	\$ 63,835,217	\$ 9,366,448	\$ 54,468,769	\$ -	\$ -
U.S. agency securities	15,537,090	2,085,974	11,311,985	2,139,131	-
State and local bonds	1,942,972	-	1,942,972	-	-
Corporate bonds	10,925,623	2,749,896	8,175,727	-	-
Other debt securities	1,786,730	-	1,786,730	-	-
Bank notes	1,584,137	299,198	1,284,939	-	-
Total	<u>\$ 95,611,769</u>	<u>\$ 14,501,516</u>	<u>\$ 78,971,122</u>	<u>\$ 2,139,131</u>	<u>\$ -</u>

Money-Weighted Rate of Return

Police Pension Fund

For the year ended December 31, 2024, the annual money-weighted rate of return on the Police Pension plan investments, net of pension plan investment expense, was 9.52%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund

For the year ended December 31, 2024, the annual money-weighted rate of return on the Firefighters' Pension plan investments, net of pension plan investment expense, was 10.78%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for the leases and notes receivable.

Lease Receivables

Governmental Activities				Receivable Balance December 31, 2024
Lease Receivables Description	Date of Inception	Final Maturity	Interest Rates	
Land leases	05/09/18	12/31/31	0.000% to 2.960%	\$ 1,420,786
Right-of-way lease	03/24/21	12/31/31	0.000% to 2.960%	11,482,980
Cell tower lease	01/24/20	12/31/29	0.000% to 2.960%	67,621
Total governmental activities				<u>\$ 12,971,387</u>

City of Rockford

Notes to Financial Statements
December 31, 2024

Business-Type Activities				Receivable Balance December 31, 2024
Lease Receivables Description	Date of Inception	Final Maturity	Interest Rates	
Parking space	06/03/20	12/31/74	0.000% to 2.960%	\$ 8,537,335
Total business-type activities				<u>\$ 8,537,335</u>

The City recognized \$261,063 and \$3,290 of lease revenue and interest revenue, respectively, during the fiscal year.

Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance*	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,863,446	\$ 1,000	\$ 135,000	\$ 2,729,446
Construction in progress	<u>18,905,814</u>	<u>17,271,214</u>	<u>3,138,941</u>	<u>33,038,087</u>
Total capital assets not being depreciated	<u>21,769,260</u>	<u>17,272,214</u>	<u>3,273,941</u>	<u>35,767,533</u>
Capital assets being depreciated:				
Land improvements	3,399,660	392,742	143,318	3,649,084
Lease assets, land improvements	303,662	-	-	303,662
Buildings improvements	92,668,979	8,302,947	6,022,359	94,949,567
Lease assets, buildings	9,051,401	-	7,280,546	1,770,855
Equipment	68,252,914	5,374,120	14,116,917	59,510,117
Lease assets, equipment	351,851	28,088	-	379,939
Subscription assets, software	17,070,302	5,386,849	3,505,707	18,951,444
Infrastructure	<u>404,073,038</u>	<u>2,980,400</u>	<u>37,501</u>	<u>407,015,937</u>
Total capital assets being depreciated	<u>595,171,807</u>	<u>22,465,146</u>	<u>31,106,348</u>	<u>586,530,605</u>
Total capital assets	<u>616,941,067</u>	<u>39,737,360</u>	<u>34,380,289</u>	<u>622,298,138</u>
Less accumulated depreciation for:				
Land improvements	2,362,966	341,521	103,115	2,601,372
Lease assets, land improvements	66,826	60,732	-	127,558
Buildings improvements	44,290,705	4,905,082	5,741,547	43,454,240
Lease assets, buildings	913,733	37,801	618,433	333,101
Equipment	53,356,652	6,165,698	13,918,354	45,603,996
Lease assets, equipment	41,077	73,179	-	114,256
Subscription assets, software	2,890,793	4,465,798	492,880	6,863,711
Infrastructure	<u>165,809,956</u>	<u>7,512,876</u>	<u>27,556</u>	<u>173,295,276</u>
Total accumulated depreciation	<u>269,732,708</u>	<u>23,562,687</u>	<u>20,901,885</u>	<u>272,393,510</u>
Net capital assets being depreciated	<u>325,439,099</u>	<u>(1,097,541)</u>	<u>10,204,463</u>	<u>314,137,095</u>
Total governmental activities capital assets, net	<u>\$ 347,208,359</u>	<u>\$ 16,174,673</u>	<u>\$ 13,478,404</u>	<u>\$ 349,904,628</u>

* Beginning balances have been updated to reflect the restatement for the presentation of the Rockford Public Library.

City of Rockford

Notes to Financial Statements
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Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 899,049
Public safety	6,237,786
Streets, alleys and bridges	7,832,704
Community development	318,254
Culture and recreation	3,598,830
Public health and welfare	38,926
Internal service	<u>4,637,138</u>

Total governmental activities depreciation expense \$ 23,562,687

	<u>Beginning Balance</u>	<u>Adjustments*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities					
Capital assets not being depreciated:					
Land	\$ 6,973,799	\$ -	\$ -	\$ -	\$ 6,973,799
Construction in progress	<u>21,712,427</u>	<u>-</u>	<u>19,078,322</u>	<u>15,398,538</u>	<u>25,392,211</u>
Total capital assets not being depreciated	<u>28,686,226</u>	<u>-</u>	<u>19,078,322</u>	<u>15,398,538</u>	<u>32,366,010</u>
Capital assets being depreciated:					
Land improvements	744,366	6,257,669	52,738	35,460	7,019,313
Buildings and improvements	56,276,156	-	605,144	-	56,881,300
Improvements other than buildings	272,919,341	(6,257,669)	15,614,381	1,346,847	280,929,206
Equipment	5,064,849	-	1,220,573	537,328	5,748,094
Lease assets, equipment	2,256,946	-	-	-	2,256,946
Subscription assets, computers	<u>76,641</u>	<u>-</u>	<u>23,800</u>	<u>76,641</u>	<u>23,800</u>
Total capital assets being depreciated	<u>337,338,299</u>	<u>-</u>	<u>17,516,636</u>	<u>1,996,276</u>	<u>352,858,659</u>
Total capital assets	<u>366,024,525</u>	<u>-</u>	<u>36,594,958</u>	<u>17,394,814</u>	<u>385,224,669</u>
Less accumulated depreciation for:					
Land improvements	498,515	4,778,146	562,915	17,453	5,822,123
Buildings and improvements	24,241,940	-	1,229,873	-	25,471,813
Improvements other than buildings	105,315,649	(4,778,146)	6,361,884	579,517	106,319,870
Equipment	3,697,587	-	456,074	465,819	3,687,842
Lease assets, equipment	410,354	-	410,354	-	820,708
Subscription assets, computers	<u>13,935</u>	<u>-</u>	<u>18,261</u>	<u>27,869</u>	<u>4,327</u>
Total accumulated depreciation	<u>134,177,980</u>	<u>-</u>	<u>9,039,361</u>	<u>1,090,658</u>	<u>142,126,683</u>
Net capital assets being depreciated	<u>203,160,319</u>	<u>-</u>	<u>8,477,275</u>	<u>905,618</u>	<u>210,731,976</u>
Business-type activities capital assets, net	<u>\$ 231,846,545</u>	<u>\$ -</u>	<u>\$ 27,555,597</u>	<u>\$ 16,304,156</u>	<u>\$ 243,097,986</u>

Adjustments are transfers between disclosure categories

City of Rockford

Notes to Financial Statements
December 31, 2024

Interfund Receivables/Payables and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General	Human Services	\$ 6,596,804
General	Nonmajor Governmental	355,881
General	Parking System	11,230,000
General	Internal Service	<u>2,213,434</u>
Total, fund financial statements		20,396,119
Less government-wide eliminations		<u>(9,166,119)</u>
Total internal balances, government-wide statement of net position		<u>\$ 11,230,000</u>

All amounts are due within one year. The principal purpose of these interfunds is for cash advances.

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount
General	Community Development	\$ 85,782
General	Tax Increment Financing	39,878
General	Capital Projects	919,734
General	Nonmajor Governmental	2,500,000
Tax Increment Financing	General	1,281,364
Debt Service	General	5,374,481
Debt Service	Tax Increment Financing	234,200
Debt Service	Nonmajor Governmental	4,155,544
Capital Projects	General	50,050,637
Nonmajor Governmental	General	2,223,551
Water Utility	General	955,894
Internal Service	General	6,388,703
Water Utility	Governmental Activities - Installment contract transfer	(955,894)
Internal Service	Governmental Activities - Installment contract transfer	<u>(14,076)</u>
Total, fund financial statements		73,239,798
Less government-wide eliminations		<u>(73,239,798)</u>
Total transfers, government-wide statement of activities		<u>\$ -</u>

City of Rockford

Notes to Financial Statements December 31, 2024

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance*</u>	<u>Adjustments</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities						
Bonds and notes payable:						
General obligation bonds	\$ 58,015,895	\$ -	\$ 5,637,000	\$ 6,693,807	\$ 56,959,088	\$ 6,612,121
Installment note payable	425,795	-	-	137,078	288,717	141,876
Installment contracts	16,120,014	(955,894)	-	3,699,601	11,464,519	3,175,731
Intergovernmental payable	3,417,096	-	-	245,054	3,172,042	251,961
Section 108 guaranteed loans	2,167,000	-	-	149,000	2,018,000	151,000
Lease liabilities	8,426,654	-	28,088	6,727,539	1,727,203	274,748
Subscription liabilities	13,039,966	-	4,693,463	6,248,891	11,484,538	3,778,715
(Discounst)/Premiums:						
Bond premium	1,361,532	-	-	166,616	1,194,916	-
Total bonds and notes payable	<u>102,973,952</u>	<u>(955,894)</u>	<u>10,358,551</u>	<u>24,067,586</u>	<u>88,309,023</u>	<u>14,386,152</u>
Other liabilities:						
Claims and judgments	14,083,934	-	34,979,022	24,265,789	24,797,167	3,005,002
Compensated absences	10,266,004	-	3,621,623	2,112,623	11,775,004	2,355,001
Net pension liability, IMRF	7,647,905	-	4,735,772	3,217,839	9,165,838	-
Net pension liability, police	214,296,096	-	44,095,521	25,463,228	232,928,389	-
Net pension liability, fire	242,256,225	-	39,318,198	24,372,235	257,202,188	-
Total OPEB liability	<u>41,379,432</u>	<u>-</u>	<u>4,792,734</u>	<u>7,977,274</u>	<u>38,194,892</u>	<u>-</u>
Total other liabilities	<u>529,929,596</u>	<u>-</u>	<u>131,542,870</u>	<u>87,408,988</u>	<u>574,063,478</u>	<u>5,360,003</u>
Total governmental activities long-term liabilities	<u>\$ 632,903,548</u>	<u>\$ (955,894)</u>	<u>\$ 141,901,421</u>	<u>\$ 111,476,574</u>	<u>\$ 662,372,501</u>	<u>\$ 19,746,155</u>
Business-Type Activities						
Bonds and notes payable:						
General obligation bonds	\$ 14,534,105	\$ -	\$ -	\$ 2,376,193	\$ 12,157,912	\$ 2,482,879
IEPA loans	26,331,686	-	6,404,528	2,372,996	30,363,218	2,411,915
Installment contracts payable	984,039	955,894	-	265,811	1,674,122	205,707
Lease liabilities	2,084,872	-	-	142,894	1,941,978	139,982
Subscription liabilities	61,114	-	23,800	70,570	14,344	9,001
(Discounst)/Premiums:						
Bond premium	412,589	-	-	100,307	312,282	-
Total bonds and notes payable	<u>44,408,405</u>	<u>955,894</u>	<u>6,428,328</u>	<u>5,328,771</u>	<u>46,463,856</u>	<u>5,249,484</u>
Other liabilities:						
Compensated absences	447,684	-	152,330	89,536	510,478	102,096
Refundable water main extension advance	270,969	-	-	-	270,969	270,969
Asset retirement obligation	5,183,120	-	82,754	-	5,265,874	-
Customer deposits	314,366	-	-	100,641	213,725	-
Net pension liability, IMRF	1,441,202	-	568,732	522,272	1,487,662	-
Total OPEB liability	<u>546,781</u>	<u>-</u>	<u>36,058</u>	<u>114,199</u>	<u>468,640</u>	<u>-</u>
Total other liabilities	<u>8,204,122</u>	<u>-</u>	<u>839,874</u>	<u>826,648</u>	<u>8,217,348</u>	<u>373,065</u>
Total business-type activities long-term liabilities	<u>\$ 52,612,527</u>	<u>\$ 955,894</u>	<u>\$ 7,268,202</u>	<u>\$ 6,155,419</u>	<u>\$ 54,681,204</u>	<u>\$ 5,622,549</u>

* Beginning balances have been updated to reflect the restatement for the presentation of the Rockford Public Library.

Adjustments are for the transfer of installment contracts from the Governmental Activities to Business-Type Activities.

City of Rockford

Notes to Financial Statements
December 31, 2024

The City is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 8.625% of the most recent available equalized assessed valuation of the City. As of December 31, 2024, the statutory debt limit for the City was \$225,434,152, providing a debt margin of \$212,295,511.

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt in the governmental funds will be retired by sales tax revenues, other revenue sources, or future property tax levies. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

<u>Governmental Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2024</u>
General Obligation Debt					
2014-A Fire Station Construction General Obligation Alternate Bond Issue	07/22/14	12/15/34	3.00-4.00%	\$ 5,420,000	\$ 3,140,000
2015 Fire Station Construction General Obligation Alternate Bond Issue	02/18/25	12/15/34	3.00-3.75	12,195,000	6,965,000
2019-A Police Evidence Facility Project General Obligation Alternate Bond Issue	10/10/19	12/15/39	4.00	7,385,000	6,085,000
2019-B Convention Center Construction Sales Tax Alternate Revenue Issue	10/10/19	12/15/39	2.061-3.397	13,235,000	10,610,000
2014-C Refunding General Obligation Alternate Bond Issue	07/22/14	12/15/34	3.00-4.00	14,280,000	3,480,000
2016-A Refunding General Obligation Sales Tax Alternate Revenue Issue	12/28/16	12/15/35	2.00-5.00	20,820,000	10,707,088
2018-A Refunding General Obligation Sales Tax Alternate Revenue Issue	12/27/18	12/15/27	4.00	2,730,000	1,265,000
2018-C Refunding General Obligation Alternate Revenue Bond Issue	12/17/18	12/15/28	3.15-4.45	8,265,000	3,215,000
2020 General Obligation Bonds Sales Tax Alternate Revenue Source Issue	07/23/20	12/15/30	3.00-4.00	10,020,000	5,855,000
2024 General Obligation Bonds Turner School	11/01/24	11/01/34	3.35-3.80	5,637,000	<u>5,637,000</u>
Total governmental activities, general obligation debt					<u>\$ 56,959,088</u>

City of Rockford

Notes to Financial Statements
December 31, 2024

<u>Business-Type Activities</u> <u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2024</u>
2010-A General Obligation Alternate Bond Issue	08/15/10	12/15/30	2.00-4.00%	\$ 3,400,000	\$ 1,350,000
2016-B Refunding General Obligation Alternate Bond Issue	12/28/16	12/15/27	5.00	10,735,000	2,635,000
2018-B Refunding General Obligation Bond Issue	12/17/18	12/15/28	3.13-4.00	5,330,000	2,330,000
2015-A General Obligation Alternate Bond Issue	12/02/15	12/15/35	3.00-4.00	6,315,000	3,960,000
2016-A Refunding General Obligation Sales Tax Alternate Revenue Issue	12/28/16	12/15/35	2.00-5.00	650,000	432,912
2018-C Refunding General Obligation Bond Issue	12/17/18	12/15/28	3.15-4.45	1,225,000	470,000
2019B Convention Center Construction Sales Tax Alternate Revenue Issue	10/10/19	12/15/39	2.061-3.397	1,220,000	<u>980,000</u>
Total business-type activities, general obligation debt					<u><u>\$ 12,157,912</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Bonds</u>		<u>Business-Type Activities General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 6,612,121	\$ 2,080,651	\$ 2,482,879	\$ 482,293
2026	6,839,067	1,842,220	2,543,933	380,575
2027	7,115,013	1,589,129	1,559,987	270,422
2028	4,390,748	1,320,330	1,336,252	209,186
2029	4,532,484	1,168,086	692,516	158,737
2030-2034	19,866,867	3,558,726	2,685,133	459,200
2035-2039	<u>7,602,788</u>	<u>769,175</u>	<u>857,212</u>	<u>58,664</u>
Total	<u><u>\$ 56,959,088</u></u>	<u><u>\$ 12,328,317</u></u>	<u><u>\$ 12,157,912</u></u>	<u><u>\$ 2,019,077</u></u>

City of Rockford

Notes to Financial Statements
December 31, 2024

Intergovernmental Payable

The intergovernmental payable represents the principal outstanding for the City's loan payable issued to provide funds for the Airport Authority's debt payments..

Intergovernmental Payable at December 31, 2024 consist of the following:

<u>Governmental Activities</u>	<u>Date of</u>	<u>Final</u>	<u>Interest</u>	<u>Original</u>	<u>Balance</u>
<u>Intergovernmental Payable</u>	<u>Issue</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebtedness</u>	<u>December 31,</u>
					<u>2024</u>
Series 2021 GRAA Loan Payable	11/22/21	09/01/35	2.65%	\$ 3,945,675	\$ <u>3,172,042</u>
Total governmental activities intergovernmental payable					\$ <u>3,172,042</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u>	
	<u>Intergovernmental Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 251,961	\$ 82,693
2026	258,799	75,855
2027	265,823	68,831
2028	272,858	61,796
2029	280,443	54,211
2030-2034	1,520,499	152,770
2035	<u>321,659</u>	<u>4,828</u>
Total	<u>\$ 3,172,042</u>	<u>\$ 500,984</u>

City of Rockford

Notes to Financial Statements
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Installment Contracts Payable

The City also issues installment contracts payable to provide funds for the purchase of capital assets.

Installment Contracts Payable at December 31, 2024 consist of the following:

Governmental Activities

<u>Installment Contracts Payable</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2024</u>
2015 HVAC	10/09/15	10/09/25	2.659%	\$ 1,512,718	\$ 169,751
2018 Aerial Ladder	10/26/18	11/26/26	4.170	3,206,000	902,238
2018 Ford	03/07/19	03/07/26	3.810	950,479	295,894
2019 Pierce Enforcer	03/07/29	03/07/27	3.810	1,852,000	757,728
2019 CW Vehicles	11/12/19	11/12/26	2.733	1,255,068	201,623
2020 Digger Equipment	05/20/19	06/15/27	2.510	226,795	102,034
2019 Fire Engines	12/11/19	12/05/27	2.930	3,164,725	1,273,188
2019 Heavy Equipment	11/12/19	11/12/29	2.975	1,073,773	576,165
2019 Squad Cars	03/07/19	03/07/26	3.566	1,509,382	469,651
2020 Police	04/08/20	04/08/27	2.742	1,294,000	584,688
2022 Squad Cars	05/03/22	04/30/29	2.742	2,100,000	1,483,254
2023 Ambulance	04/07/23	03/30/28	4.890	1,420,540	1,162,140
2023 Vehicle	04/07/23	03/30/28	4.890	1,420,540	410,726
2023 Heavy Equipment	04/07/23	03/30/33	4.940	2,135,000	1,209,685
2023 Police Squad	04/07/23	03/30/28	4.890	2,280,602	1,865,754

Total governmental activities installment contracts payable \$ 11,464,519

Business-Type Activities

<u>Installment Contracts Payable</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2024</u>
2019 Ford Lease	03/07/19	03/07/26	3.810%	\$ 142,359	\$ 44,318
2019 CW Vehicles	11/12/19	11/12/26	2.733	82,930	25,312
2019 Heavy Equipment	11/12/19	11/12/29	2.975	99,719	53,507
2023 Vehicle	04/07/23	03/30/30	4.890	275,000	360,331
2023 Heavy Equipment	04/07/23	03/30/33	4.940	475,000	1,190,654

Total business-type activities installment contracts payable \$ 1,674,122

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Installment Contracts Payable</u>		<u>Business-Type Activities Installment Contracts Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 3,175,731	\$ 454,918	\$ 205,707	\$ 80,308
2026	3,185,222	333,161	215,074	70,941
2027	2,319,235	211,241	188,343	61,137
2028	1,446,485	121,735	197,408	52,072
2029	658,251	58,247	206,913	42,568
2030-2033	679,595	79,994	660,677	78,321
Total	<u>\$ 11,464,519</u>	<u>\$ 1,259,296</u>	<u>\$ 1,674,122</u>	<u>\$ 385,347</u>

City of Rockford

Notes to Financial Statements
December 31, 2024

IEPA Loans Payable

The City has been approved for approximately \$71,217,139 in low interest loans from the State Revolving Loan Fund through the Illinois Environmental Protection Agency (IEPA). These loans range from 0% to 2.5% interest and some have principal forgiveness of a portion of the balance. Two of these loans totaling \$10,000,000 were funded in part through the American Recovery and Reinvestment Act of 2009. The City has received \$64,175,867 in loans, of which \$11,448,236 will not be required to be repaid. The loans are repayable over a 20-year period beginning six months after the date the project is expected to be completed. The City has begun to make payments on some of the loan agreements but others are still under construction. Once all the loan projects are completed the estimated annual debt service will be approximately \$2,430,000 per year for twenty years. The City has recorded the debt outstanding in the Water Utility Fund and will repay the debt with water revenues.

IEPA Loans Payable at December 31, 2024 consists of the following:

Business-Type Activities					Balance
IEPA Loans Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2024
L172991	05/19/08	11/20/29	2.50%	\$ 8,629,100	\$ 2,703,388
L172992	09/30/08	06/19/30	2.50	12,414,000	4,242,967
L172993	08/14/09	01/07/31	0.00	6,805,000	1,709,245
L172994	09/30/08	01/23/29	2.50	2,168,700	612,678
L173067	01/19/11	12/02/30	1.25	3,604,300	902,158
L173068	09/30/09	06/06/30	0.00	3,122,700	660,566
L173127	06/30/10	10/03/31	1.25	3,205,300	954,044
L173128	06/30/10	08/17/31	1.25	2,621,600	777,861
L173132	09/29/10	08/10/30	1.25	913,100	228,992
L173133	12/15/10	03/25/32	1.25	441,422	148,650
L174594	05/05/23	11/11/44	1.24	9,459,917	9,425,845
L174676	06/30/10	04/29/32	1.25	550,000	156,463
L175692	06/16/21	07/21/43	1.35	5,232,000	5,057,441
L176066	06/10/24	04/26/45	0.00	4,000,000	2,782,920
Total business-type activities IEPA Loans Payable					<u>\$ 30,363,218</u>

All IEPA loans above were fully disbursed as of December 31, 2024 with the exception of loans L176066 & L174954. While L175692 was not completely disbursed, the City did begin repayment on a portion of the principal balance disbursed. Total IEPA Loan payables in repayment status are \$17,299,624.

City of Rockford

Notes to Financial Statements
December 31, 2024

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-Type Activities IEPA Loans Payable	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 2,411,915	\$ 274,692
2026	2,454,881	231,727
2027	2,498,823	187,785
2028	2,543,766	142,842
2029	2,517,333	96,874
2030-2034	2,748,156	200,615
2035-2039	1,148,591	108,962
2040-2044	976,159	29,884
Total	<u>\$ 17,299,624</u>	<u>\$ 1,273,381</u>

Section 108 Guaranteed Loans

During 2003, the City's Community Development Department entered in a contract with the Secretary of Housing and Urban Development (HUD) under the Section 108 Guaranteed Loans Program. The outstanding balance at December 31, 2024 is \$2,018,000 due in various annual amounts not exceeding \$187,000 through 2036; interest at 1.410% to 5.890%. The proceeds were then loaned to a secondary authorized representative under the guidelines of the City and HUD contract, for acquisition of equipment for Gray's IGA Grocery Store.

Lease Liabilities

As of December 31, 2024, the City had eleven outstanding leases for buildings, equipment, and land improvements. Lease principal payments range from \$284 to \$190,482 with interest rates ranging from 0.2580% to 3.5110%. As of December 31, 2024, the total value of the lease liability is \$3,669,181. The total cost value and accumulated depreciation of the associated right to use lease assets were \$4,711,402 and \$1,395,623, respectively, as of December 31, 2024.

Governmental Activities

Future minimum lease payments are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 274,748	\$ 28,951
2026	282,193	23,611
2027	288,928	18,606
2028	268,221	13,583
2029	223,294	8,522
2030-2034	142,099	24,479
2035-2039	24,924	21,906
2040-2044	27,329	19,501
2045-2049	29,966	16,864
2050-2054	32,858	13,972
2055-2059	36,029	10,801
2060-2064	39,506	7,324
2065-2069	43,318	2,706
2070-2074	13,790	256
Total	<u>\$ 1,727,203</u>	<u>\$ 211,082</u>

City of Rockford

Notes to Financial Statements
December 31, 2024

Business-Type Activities

Future minimum lease payments are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 139,982	\$ 64,000
2026	134,815	59,321
2027	129,863	54,815
2028	130,444	50,398
2029	131,682	45,845
2030-2034	729,850	157,533
2035-2039	<u>545,342</u>	<u>31,456</u>
Total	<u>\$ 1,941,978</u>	<u>\$ 463,368</u>

Subscription Liabilities

Governmental Activities

As of December 31, 2024, the City had forty-three active subscriptions. The subscriptions have payments that range from \$3,420 to \$683,153 and interest rates that range from 2.4500% to 3.7643%. As of December 31, 2024, the total combined value of the subscription liability is \$11,484,538.

Future minimum subscription payments are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 3,778,715	\$ 326,226
2026	3,512,263	220,430
2027	3,724,785	114,356
2028	<u>468,775</u>	<u>12,894</u>
Total	<u>\$ 11,484,538</u>	<u>\$ 673,906</u>

Business-Type Activities

As of December 31, 2024, the City had two active subscriptions. The subscriptions have payments that range from \$1,673 to \$7,329 and interest rates that range from 2.876% to 3.060%. As of December 31, 2024, the total combined value of the subscription liability is \$14,344.

Future minimum subscription payments are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 9,002	\$ 455
2026	1,726	170
2027	1,780	115
2028	<u>1,836</u>	<u>59</u>
Total	<u>\$ 14,344</u>	<u>\$ 799</u>

City of Rockford

Notes to Financial Statements
December 31, 2024

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2024, includes the following:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Total capital assets	\$ 622,298,138	\$ 385,224,669
Less accumulated depreciation	<u>272,393,510</u>	<u>142,126,683</u>
Net carrying value of capital assets	<u>349,904,628</u>	<u>243,097,986</u>
Less all outstanding principal of capital-related debt/borrowings related to the City's own capital assets, including borrowing used to refund capital-related borrowings	74,867,552	46,151,574
Less outstanding principal balance of any other (non-debt) capital related liabilities as of fiscal year end, including capital accounts payable and retainage payable	1,280,634	1,039,871
Less unamortized original issue premiums on outstanding capital debt	<u>1,194,916</u>	<u>312,282</u>
Subtotal	<u>77,343,102</u>	<u>47,503,727</u>
Plus unamortized balance of capital-related deferred outflows of resources, such as from losses on refunding of outstanding capital debt	<u>285,445</u>	<u>-</u>
Subtotal	<u>285,445</u>	<u>-</u>
Total net investment in capital assets	<u>\$ 272,846,971</u>	<u>\$ 195,594,259</u>

City of Rockford

Notes to Financial Statements
December 31, 2024

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2024, include the following:

	General Fund	Community Development	Human Services	Tax Increment Financing	Debt Service	Capital Projects	Nonmajor Funds	Total
Fund Balances								
Nonspendable:								
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000	\$ 1,986,388	\$ 7,986,388
Subtotal	-	-	-	-	-	6,000,000	1,986,388	7,986,388
Restricted for:								
Community development	-	326,717	-	850,348	-	-	4,958,039	6,135,104
Public health and welfare	-	-	1,367,506	-	-	-	28,613	1,396,119
Highways and streets	-	-	-	-	-	-	18,983,694	18,983,694
Subtotal	-	326,717	1,367,506	850,348	-	-	23,970,346	26,514,917
Assigned to:								
Community development	-	302,927	-	-	-	51,099,389	9,706,953	61,109,269
Debt service	-	-	-	-	9,232,182	-	-	9,232,182
Subtotal	-	302,927	-	-	9,232,182	51,099,389	9,706,953	70,341,451
Unassigned:	69,721,732	-	-	-	-	-	-	69,721,732
Total fund balances	<u>\$ 69,721,732</u>	<u>\$ 629,644</u>	<u>\$ 1,367,506</u>	<u>\$ 850,348</u>	<u>\$ 9,232,182</u>	<u>\$ 57,099,389</u>	<u>\$ 35,663,687</u>	<u>\$ 174,564,488</u>

Error Corrections

During the fiscal year, the City determined that the Public Library Fund, previously reported as a special revenue fund, should have been reported as a discretely presented component unit (Rockford Public Library). As a result, a restatement of beginning fund balance and net position was required to properly present the Rockford Public Library as a discretely presented component unit. This restatement included the elimination of the Public Library Fund and a restatement of Governmental Activities to report Library-related capital assets, debt, net pension liability and associated deferred inflows and outflows of resources, and compensated absences in the Rockford Public Library component unit. Additionally, a restatement of the Debt Service Fund was required to correct the presentation of Library-related debt service payments and the allocation of resources for these payments between funds.

A restatement of beginning fund balance and net position for the General Fund and Pension Trust Funds, respectively, was required to correct for the premature recognition of employer contribution additions in the pension trust funds related to subsequent year property tax collections and to eliminate overstated contributions receivable and payroll-related liabilities resulting from estimated contribution obligations not being adjusted to reflect actual contributions required, which led to an accumulated pension fund receivable and General Fund liability that should not have existed.

City of Rockford

Notes to Financial Statements
December 31, 2024

Restatements of Beginning Balances

The adjustments to beginning fund balance/net position resulting from the restatements described above are as follows:

	December 31, 2023 As Previously Reported	Error Correction	December 31, 2023 As Adjusted
Government-wide:			
Governmental activities	\$ 22,686,609	\$ (35,406,641)	\$ (12,720,032)
Governmental funds:			
Major funds:			
General Fund	\$ 127,463,373	\$ (6,474,726)	\$ 120,988,647
Public Library Fund	17,350,517	(17,350,517)	-
Debt Service Fund	8,780,330	(229,488)	8,550,842
Fiduciary funds:			
Police Pension	\$ 229,461,661	\$ (11,949,152)	\$ 217,512,509
Firefighters' Pension	185,707,413	(14,120,379)	171,587,034
Discretely presented component units:			
Rockford Public Library	\$ -	\$ 28,931,915	\$ 28,931,915

Component Units

Rockford Mass Transit District

This report contains the Rockford Mass Transit District (District), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

Basis of Accounting/Measurement Focus

The District follows the full accrual basis of accounting and the flow of economic resources measurement focus.

Deposits and Investments

	<u>Carrying Value</u>
Deposits	\$ 3,362,775
Money market	<u>3,227,287</u>
Total deposits and investments	<u><u>\$ 6,590,062</u></u>

City of Rockford

Notes to Financial Statements
December 31, 2024

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District.

The District does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District does not have any investments exposed to custodial credit risk.

See Note 1. for further information on deposit and investment policies.

Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,992,553	\$ -	\$ -	\$ 1,992,553
Construction in progress	-	1,650,470	-	1,650,470
Total capital assets not being depreciated	<u>1,992,553</u>	<u>1,650,470</u>	<u>-</u>	<u>3,643,023</u>
Capital assets being depreciated:				
Land improvements	925,338	-	-	925,338
Buildings and improvements	26,034,634	-	-	26,034,634
Buses and service vehicles	27,540,499	8,815,210	4,880,768	31,474,941
Lease assets, equipment	2,371,716	-	-	2,371,716
Equipment and office furniture	<u>7,372,987</u>	<u>460,165</u>	<u>127,939</u>	<u>7,705,213</u>
Total capital assets being depreciated	<u>64,245,174</u>	<u>9,275,375</u>	<u>5,008,707</u>	<u>68,511,842</u>
Total capital assets	<u>66,237,727</u>	<u>10,925,845</u>	<u>5,008,707</u>	<u>72,154,865</u>
Less accumulated depreciation for:				
Capital assets being depreciated	<u>26,880,201</u>	<u>3,597,579</u>	<u>5,008,707</u>	<u>25,469,073</u>
Total accumulated depreciation	<u>26,880,201</u>	<u>3,597,579</u>	<u>5,008,707</u>	<u>25,469,073</u>
Net capital assets being depreciated	<u>37,364,973</u>	<u>5,677,796</u>	<u>-</u>	<u>43,042,769</u>
Total capital assets, net	<u>\$ 39,357,526</u>	<u>\$ 7,328,266</u>	<u>\$ -</u>	<u>\$ 46,685,792</u>

City of Rockford

Notes to Financial Statements
December 31, 2024

Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Other liabilities:					
Lease liabilities	\$ 1,969,449	\$ -	\$ 160,270	\$ 1,809,179	\$ 167,484
Net pension liability	5,568,641	2,846,619	5,117,038	3,298,222	-
Total OPEB liability	<u>2,871,504</u>	<u>115,369</u>	<u>205,304</u>	<u>2,781,569</u>	<u>-</u>
Total other liabilities	<u>10,409,594</u>	<u>2,961,988</u>	<u>5,482,612</u>	<u>7,888,970</u>	<u>167,484</u>
Total long-term liabilities	<u>\$ 10,409,594</u>	<u>\$ 2,961,988</u>	<u>\$ 5,482,612</u>	<u>\$ 7,888,970</u>	<u>\$ 167,484</u>

<u>Lease Liabilities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance June 30, 2024</u>
Batteries	06/27/22	06/27/33	1.29%	\$ 2,122,819	\$ 1,809,179
Total lease liabilities					<u>\$ 1,809,179</u>

Future minimum lease payments are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 167,484	\$ 81,413
2026	175,020	73,876
2027	182,896	66,000
2028	191,127	57,770
2029	199,727	49,169
2030-2023	<u>892,925</u>	<u>102,663</u>
Total	<u>\$ 1,809,179</u>	<u>\$ 430,891</u>

Employee Retirement System

The District's non-contributory, defined benefit pension plan, the Rockford Mass Transit District Retirement Plan (the Plan) provides retirement benefits to eligible employees of the District. The Plan is governed by the Rockford Mass Transit District (the District) Board of Trustees together with the employees covered under collective bargaining agreements. The Plan consists of three employee representation units within the District. They include; International Brotherhood of Electrical Workers (IBEW), Amalgamated Transit Union (ATU) and the Administrative Employees (Admin). These plans are combined to represent the Plan which is discussed below. The Plan issues a stand-alone financial report which may be obtained by contacting the District. The most recent plan year ended is June 30, 2024.

Plan Description

The Board of Trustees reserves the right to amend the Plan at any time and for any reason. However, the Plan's assets may not be used for any purpose other than providing benefits to participants, former participants and their beneficiaries and paying the reasonable expenses of administering the Plan. Also, unless required by law, no amendment shall deprive any participant, former participant or beneficiary of any benefit already vested, or decrease any participant's accrued retirement benefit.

A participant's normal retirement pension payable monthly at his/her normal retirement age, shall be equal to 3% of the highest five consecutive year average monthly salary multiplied by years of participation.

The District has established the Plan with the bona fide intention and expectation that it will be continued indefinitely. However, the District shall not be under any obligation to continue its contributions to the Plan, or to otherwise maintain the Plan, for any given length of time. The Board of Trustees together with the employees covered under collective bargaining units, in its sole and absolute discretion, may discontinue the District's contributions to the Plan or terminate the Plan, at any time and for any reason.

If the Plan is terminated, all benefits accrued to the date of the Plan's termination become 100% vested and nonforfeitable. The Plan is not subject to Employee Retirement Income Security Act (ERISA) or insured by the Pension Benefit Guarantee Corporation (PBGC).

In the event of the termination of the Plan, the Trust shall be continued until all accrued retirement benefits have been paid in accordance with the provisions of the Plan. After all liabilities of the Plan to participants, former participants and their beneficiaries have been satisfied, any residual assets remaining in the Trust shall be returned to the District.

Plan Membership

At June 30, 2024, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	128
Inactive, non-retired members	49
Active members	<u>79</u>
Total	<u><u>256</u></u>

Contributions

The current policy of the District is to use each actuarial valuation as the basis for determining employer contributions to the Plan during the fiscal year beginning in the year of the valuation year. The July 1, 2024 valuation is the basis for contributions in fiscal 2024. The plan does not permit employees to make contributions.

Employer contributions to the Plan are recognized on the accrual basis and are actuarially determined each year. For Plan fiscal year 2024, the required contribution was \$1,478,731 or 32.47% of the covered payroll per year. The District's actual contributions for Plan fiscal year 2024 was \$1,550,000.

Benefits Provided

Under the provision of the Plan, pension benefits vest after five years of full-time employment and exclude employee disability. Upon retiring at the normal retirement age of sixty-five prescribed in the Plan, an employee is entitled to receive a monthly benefit payment in the form of a life annuity. Benefits under the Plan are accumulated during each year of service and determined based on compensation level. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability for the Plan was determined by actuarial valuations performed as of June 30, 2024 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Fair Value
Actuarial assumptions	
Investment Rate of Return	6.50%
Salary increases	3.00%
Price inflation	3.00%

Mortality

Mortality rates were based on the PubG-2010 Mortality Table for Males or Females, as appropriate, as of June 30, 2024.

Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	One Year Arithmetic
Equity investments	54.50 %	- %
Domestic stocks		7.00-7.20 %
International stocks		7.80 %
Fixed income investments	45.50 %	
Cash, CDs, and money funds		2.90 %
Other investments		5.10-8.20 %

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 6.50%, the same as the prior valuation. 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rate and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) calculated using the discount rate of 6.50% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability/(asset)	\$ 7,010,078	\$ 3,298,222	\$ 123,550

Changes in Net Pension Liability/(Asset)

The changes in net pension liability/(asset) was for the calendar year ended June 30, 2024 were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/(Asset) (a) - (b)</u>
Balances at June 30, 2023	\$ 33,864,282	\$ 28,295,641	\$ 5,568,641
Service cost	603,278	-	603,278
Interest on total pension liability	2,146,166	-	2,146,166
Differences between expected and actual experience of the total pension liability	(102,170)	-	(102,170)
Benefit payments, including refunds of employee contributions	(1,692,672)	(1,692,672)	-
Contributions, employer	-	775,000	(775,000)
Capital appreciation	-	2,695,023	(2,695,023)
Net investment income	-	769,845	(769,845)
Administrative expense	-	(97,175)	97,175
Receivables	-	775,000	(775,000)
Balances at June 30, 2024	<u>\$ 34,818,884</u>	<u>\$ 31,520,662</u>	<u>\$ 3,298,222</u>

Plan fiduciary net position as a percentage of the total pension liability 90.53 %

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, pension expense was \$1,494,251 for the Plan. Deferred outflows and inflows of resources related to pension were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 194,220	\$ 272,739
Net difference between projected and actual earnings on pension plan investments	<u>27,318</u>	<u>-</u>
Total	<u>\$ 221,538</u>	<u>\$ 272,739</u>

The amounts reported as deferred outflows and inflows of resources related to pensions is \$(51,201). Amounts will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 41,664
2026	707,776
2027	(475,000)
2028	<u>(325,641)</u>
Total	<u>\$ (51,201)</u>

Other Postemployment Benefits

Plan Description

The District administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides health insurance contributions for eligible retirees and their spouse through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that select eligible retirees (hired before 1993) and their spouses receive lifetime healthcare insurance at established contribution rates. Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the District and the bargaining unit. The plan is closed to new entrants. The plan is funded on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a separate report.

Benefits Provided

The District provides healthcare insurance benefits for select eligible retirees and their spouse. The benefit terms provide for coverage for the retiree and their spouse until the retiree's death. The District makes the same monthly health insurance contribution on behalf of select retirees as it makes on behalf of all other active employees during the year. The District contributes 100% of the current year premiums for a family and a single plan, respectively, for select eligible retired plan members and their spouses.

Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	21
Active plan members	<u>2</u>
Total	<u><u>23</u></u>

Total OPEB Liability

The District's total OPEB liability of \$2,781,569 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.21%
Salary increases	3.00%
Healthcare cost trend rates	6.5% for 2018, decreasing to an ultimate rate of 5.0% for 2021 and later years
Retirees' share of benefit-related costs	All retirees must contribute their share of the monthly premium equal to that required stated in the applicable bargaining until contract

The discount rate was based on the S&P Municipal Bond 20 year high grade rate index..

Mortality rates were based on the PubG-2020 tables as of June 30, 2024.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at June 30, 2023	<u>\$ 2,871,504</u>
Changes for the year:	
Service cost	305
Interest	114,788
Differences between expected and actual experience	276
Changes in assumptions or other inputs	(19,847)
Benefit payments	<u>(185,457)</u>
Net changes	<u>(89,935)</u>
Balances at June 30, 2024	<u><u>\$ 2,781,569</u></u>

City of Rockford

Notes to Financial Statements
December 31, 2024

Changes of assumptions and other inputs reflect a change in the discount rate from 4.13% in 2023 to 4.21% in 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21%) or 1-percentage-point higher (5.21%) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 3,048,082	\$ 2,781,569	\$ 2,552,545

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 2,498,240	\$ 2,781,569	\$ 3,109,424

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

For the year ended June 30, 2024, the District recognized negative OPEB expense of \$(90,187). At June 30, 2024, the District did not report deferred outflows of resources and deferred inflows of resources.

Rockford Metropolitan Exposition, Auditorium and Office Building Authority

This report contains the Rockford Metropolitan Exposition, Auditorium and Office Building Authority (Authority), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

Basis of Accounting/Measurement Focus

The Authority follows the full accrual basis of accounting and the flow of economic resources measurement focus.

Deposits and Investments

	<u>Carrying Value</u>
Deposits	\$ 5,195,578
Petty cash	<u>10,785</u>
Total deposits and investments	<u><u>\$ 5,206,363</u></u>

City of Rockford

Notes to Financial Statements
December 31, 2024

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Authority's deposits may not be returned to the Authority.

Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,597,014	\$ -	\$ -	\$ 2,597,014
Construction in progress	<u>2,687,083</u>	<u>9,459,867</u>	<u>8,349,100</u>	<u>3,797,850</u>
Total capital assets not being depreciated	<u>5,284,097</u>	<u>9,459,867</u>	<u>8,349,100</u>	<u>6,394,864</u>
Capital assets being depreciated:				
Buildings and improvements	44,245,445	7,763,099	-	52,008,544
Right of use asset	1,545,889	-	-	1,545,889
Equipment	<u>11,574,220</u>	<u>1,222,309</u>	<u>-</u>	<u>12,796,529</u>
Total capital assets being depreciated	<u>57,365,554</u>	<u>8,985,408</u>	<u>-</u>	<u>66,350,962</u>
Total capital assets	<u>62,649,651</u>	<u>18,445,275</u>	<u>8,349,100</u>	<u>72,745,826</u>
Less accumulated depreciation for:				
Buildings and improvements	22,075,198	1,738,360	3,250	23,810,308
Right of use asset	566,826	51,530	-	618,356
Equipment	<u>8,189,777</u>	<u>563,352</u>	<u>-</u>	<u>8,753,129</u>
Total accumulated depreciation	<u>30,831,801</u>	<u>2,353,242</u>	<u>3,250</u>	<u>33,181,793</u>
Net capital assets being depreciated	<u>26,533,753</u>	<u>6,632,166</u>	<u>(3,250)</u>	<u>33,169,169</u>
Total capital assets, net	<u>\$ 31,817,850</u>	<u>\$ 16,092,033</u>	<u>\$ 8,345,850</u>	<u>\$ 39,564,033</u>

Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds and notes payable:					
Notes payable	\$ 2,074,399	\$ -	\$ 203,428	\$ 1,870,971	\$ 314,541
Leases payable	<u>138,763</u>	<u>-</u>	<u>138,763</u>	<u>-</u>	<u>-</u>
Total bonds and notes payable	<u>2,213,162</u>	<u>-</u>	<u>342,191</u>	<u>1,870,971</u>	<u>314,541</u>
Total long-term liabilities	<u>\$ 2,213,162</u>	<u>\$ -</u>	<u>\$ 342,191</u>	<u>\$ 1,870,971</u>	<u>\$ 314,541</u>

City of Rockford

Notes to Financial Statements
December 31, 2024

On December 23, 2009 the City funded a \$2 million loan to the Authority, the proceeds of which were used primarily to pay off a \$1,200,000 bank revolving line of credit. \$100,000 was retained by the City as a six-month advanced principal payment on the term debt and the remaining \$700,000 was used to pay vendor obligations. The term debt is structured with a 10-year amortization, whereby commencing in January 2010, the Metro Centre repays the City \$16,667 monthly principal and interest at LIBOR plus 1.2%. This agreement was restructured effective February 22, 2022 bringing the principal balance back to the original \$2,000,000 and a new maturity date of March 31, 2023. The current balance at June 30, 2024 was \$667,540. These monthly payments are currently holdbacks from the City's monthly support payments to the Authority.

In connection with a November 2011 intergovernmental agreement with the City of Rockford the Authority is responsible for reimbursing the City for the City's lease agreement with Siemens. The terms of the City's lease agreements require 12 annual lease payments with an interest rate of 3.66%. Principal repayments of \$109,616 were made during the current fiscal year paying off the loan by June 30, 2024.

In connection with a November 2011 intergovernmental agreement with the City of Rockford the Authority is responsible for reimbursing the City for the City's lease agreement with Siemens. The terms of the City's lease agreements require 12 annual lease payments with an interest rate of 3.66%. Principal repayments of \$29,146 were made during the current fiscal year paying off the loan by June 30, 2024.

Rockford Public Library

This report contains the Rockford Public Library (Library), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

Basis of Accounting/Measurement Focus

The Library follows the full accrual basis of accounting and the flow of economic resources measurement focus.

Deposits and Investments

	Carrying Value	Statement Balances
Deposits	\$ 16,235,449	\$ 16,235,449
Petty cash	2,601	-
Total deposits and investments	<u>\$ 16,238,050</u>	<u>\$ 16,235,449</u>

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Library's deposits may not be returned to the Library.

The Library does not have any deposits exposed to custodial credit risk.

See Note 1. for further information on deposit and investment policies.

City of Rockford

Notes to Financial Statements

December 31, 2024

Capital Assets

	Beginning Balance*	Additions	Deletions	Ending Balance
Land	\$ 906,320	\$ -	\$ -	\$ 906,320
Construction in progress	6,597,782	2,754,023	9,351,805	-
Buildings and improvements	6,597,186	45,678,461	432,877	51,842,770
Equipment	1,330,320	220,668	30,168	1,520,820
Land improvements	92,533	584,097	-	676,630
Subscription assets	152,025	661,584	122,916	690,693
Less accumulated depreciation / amortization	<u>(3,663,173)</u>	<u>(973,549)</u>	<u>(124,594)</u>	<u>(4,512,128)</u>
Total	<u>\$ 12,012,993</u>	<u>\$ 48,925,284</u>	<u>\$ 9,813,172</u>	<u>\$ 51,125,105</u>

* Beginning balances were restated to reflect the change in presentation of the Rockford Public Library as a discretely presented component unit.

Long-Term Obligations

	Beginning Balance*	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General obligation bonds	\$ 800,000	\$ -	\$ 200,000	\$ 600,000	\$ 205,000
Premium	38,660	-	9,665	28,995	-
Subscription liabilities	105,796	661,584	244,547	522,833	126,036
Compensated absences	297,112	102,408	59,422	340,098	68,020
Net pension liability, IMRF	<u>863,811</u>	<u>254,109</u>	<u>-</u>	<u>1,117,920</u>	<u>-</u>
Total	<u>\$ 2,105,379</u>	<u>\$ 1,018,101</u>	<u>\$ 513,634</u>	<u>\$ 2,609,846</u>	<u>\$ 399,056</u>

* Beginning balances were restated to reflect the change in presentation of the Rockford Public Library as a discretely presented component unit.

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
2025	\$ 205,000	\$ 19,488	\$ 224,488
2026	200,000	13,081	213,081
2027	<u>195,000</u>	<u>6,581</u>	<u>201,581</u>
Total	<u>\$ 600,000</u>	<u>\$ 39,150</u>	<u>\$ 639,150</u>

Subscription Liabilities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance June 30, 2024
Google / SirsiDynix	02/20/24	05/02/28	Various	\$ 661,584	<u>\$ 522,833</u>
Total subscription liabilities					<u>\$ 522,833</u>

City of Rockford

Notes to Financial Statements
December 31, 2024

Future minimum payments are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 126,036	\$ 12,715
2026	129,101	9,650
2027	132,241	6,510
2028	<u>135,455</u>	<u>3,294</u>
Total	<u>\$ 522,833</u>	<u>\$ 32,169</u>

4. Other Information

Employees' Retirement System

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 a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan and the Firefighters' Pension Plan do not issue separate reports on the pension plans. 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. This report is also available for download at www.imrf.org.

For the year ended December 31, 2024, the following balances are recognized in the government-wide financial statements:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
IMRF	\$ 11,771,420	\$ 9,648,204	\$ 68,111	\$ 11,251,305
Police Pension Plan	232,928,389	26,536,240	-	30,655,619
Firefighters' Pension Plan	<u>257,202,188</u>	<u>21,955,747</u>	<u>-</u>	<u>31,720,681</u>
Total	<u>\$501,901,997</u>	<u>\$ 58,140,191</u>	<u>\$ 68,111</u>	<u>\$ 73,627,605</u>

Illinois Municipal Retirement Fund

Plan Description

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of 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 (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3% for each year thereafter to a maximum of 75% of their final rate of earnings.

City of Rockford

Notes to Financial Statements
December 31, 2024

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of 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 the first 15 years of service credit, plus 2% for each year of service after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Under the employer number within IMRF, both the City and Library contribute to the regular plan. As a result, IMRF is considered to be an agent multiple-employer plan through which cost-sharing occurs between the City and Library.

Plan Membership

At December 31, 2024, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	757
Inactive, non-retired members	532
Active members	<u>557</u>
Total	<u><u>1,846</u></u>

Contributions

As set by statute, employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the City and Library to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The actuarially determined contribution rate for the calendar year ending December 31, 2024 was 5.98% of annual covered payroll for IMRF. The City and Library also contribute for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The total pension liability for IMRF was determined by actuarial valuations performed as of December 31, 2024 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Fair Value
Actuarial assumptions	
Investment Rate of Return	7.25%
Salary increases	2.85% to 13.75%, including inflation
Price inflation	2.25%

Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

Long-Term Expected Real Rate of Return

The long-term expected rate of return on pension plan investments was determined using an asset allocation study 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 asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	34.50 %	6.35 %	5.00 %
International equities	18.00	8.00	6.35
Fixed income	24.50	4.85	4.75
Real estate	10.50	6.30	6.00
Alternatives	11.50		
Private equity		12.35	8.65
Commodities		7.20	6.05
Cash equivalents	1.00	3.80	3.80

Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.25%, the same as the prior valuation. 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rate and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability/(asset), City	\$ 36,949,314	\$ 10,653,500	\$ (10,533,328)
Net pension liability/(asset), Library	<u>3,877,259</u>	<u>1,117,920</u>	<u>(1,105,310)</u>
Total	<u>\$ 40,826,573</u>	<u>\$ 11,771,420</u>	<u>\$ (11,638,638)</u>

City of Rockford

Notes to Financial Statements

December 31, 2024

Changes in Net Pension Liability/(Asset)

The changes in net pension liability/(asset) for the calendar year ended December 31, 2024 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at December 31, 2023	\$ 262,000,122	\$ 252,047,204	\$ 9,952,918
Service cost	3,302,074	-	3,302,074
Interest on total pension liability	18,518,820	-	18,518,820
Differences between expected and actual experience of the total pension liability	3,190,541	-	3,190,541
Benefit payments, including refunds of employee contributions	(16,438,322)	(16,438,322)	-
Contributions, employer	-	2,356,720	(2,356,720)
Contributions, employee	-	1,775,856	(1,775,856)
Net investment income	-	25,253,637	(25,253,637)
Other (net transfer)	-	(6,193,280)	6,193,280
Balances at December 31, 2024	<u>\$ 270,573,235</u>	<u>\$ 258,801,815</u>	<u>\$ 11,771,420</u>
Plan fiduciary net position as a percentage of the total pension liability			95.65 %
Balances at December 31, 2024			
City	\$ 247,020,137	\$ 236,366,637	\$ 10,653,500
Library	<u>23,553,098</u>	<u>22,435,178</u>	<u>1,117,920</u>
Total	<u>\$ 270,573,235</u>	<u>\$ 258,801,815</u>	<u>\$ 11,771,420</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, pension expense was \$11,251,305. Deferred outflows and inflows of resources related to pension were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,481,652	\$ -
Assumption changes	-	68,111
Net difference between projected and actual earnings on pension plan investments	<u>6,166,552</u>	<u>-</u>
Total	<u>\$ 9,648,204</u>	<u>\$ 68,111</u>
City	\$ 8,731,924	\$ 61,642
Library	<u>916,280</u>	<u>6,469</u>
Total	<u>\$ 9,648,204</u>	<u>\$ 68,111</u>

City of Rockford

Notes to Financial Statements

December 31, 2024

The amounts reported as deferred outflows and inflows of resources related to pensions is \$9,580,093. Amounts will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 5,229,800
2026	9,321,684
2027	(3,441,231)
2028	<u>(1,530,160)</u>
Total	<u>\$ 9,580,093</u>

Police Pension

Plan Description

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% 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 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership

At December 31, 2024, the Police Pension membership consisted of:

Retirees and beneficiaries	347
Inactive, non-retired members	55
Active members	<u>278</u>
Total	<u>680</u>

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending December 31, 2024 was 50.25% of annual covered payroll.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies

The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of December 31, 2024 using the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Actuarial assumptions	
Interest rate	7.10%
Inflation	2.50%
Projected salary increases	3.50%-11.00%
Cost-of-living adjustments	3.00%

Mortality rates for healthy members were based on the Pub-2010 Public Safety Mortality Table without adjustment, with generational improvement scale MP-2021 applied from 2010. Mortality rates for disabled members were based on the Pub-2010 Disabled Retiree Mortality Table with 108% adjustment for males, with generational improvement scale MP-2021 applied from 2010.

City of Rockford

Notes to Financial Statements
December 31, 2024

Discount Rate

The discount rate used to measure the total pension liability for the Police Pension Plan was 7.10%, the same as the prior valuation. 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 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 Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.10% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability	\$ 294,308,109	\$ 232,928,389	\$ 182,664,436

Changes in Net Pension Liability/(Asset)

The City's changes in net pension liability/(asset) for the year ended December 31, 2024 was as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/Asset (a) - (b)</u>
Balances at December 31, 2023	\$ 443,757,757	\$ 217,512,509	\$ 226,245,248
Service cost	5,365,223	-	5,365,223
Interest on total pension liability	30,983,822	-	30,983,822
Differences between expected and actual experience of the total pension liability	6,994,216	-	6,994,216
Benefit payments, including refunds of employee contributions	(25,462,228)	(25,462,228)	-
Contributions, employer	-	13,820,979	(13,820,979)
Contributions, employee	-	2,721,104	(2,721,104)
Net investment income	-	20,283,059	(20,283,059)
Administration	-	(165,022)	165,022
Balances at December 31, 2024	<u>\$ 461,638,790</u>	<u>\$ 228,710,401</u>	<u>\$ 232,928,389</u>
Plan fiduciary net position as a percentage of the total pension liability			49.54 %

City of Rockford

Notes to Financial Statements
December 31, 2024

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, the City recognized pension expense of \$30,655,619. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 21,330,309	\$ -
Assumption changes	1,649,341	-
Net difference between projected and actual earnings on pension plan investments	<u>3,556,590</u>	<u>-</u>
Total	<u>\$ 26,536,240</u>	<u>\$ -</u>

The amounts reported as deferred outflows and inflows of resources related to pensions is \$26,536,240 and will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 11,931,481
2026	14,043,178
2027	195,175
2028	<u>366,406</u>
Total	<u>\$ 26,536,240</u>

Firefighters' Pension

Plan Description

Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

City of Rockford

Notes to Financial Statements

December 31, 2024

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership

At December 31, 2024, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	335
Inactive, non-retired members	22
Active members	<u>283</u>
Total	<u><u>640</u></u>

Contributions

Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2024, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending December 31, 2024 was 59.14% of annual covered payroll.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies

The financial statements of the Firefighters' Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of December 31, 2024 using the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Actuarial assumptions	
Interest rate	7.10%
Inflation	2.25%
Projected salary increases	4.00%-12.50%
Cost-of-living adjustments	3.00%

Mortality rates for healthy members were based on the Pub-2010 Public Safety Mortality Table without adjustment, with generational improvement scale MP-2021 applied from 2010. Mortality rates for disabled members were based on the Pub-2010 Disabled Retiree Mortality Table with 117.8% adjustment for males, with generational improvement scale MP-2021 applied from 2010.

Discount Rate

The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 7.10%, the same as the prior valuation. 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 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 Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Rockford

Notes to Financial Statements
December 31, 2024

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.10% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability	\$ 315,434,327	\$ 257,202,188	\$ 209,443,348

Changes in Net Pension Liability/(Asset)

The City's changes in net pension liability/(asset) for the year ended December 31, 2024 was as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability/Asset (a) - (b)</u>
Balances at December 31, 2023	\$ 427,963,638	\$ 171,587,034	\$ 256,376,604
Service cost	6,113,016	-	6,113,016
Interest on total pension liability	29,954,228	-	29,954,228
Differences between expected and actual experience of the total pension liability	2,301,100	-	2,301,100
Benefit payments, including refunds of employee contributions	(24,372,235)	(24,372,235)	-
Contributions, employer	-	16,866,576	(16,866,576)
Contributions, employee	-	2,657,662	(2,657,662)
Contributions, other	-	5,180	(5,180)
Net investment income	-	18,209,684	(18,209,684)
Administration	-	(196,342)	196,342
Balances at December 31, 2024	<u>\$ 441,959,747</u>	<u>\$ 184,757,559</u>	<u>\$ 257,202,188</u>

Plan fiduciary net position as a percentage of
the total pension liability

41.80 %

City of Rockford

Notes to Financial Statements
December 31, 2024

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, the City recognized pension expense of \$31,720,681. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 14,388,300	\$ -
Assumption changes	4,691,706	-
Net difference between projected and actual earnings on pension plan investments	<u>2,875,741</u>	<u>-</u>
Total	<u>\$ 21,955,747</u>	<u>\$ -</u>

The amounts reported as deferred outflows and inflows of resources related to pensions is \$21,955,747 and will be recognized in pension expense as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2025	\$ 11,292,160
2026	11,008,525
2027	130,281
2028	(858,734)
2029	<u>383,515</u>
Total	<u>\$ 21,955,747</u>

City of Rockford

Notes to Financial Statements
December 31, 2024

Pension Segment Information

Fiduciary Net Position

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
Assets			
Cash and cash equivalents	\$ 94,206	\$ 125,433	\$ 219,639
Investments:			
Annuities	-	163,042	163,042
Illinois Police Officer's Pension Investment Fund	228,587,781	-	228,587,781
Illinois Firefighters' Pension Investment Fund	-	184,412,530	184,412,530
Receivables:			
Accounts	4,631	24,759	29,390
Due from primary government	<u>27,967</u>	<u>33,478</u>	<u>61,445</u>
Total assets	<u>228,714,585</u>	<u>184,759,242</u>	<u>413,473,827</u>
Liabilities			
Accounts payable and other accrued liabilities	<u>4,184</u>	<u>1,683</u>	<u>5,867</u>
Total liabilities	<u>4,184</u>	<u>1,683</u>	<u>5,867</u>
Net Position			
Restricted for pensions	<u>228,710,401</u>	<u>184,757,559</u>	<u>413,467,960</u>
Total net position	<u>\$ 228,710,401</u>	<u>\$ 184,757,559</u>	<u>\$ 413,467,960</u>

City of Rockford

Notes to Financial Statements

December 31, 2024

Changes in Plan Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	\$ 13,820,979	\$ 16,866,576	\$ 30,687,555
Plan members	2,721,104	2,657,662	5,378,766
Other	-	5,180	5,180
Total contributions	<u>16,542,083</u>	<u>19,529,418</u>	<u>36,071,501</u>
Investment income:			
Net appreciation in fair value of investments	20,339,132	18,373,238	38,712,370
Investment earnings	<u>68,547</u>	<u>56,128</u>	<u>124,675</u>
Total investment income	20,407,679	18,429,366	38,837,045
Less investment expense	<u>(124,620)</u>	<u>(219,682)</u>	<u>(344,302)</u>
Net investment income	<u>20,283,059</u>	<u>18,209,684</u>	<u>38,492,743</u>
Total additions	<u>36,825,142</u>	<u>37,739,102</u>	<u>74,564,244</u>
Deductions			
Pension benefits	25,298,573	24,231,664	49,530,237
Refunds of contributions	163,655	140,571	304,226
Administration	<u>165,022</u>	<u>196,342</u>	<u>361,364</u>
Total deductions	<u>25,627,250</u>	<u>24,568,577</u>	<u>50,195,827</u>
Change in net position	11,197,892	13,170,525	24,368,417
Net Position, Beginning (as restated)	<u>217,512,509</u>	<u>171,587,034</u>	<u>389,099,543</u>
Net Position, Ending	<u>\$ 228,710,401</u>	<u>\$ 184,757,559</u>	<u>\$ 413,467,960</u>

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City purchases commercial insurance to provide coverage for losses from catastrophic losses to buildings. However, other risks, such as (torts; theft of, damage to or destruction of assets; errors and omission; workers compensation; and health care of its employees) are accounted for and financed by the City in the Risk Management Internal Service Fund.

Self Insurance

For claims, the uninsured risk of loss is \$0 per incident and \$0 in the aggregate for a policy year. The City has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The estimate of the claims liability is recorded in the Risk Management Internal Service Fund. The estimate of the claims liability also includes amounts, if any, for incremental claims adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

Health Care Coverage

The City is self-insured for its group health and dental insurance coverage. During 2011 the lifetime maximum was eliminated; excess coverage has been purchased to cover losses in excess of the \$225,000 annual retention per participant. The plan is administered by a third-party administrator. As the claim cycle has various stages, there may be situations where loss contingencies have occurred before the balance sheet date, but the claims have not been asserted. These potential unasserted claims and existing claims, if the amounts can be reasonably estimated and it is probable that the claims will be asserted, have been recorded as a liability of the Health Insurance Internal Service Fund. This liability is the City's best estimate based on available information.

Premiums are charged to each department based on the number of single, single plus one, and family contracts in the respective departments. Expenses for medical claims, stop-loss insurance and administrative fees are recorded in the Health Insurance Internal Service Fund. The stop-loss insurance coverage is consistent with the prior year and the amounts of claim settlements during the past three years have not exceeded this coverage.

Workmens' Compensation

The City is self-insured for its workmen's compensation coverage up to \$750,000 per occurrence with excess coverage in place for claims above that amount. The City utilizes a third-party administrator to administer the plan.

The insurance coverage is consistent with the prior year and the amounts of settlements during the past three years have not exceeded this coverage.

The revenue and expenses relating to workmens' compensation are recorded in the Workmens' Compensation Internal Service Fund. The charges to the individual funds are based on the wages and job classifications of the employees in the respective funds. The Workmens' Compensation Internal Service Fund records expenses for claims, stop-loss insurance coverage and administrative fees.

A liability for a claim has been recorded in the Workmens' Compensation Internal Service Fund if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. This liability is the City's best estimate based on available information.

City of Rockford

Notes to Financial Statements
December 31, 2024

Claims Liability

	Claims and Judgments	Health Care Coverage	Workmens' Compensation	Total
Unpaid Claims, December 31, 2022	\$ 6,851,354	\$ 2,374,240	\$ 5,114,425	\$ 14,340,019
Current year claims and changes in estimates	543,856	23,961,724	2,094,568	26,600,148
Claim payments	<u>(47,500)</u>	<u>(24,227,173)</u>	<u>(2,581,560)</u>	<u>(26,856,233)</u>
Unpaid Claims, December 31, 2023	7,347,710	2,108,791	4,627,433	14,083,934
Current year claims and changes in estimates	11,213,119	23,168,411	597,492	34,979,022
Claim payments	<u>(1,783,500)</u>	<u>(20,775,214)</u>	<u>(1,707,075)</u>	<u>(24,265,789)</u>
Unpaid Claims, December 31, 2024	<u>\$ 16,777,329</u>	<u>\$ 4,501,988</u>	<u>\$ 3,517,850</u>	<u>\$ 24,797,167</u>

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City has active construction projects as of December 31, 2024. The projects include street resurfacing, widening and construction of existing streets and bridges, drainage projects, sidewalks, and water system improvements. Total construction commitments outstanding total \$47,137,584.

Grantor Agencies

Federal and state grants-in-aid received by the City are subject to audit and adjustment by grantor agencies. If grant revenues are received for expenditures which are subsequently disallowed, the City may be required to repay the revenues. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, will not be material.

Industrial Development Revenue Bonds

The City issued and has an estimated \$34,888,000 in outstanding industrial development revenue bonds. Proceeds from these issues were used to finance in whole or in part the cost of the acquisition or improvement of economic development projects. Debt service on these issues is paid solely from the revenue and receipts derived from the economic development projects. The bonds are not a liability nor is the resulting property an asset of the City and accordingly, neither are reflected in the City's financial statements.

Other Postemployment Benefits**General Information about the OPEB Plan****Plan Description**

The City's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Board. The plan is funded on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a separate report.

Benefits Provided

RBP provides retirees and their dependents coverage under the City's group program by contributing the monthly premium. The retirees and their dependents may participate in any of the plans available to active employees. The City pays the difference between the actuarial cost of the health coverage for retirees and the premium for the level and type of coverage.

Employees Covered by Benefit Terms

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	207
Active plan members	<u>989</u>
Total	<u><u>1,196</u></u>

Total OPEB Liability

The total OPEB liability of \$38,663,532 was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.08%
Inflation	3.50%
Salary increases	3.50%
Healthcare cost trend rates	6.25% for 2024, decreasing to an ultimate rate of 4.50% for 2032 and later years.
Healthcare participation rate	50% of employees currently enrolled in medical plans were assumed to participate in the retiree plan.
Retirees' share of benefit-related costs	Retirees contribute 100% of the average employer group cost. The City contributes 100% of the cost of coverage for three years for non-PSEBA disabled retirees. The City contributes 100% of the cost of coverage for life for PSEBA disabled retirees.

The discount rate was based on the expected rate of return associated with funded benefits, and for unfunded benefits, the 20-year municipal bond rates.

Mortality rates were based on the PubS base rates projected generationally by scale MP2021 for Police and Fire. For all others the PubG rates projected generationally by scale MP2021 was used.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study performed by independent actuaries.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2023	<u>\$ 41,926,213</u>
Changes for the year:	
Service cost	1,840,905
Interest	1,552,716
Differences between expected and actual experience	(6,594,932)
Changes in assumptions or other inputs	1,418,851
Benefit payments	<u>(1,480,221)</u>
Net changes	<u>(3,262,681)</u>
Balances at December 31, 2024	<u><u>\$ 38,663,532</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.77% to 4.08%.

City of Rockford

Notes to Financial Statements
December 31, 2024

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 43,967,689	\$ 38,663,532	\$ 34,302,165

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 33,121,385	\$ 38,663,532	\$ 45,762,705

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

For the year ended December 31, 2024, the City recognized negative OPEB expense of \$3,247,505. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 695,914	\$ 6,719,238
Changes of assumptions or other inputs	<u>8,167,274</u>	<u>5,292,952</u>
Total	<u>\$ 8,863,188</u>	<u>\$ 12,012,190</u>

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

<u>Years Ending December 31:</u>	<u>Amount</u>
2025	\$ (146,116)
2026	(146,116)
2027	(83,762)
2028	284,156
2029	(138,299)
Thereafter	<u>(2,918,865)</u>
Total	<u>\$ (3,149,002)</u>

Subsequent Events

On June 10, 2025 the City issued general obligation bonds in the amount of \$12,920,000 with an interest rate of 5.00%. This amount will be used to fund settlements of legal actions brought against the City and to pay the costs of issuance of the Bonds.

Tax Abatement

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City has pledged a portion of future sales tax revenues to a local retailer. In order to increase its competitiveness in the marketplace by establishing a single-order acceptance point for all credit sales, the local retailer entered into a municipal sales tax incentive agreement with the City, where the City will pay the retailer, a portion of the municipal component of the sales tax revenue generated by the retailer as provided in the agreement. The agreement commenced August 2002 and was extended through 2028.

The terms of the agreement indicate that beginning in August 2002 the City shall rebate to the retailer on a monthly basis the Municipal Sales Tax resulting from taxable sales with order-acceptance at the Property and received by the City.

The total municipal sales tax revenue reported by the City for the year ended December 31, 2024, amounted to \$33,293,411, of which \$235,433 (or 0.7%) was recorded as an expenditure during the year.

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

When they become effective, application of these standards may restate portions of these financial statements.

Required Supplementary Information

City of Rockford

Illinois Municipal Retirement Fund

Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios

Last Ten Fiscal Years

	2015	2016	2017	2018
Total Pension Liability				
Service cost	\$ 3,219,833	\$ 3,174,348	\$ 3,156,094	\$ 2,920,647
Interest changes of benefit terms	14,993,283	15,433,301	16,020,465	15,928,242
Differences between expected and actual experience	(1,030,302)	826,985	(1,521,059)	1,368,692
Changes of assumptions	242,384	(499,056)	(6,474,438)	6,008,711
Benefit payments, including refunds of member contributions	(11,047,294)	(11,457,195)	(11,838,414)	(12,747,539)
Net change in total pension liability	6,377,904	7,478,383	(657,352)	13,478,753
Total Pension Liability, Beginning	<u>204,091,075</u>	<u>210,468,979</u>	<u>217,947,362</u>	<u>217,290,010</u>
Total Pension Liability, Ending	<u>\$ 210,468,979</u>	<u>\$ 217,947,362</u>	<u>\$ 217,290,010</u>	<u>\$ 230,768,763</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 3,746,033	\$ 3,969,309	\$ 3,635,202	\$ 3,810,902
Employee contributions	1,382,903	1,396,190	1,419,910	1,376,714
Net investment income	929,356	12,691,177	34,399,841	(12,298,436)
Benefit payments, including refunds of member contributions	(11,047,294)	(11,457,195)	(11,838,414)	(12,747,539)
Other (net transfer)	1,591,614	(146,028)	(4,831,501)	3,045,662
Net change in plan fiduciary net position	(3,397,388)	6,453,453	22,785,038	(16,812,697)
Plan Fiduciary Net Position, Beginning	<u>188,830,302</u>	<u>185,432,914</u>	<u>191,886,367</u>	<u>214,671,405</u>
Plan Fiduciary Net Position, Ending	<u>\$ 185,432,914</u>	<u>\$ 191,886,367</u>	<u>\$ 214,671,405</u>	<u>\$ 197,858,708</u>
Net Pension Liability (Asset), Ending	<u>\$ 25,036,065</u>	<u>\$ 26,060,995</u>	<u>\$ 2,618,605</u>	<u>\$ 32,910,055</u>
Net Pension Liability (Asset), City				
Net Pension Liability (Asset), Library				
Net Pension Liability (Asset), Ending				
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.10%	88.04%	98.79%	85.74%
Covered Payroll	\$ 29,489,579	\$ 30,338,661	\$ 30,222,052	\$ 30,560,023
Net Pension Liability (Asset) as a Percentage of Covered Payroll	84.90%	85.90%	8.66%	107.69%

Notes to Schedule:

As of December 31, 2023, the City began reporting the Library as a discretely presented component unit. Allocations between City and Library prior to 2023 are not available.

2019	2020	2021	2022	2023	2024
\$ 3,020,019 16,357,321	\$ 3,118,535 16,643,500	\$ 3,021,453 17,063,557	\$ 2,868,330 17,471,484	\$ 3,025,741 17,957,417	\$ 3,302,074 18,518,820
(1,868,436) -	2,134,526 (1,673,306)	960,346 -	2,348,465 -	3,173,367 (179,283)	3,190,541 -
(13,321,103)	(13,900,635)	(14,860,996)	(15,823,437)	(16,305,506)	(16,438,322)
4,187,801	6,322,620	6,184,360	6,864,842	7,671,736	8,573,113
230,768,763	234,956,564	241,279,184	247,463,544	254,328,386	262,000,122
<u>\$ 234,956,564</u>	<u>\$ 241,279,184</u>	<u>\$ 247,463,544</u>	<u>\$ 254,328,386</u>	<u>\$ 262,000,122</u>	<u>\$ 270,573,235</u>
\$ 2,964,481 1,396,213 37,883,412	\$ 4,137,899 1,478,857 32,507,545	\$ 3,473,560 1,527,173 42,562,016	\$ 3,047,476 1,471,944 (37,418,144)	\$ 2,087,225 1,650,607 26,217,200	\$ 2,356,720 1,775,856 25,253,637
(13,321,103) (1,512,907)	(13,900,635) (635,395)	(14,860,996) 608,749	(15,823,437) 361,829	(16,305,506) 4,590,433	(16,438,322) (6,193,280)
27,410,096	23,588,271	33,310,502	(48,360,332)	18,239,959	6,754,611
197,858,708	225,268,804	248,857,075	282,167,577	233,807,245	252,047,204
<u>\$ 225,268,804</u>	<u>\$ 248,857,075</u>	<u>\$ 282,167,577</u>	<u>\$ 233,807,245</u>	<u>\$ 252,047,204</u>	<u>\$ 258,801,815</u>
<u>\$ 9,687,760</u>	<u>\$ (7,577,891)</u>	<u>\$ (34,704,033)</u>	<u>\$ 20,521,141</u>	<u>\$ 9,952,918</u>	<u>\$ 11,771,420</u>
				\$ 9,089,107 863,811	\$ 10,653,500 1,117,920
				<u>\$ 9,952,918</u>	<u>\$ 11,771,420</u>
95.88%	103.14%	114.02%	91.93%	96.20%	95.65%
\$ 30,905,029	\$ 32,396,585	\$ 31,178,305	\$ 32,198,399	\$ 36,252,410	\$ 39,410,041
31.35%	-23.39%	-111.31%	63.73%	27.45%	29.87%

See notes to required supplementary information

City of Rockford

Illinois Municipal Retirement Fund Schedule of Employer Contributions Last Ten Fiscal Years

	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 3,697,993	\$ 3,840,487	\$ 3,539,002	\$ 3,688,595	\$ 2,883,439
Contributions in relation to the actuarially determined contribution	3,746,033	3,969,309	3,635,202	3,810,902	2,964,481
Contribution deficiency (excess)	<u>\$ (48,040)</u>	<u>\$ (128,822)</u>	<u>\$ (96,200)</u>	<u>\$ (122,307)</u>	<u>\$ (81,042)</u>
Covered payroll	\$ 29,489,579	\$ 30,338,661	\$ 30,222,052	\$ 30,560,023	\$ 30,905,029
Contributions as a percentage of covered payroll	12.70%	13.08%	12.03%	12.47%	9.59%
	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 3,903,788	\$ 3,426,496	\$ 2,833,459	\$ 2,044,636	\$ 2,356,720
Contributions in relation to the actuarially determined contribution	4,137,899	3,473,560	3,047,476	2,087,225	2,356,720
Contribution deficiency (excess)	<u>\$ (234,111)</u>	<u>\$ (47,064)</u>	<u>\$ (214,017)</u>	<u>\$ (42,589)</u>	<u>\$ -</u>
Covered payroll	\$ 32,396,585	\$ 31,178,305	\$ 32,198,399	\$ 36,252,410	\$ 39,410,041
Contributions as a percentage of covered payroll	12.77%	11.14%	9.46%	5.76%	5.98%

Notes to Schedule:

Valuation date: Actuarially determined contributions are calculated as of December 31 of the prior fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregated Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	5-year smoothed market, 20% corridor
Inflation	2.25%
Salary increases	2.75% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 adjusted and with future mortality improvements projected using scale MP-2020

See notes to required supplementary information

City of Rockford

Police Pension Plan
Schedule of Changes in the City's Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	2015	2016	2017	2018
Total Pension Liability				
Service cost	\$ 4,421,464	\$ 4,874,986	\$ 4,343,412	\$ 4,259,758
Interest changes of benefit terms	20,815,822	21,732,057	22,952,822	23,831,989
Differences between expected and actual experience	(630,791)	(1,904,875)	207,706	3,430,970
Changes of assumptions	1,856,861	(20,902,340)	1,632,402	6,434,028
Change of benefit terms	-	-	-	-
Benefit payments, including refunds of member contributions	(15,371,972)	(15,940,422)	(16,760,381)	(17,777,105)
Net change in total pension liability	11,091,384	(12,140,594)	12,375,961	20,179,640
Total Pension Liability, Beginning	311,123,626	322,215,010	310,074,416	322,450,377
Total Pension Liability, Ending	<u>\$ 322,215,010</u>	<u>\$ 310,074,416</u>	<u>\$ 322,450,377</u>	<u>\$ 342,630,017</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 6,252,516	\$ 7,838,429	\$ 8,038,300	\$ 8,208,018
Employee contributions	2,130,613	2,315,398	2,427,659	3,349,195
Net investment income	1,422,144	13,597,337	25,069,628	(7,851,247)
Benefit payments, including refunds of member contributions	(15,371,972)	(15,940,422)	(16,760,381)	(17,777,105)
Administration	(219,554)	(271,503)	(274,514)	(175,208)
Net change in plan fiduciary net position	(5,786,253)	7,539,239	18,500,692	(14,246,347)
Plan Fiduciary Net Position, Beginning	182,974,009	177,187,756	184,726,995	203,227,687
Plan Fiduciary Net Position, Ending	<u>\$ 177,187,756</u>	<u>\$ 184,726,995</u>	<u>\$ 203,227,687</u>	<u>\$ 188,981,340</u>
City's Net Pension Liability, Ending	<u>\$ 145,027,254</u>	<u>\$ 125,347,421</u>	<u>\$ 119,222,690</u>	<u>\$ 153,648,677</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.99%	59.58%	63.03%	55.16%
Covered Payroll	\$ 21,197,433	\$ 22,777,944	\$ 22,382,387	\$ 23,368,603
City's Net Pension Liability as a Percentage of Covered Payroll	684.17%	550.30%	532.66%	657.50%

See notes to required supplementary information

2019	2020	2021	2022	2023	2024
\$ 4,463,004 24,997,295	\$ 4,804,563 25,529,710	\$ 4,830,016 26,084,364	\$ 4,685,594 27,945,175	\$ 4,911,016 29,502,768	\$ 5,365,223 30,983,822
(1,741,022) 2,376,853 -	925,221 7,177,394 103,606	12,737,708 4,948,021 -	12,597,316 - -	10,750,175 - -	6,994,216 - -
(18,717,873)	(20,080,650)	(21,517,296)	(22,976,880)	(24,054,266)	(25,462,228)
11,378,257	18,459,844	27,082,813	22,251,205	21,109,693	17,881,033
342,630,017	354,957,808	373,314,046	400,396,859	422,648,064	443,757,757
<u>\$ 354,008,274</u>	<u>\$ 373,417,652</u>	<u>\$ 400,396,859</u>	<u>\$ 422,648,064</u>	<u>\$ 443,757,757</u>	<u>\$ 461,638,790</u>
\$ 9,104,210 2,449,268 30,491,977	\$ 10,010,063 2,549,019 23,045,191	\$ 10,209,802 2,654,847 26,393,095	\$ 11,237,176 2,473,583 (24,846,860)	\$ 13,806,069 2,945,122 26,296,403	\$ 13,820,979 2,721,104 20,283,059
(18,717,873) (187,753)	(20,080,650) (206,027)	(21,517,296) (179,352)	(22,976,880) (230,490)	(24,054,266) (188,057)	(25,462,228) (165,022)
23,139,829	15,317,596	17,561,096	(34,343,471)	18,805,271	11,197,892
188,981,340	212,121,169	227,438,765	244,999,861	210,656,390	217,512,509
<u>\$ 212,121,169</u>	<u>\$ 227,438,765</u>	<u>\$ 244,999,861</u>	<u>\$ 210,656,390</u>	<u>\$ 229,461,661</u>	<u>\$ 228,710,401</u>
<u>\$ 141,887,105</u>	<u>\$ 145,978,887</u>	<u>\$ 155,396,998</u>	<u>\$ 211,991,674</u>	<u>\$ 214,296,096</u>	<u>\$ 232,928,389</u>
59.92%	60.91%	61.19%	49.84%	51.71%	49.54%
\$ 23,515,133	\$ 22,577,392	\$ 23,367,793	\$ 24,192,272	\$ 26,698,496	\$ 27,503,202
603.39%	646.57%	665.01%	876.28%	802.65%	846.91%

See notes to required supplementary information

City of Rockford

Police Pension Plan Schedule of Employer Contributions Last Ten Fiscal Years

	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 6,069,076	\$ 7,815,910	\$ 8,190,838	\$ 7,970,750	\$ 8,207,238
Contributions in relation to the actuarially determined contribution	6,252,516	7,838,429	8,038,300	8,208,018	9,104,210
Contribution deficiency (excess)	<u>\$ (183,440)</u>	<u>\$ (22,519)</u>	<u>\$ 152,538</u>	<u>\$ (237,268)</u>	<u>\$ (896,972)</u>
Covered payroll	\$ 21,197,433	\$ 22,777,944	\$ 22,382,387	\$ 23,368,603	\$ 23,515,133
Contributions as a percentage of covered payroll	29.50%	34.41%	35.91%	35.12%	38.72%
	2020	2021	2021	2023	2024
Actuarially determined contribution	\$9,179,555	\$9,940,383	\$10,514,568	\$11,989,318	\$13,909,763
Contributions in relation to the actuarially determined contribution	10,010,063	10,209,802	11,237,176	13,806,069	13,820,979
Contribution deficiency (excess)	<u>\$ (830,508)</u>	<u>\$ (269,419)</u>	<u>\$ (722,608)</u>	<u>\$ (1,816,751)</u>	<u>\$ 88,784</u>
Covered payroll	\$ 22,577,392	\$ 23,367,793	\$ 24,192,272	\$ 26,698,496	\$ 27,503,202
Contributions as a percentage of covered payroll	44.34%	43.69%	46.45%	51.71%	50.25%

Valuation date: Actuarially determined contributions are calculated as of December 31 of the prior fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal
Amortization method	Level percentage of payroll
Remaining amortization period	16 years
Asset valuation method	5-year smoothed fair value
Inflation	2.50%
Salary increases	3.50% - 11.00%
Investment rate of return	7.10%
Retirement age	Capped at age 65
Mortality	Mortality rates were based on the Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data

City of Rockford

**Police Pension Plan
Schedule of Investment Returns
Last Ten Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	0.84%	8.06%	14.38%	(3.85)%	17.78%
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Annual money-weighted rate of return, net of investment expense	11.07%	12.40%	(10.35)%	13.66%	9.52%

See notes to required supplementary information

City of Rockford

Firefighters' Pension Plan Schedule of Changes in the City's Net Pension Liability and Related Ratios Last Ten Fiscal Years

	2015	2016	2017	2018
Total Pension Liability				
Service cost	\$ 5,365,942	\$ 5,783,109	\$ 4,997,293	\$ 4,889,438
Interest changes of benefit terms	19,838,705	20,753,529	22,260,185	22,926,489
Differences between expected and actual experience	(598,236)	1,761,931	1,278,476	1,471,333
Changes of assumptions	1,695,621	(20,164,146)	(1,368,907)	11,767,002
Change of benefit terms	-	-	-	-
Benefit payments, including refunds of member contributions	(16,135,612)	(16,712,080)	(17,482,902)	(18,779,108)
Net change in total pension liability	10,166,420	(8,577,657)	9,684,145	22,275,154
Total Pension Liability, Beginning	298,957,904	309,124,324	300,546,667	310,230,812
Total Pension Liability, Ending	<u>\$ 309,124,324</u>	<u>\$ 300,546,667</u>	<u>\$ 310,230,812</u>	<u>\$ 332,505,966</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 7,345,613	\$ 8,577,454	\$ 8,561,471	\$ 10,257,695
Employee contributions	1,942,979	2,096,334	2,162,650	2,176,890
Net investment income	123,012	12,215,483	18,405,503	(6,618,670)
Benefit payments, including refunds of member contributions	(16,135,612)	(16,712,080)	(17,482,902)	(18,779,108)
Other	-	-	-	-
Administration	(191,306)	(272,587)	(236,826)	(151,916)
Net change in plan fiduciary net position	(6,915,314)	5,904,604	11,409,896	(13,115,109)
Plan Fiduciary Net Position, Beginning	160,653,513	153,738,199	159,642,803	171,052,699
Plan Fiduciary Net Position, Ending	<u>\$ 153,738,199</u>	<u>\$ 159,642,803</u>	<u>\$ 171,052,699</u>	<u>\$ 157,937,590</u>
City's Net Pension Liability, Ending	<u>\$ 155,386,125</u>	<u>\$ 140,903,864</u>	<u>\$ 139,178,113</u>	<u>\$ 174,568,376</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	49.73%	53.12%	55.14%	47.50%
Covered Payroll	\$ 20,783,575	\$ 21,896,671	\$ 22,985,956	\$ 22,375,057
City's Net Pension Liability as a Percentage of Covered Payroll	747.64%	643.49%	605.49%	780.19%

See notes to required supplementary information

2019	2020	2021	2022	2023	2024
\$ 5,048,714	\$ 5,261,438	\$ 5,541,588	\$ 5,190,135	\$ 5,734,650	\$ 6,113,016
24,256,778	24,650,601	25,449,065	27,189,594	28,601,751	29,954,228
808,694					
(3,272,409)	5,135,020	5,145,797	9,964,910	8,195,269	2,301,100
2,981,623	6,497,476	10,826,387	-	-	-
-	-	-	-	-	-
(19,616,944)	(20,588,820)	(21,544,411)	(22,649,331)	(23,349,903)	(24,372,235)
10,206,456	20,955,715	25,418,426	19,695,308	19,181,767	13,996,109
332,505,966	342,712,422	363,668,137	389,086,563	408,781,871	427,963,638
<u>\$ 342,712,422</u>	<u>\$ 363,668,137</u>	<u>\$ 389,086,563</u>	<u>\$ 408,781,871</u>	<u>\$ 427,963,638</u>	<u>\$ 441,959,747</u>
\$ 10,691,468	\$ 11,769,098	\$ 12,539,373	\$ 13,840,583	\$ 16,854,445	\$ 16,866,576
2,294,613	2,388,206	2,329,336	2,318,328	2,617,507	2,657,662
23,234,248	18,115,310	21,230,370	(27,098,799)	23,232,675	18,209,684
(19,616,944)	(20,588,820)	(21,544,411)	(22,649,331)	(23,349,903)	(24,372,235)
-	-	-	283	-	5,180
(159,230)	(178,802)	(173,208)	(178,993)	(147,296)	(196,342)
16,444,155	11,504,992	14,381,460	(33,767,929)	19,207,428	13,170,525
157,937,590	174,381,745	185,886,737	200,268,197	166,500,268	171,587,034
<u>\$ 174,381,745</u>	<u>\$ 185,886,737</u>	<u>\$ 200,268,197</u>	<u>\$ 166,500,268</u>	<u>\$ 185,707,696</u>	<u>\$ 184,757,559</u>
<u>\$ 168,330,677</u>	<u>\$ 177,781,400</u>	<u>\$ 188,818,366</u>	<u>\$ 242,281,603</u>	<u>\$ 242,255,942</u>	<u>\$ 257,202,188</u>
50.88%	51.11%	51.47%	40.73%	43.39%	41.80%
\$ 22,228,652	\$ 22,512,561	\$ 22,611,861	\$ 24,647,025	\$ 26,466,044	\$ 28,520,747
757.27%	789.70%	835.04%	983.01%	915.35%	901.81%

See notes to required supplementary information

City of Rockford

Firefighters' Pension Plan Schedule of Employer Contributions Last Ten Fiscal Years

	2015	2016	2017	2018	2019
Actuarially determined contribution	\$7,229,015	\$8,552,472	\$8,843,594	\$9,332,995	\$9,480,024
Contributions in relation to the actuarially determined contribution	7,345,613	8,577,454	8,561,472	10,257,695	10,691,468
Contribution deficiency (excess)	<u>\$ (116,598)</u>	<u>\$ (24,982)</u>	<u>\$ 282,122</u>	<u>\$ (924,700)</u>	<u>\$ (1,211,444)</u>
Covered payroll	\$ 20,783,575	\$ 21,896,671	\$ 22,985,956	\$ 23,375,057	\$ 22,228,652
Contributions as a percentage of covered payroll	35.34%	39.17%	37.25%	43.88%	48.10%
	2020	2021	2022	2023	2024
Actuarially determined contribution	\$10,696,770	\$11,738,231	\$12,914,516	\$14,746,535	\$16,975,532
Contributions in relation to the actuarially determined contribution	11,769,098	12,539,373	13,840,583	16,854,445	16,866,576
Contribution deficiency (excess)	<u>\$ (1,072,328)</u>	<u>\$ (801,142)</u>	<u>\$ (926,067)</u>	<u>\$ (2,107,910)</u>	<u>\$ 108,956</u>
Covered payroll	\$22,512,561	\$22,611,861	\$24,647,025	\$26,466,044	\$ 28,520,747
Contributions as a percentage of covered payroll	52.28%	55.45%	56.16%	63.68%	59.14%

Valuation date: Actuarially determined contributions are calculated as of December 31 of the prior fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-Age Normal
Amortization method	Level percentage of payroll
Remaining amortization period	16 years
Asset valuation method	5-year smoothed fair value
Inflation	2.25%
Salary increases	4.00% - 12.50%
Investment rate of return	7.10%
Retirement age	Capped at age 65
Mortality	Mortality rates were based on the Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data

City of Rockford

**Firefighters' Pension Plan
Schedule of Investment Returns
Last Ten Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	0.08%	8.47%	12.35%	4.05%	16.24%
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Annual money-weighted rate of return, net of investment expense	10.59%	12.42%	-13.78%	15.43%	10.78%

See notes to required supplementary information

City of Rockford

Other Postemployment Benefit Plan
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Last Seven Fiscal Years

	2018	2019	2020	2021
Total OPEB Liability				
Service cost	\$ 1,244,497	\$ 1,024,021	\$ 1,390,419	\$ 2,508,952
Interest	1,028,062	1,069,096	866,410	785,829
Changes in benefit terms	-	-	(508,006)	-
Differences between expected and actual experience	(2,450,926)	-	1,279,082	-
Changes of assumptions	(2,403,030)	4,776,781	6,036,694	839,744
Benefit payments, including refunds of member contributions	(1,181,347)	(1,275,855)	(1,373,366)	(1,414,567)
Net change in total OPEB liability	(3,762,744)	5,594,043	7,691,233	2,719,958
Total OPEB Liability, Beginning	<u>30,476,185</u>	<u>26,713,441</u>	<u>32,307,484</u>	<u>39,998,717</u>
Total OPEB Liability, Ending	<u>\$ 26,713,441</u>	<u>\$ 32,307,484</u>	<u>\$ 39,998,717</u>	<u>\$ 42,718,675</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered Payroll	\$ 60,303,027	\$ 62,413,633	\$ 66,988,169	\$ 69,332,755
City's Net OPEB Liability as a Percentage of Covered Payroll	44.30%	51.76%	59.71%	61.61%

Notes To Schedule:

The City implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

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

Changes of Assumptions - Changes of assumptions related to the discounts rate are reflected in 2018 through 2024.

2022	2023	2024
\$ 2,734,807	\$ 1,760,749	\$ 1,840,905
772,131	1,531,151	1,552,716
-	-	-
7,449	-	(6,594,932)
(6,270,064)	1,474,886	1,418,851
<u>(1,510,050)</u>	<u>(1,293,521)</u>	<u>(1,480,221)</u>
(4,265,727)	3,473,265	(3,262,681)
<u>42,718,675</u>	<u>38,452,948</u>	<u>41,926,213</u>
<u><u>\$ 38,452,948</u></u>	<u><u>\$ 41,926,213</u></u>	<u><u>\$ 38,663,532</u></u>

0.00%	0.00%	0.00%
\$ 69,261,971	\$ 71,686,140	\$ 79,671,102
55.52%	58.49%	48.53%

City of Rockford

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 99,893,658	\$ 99,893,658	\$ 105,462,459	\$ 5,568,801
Licenses and permits	7,548,500	7,548,500	9,379,000	1,830,500
Intergovernmental	44,440,303	44,440,303	49,538,190	5,097,887
Charges for services	38,008,987	38,008,987	39,274,930	1,265,943
Fines	1,655,000	1,655,000	1,281,295	(373,705)
Investment income	3,000,000	3,000,000	6,256,610	3,256,610
Miscellaneous	885,500	885,500	602,197	(283,303)
Total revenues	195,431,948	195,431,948	211,794,681	16,362,733
Expenditures				
General government:				
Mayor's office	1,021,859	1,021,859	959,609	62,250
City Council	523,231	523,231	528,670	(5,439)
Legal department	2,514,495	2,514,495	2,344,474	170,021
Finance office	7,793,491	10,576,857	7,978,630	2,598,227
Workforce investment board	677,315	677,315	783,188	(105,873)
Board of fire and police commission	314,213	314,213	221,020	93,193
Board of election	1,381,510	1,381,510	982,320	399,190
Personnel department	1,332,723	1,332,723	1,230,554	102,169
Mass transit subsidy	1,548,000	1,548,000	1,548,000	-
Garbage collection	11,189,120	11,449,707	11,471,400	(21,693)
Total general government	28,295,957	31,339,910	28,047,865	3,292,045
Public safety:				
Police department	76,152,498	78,620,379	74,065,643	4,554,736
Fire department	70,388,227	70,388,227	65,942,740	4,445,487
Public works - traffic	4,764,621	5,040,544	5,033,479	7,065
Construction and development services	2,149,118	2,302,449	2,400,592	(98,143)
Total public safety	153,454,464	156,351,599	147,442,454	8,909,145
Streets, alleys and bridges:				
Administration	1,557,474	1,503,094	1,375,285	127,809
Engineering	1,688,515	1,688,515	1,509,287	179,228
Street and sewer	12,715,209	11,094,641	10,767,329	327,312
Total streets, alleys and bridges	15,961,198	14,286,250	13,651,901	634,349
Community development:				
Administration	428,932	428,932	377,331	51,601
Construction and development services	795,032	1,168,576	1,587,280	(418,704)
Planning and zoning	2,117,086	1,869,514	1,849,389	20,125
Total community development	3,341,050	3,467,022	3,814,000	(346,978)

See notes to required supplementary information

City of Rockford

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Capital outlay:				
Public safety				
Police department	\$ 2,573,000	\$ 8,725,599	\$ 10,897,847	\$ (2,172,248)
Fire department	3,245,000	3,245,000	1,274,265	1,970,735
Total public safety	5,818,000	11,970,599	12,172,112	(201,513)
Streets, alleys and bridges				
Public works - traffic	-	-	72,981	(72,981)
Administration	-	-	223,159	(223,159)
Street and sewer	-	-	473,662	(473,662)
Total streets, alleys and bridges	-	-	769,802	(769,802)
Community development				
Planning and zoning	-	32,290	32,290	-
Total community development	-	32,290	32,290	-
Total capital outlay	5,818,000	12,002,889	12,974,204	(971,315)
Debt service:				
Principal payments	-	1,813,746	2,228,862	(415,116)
Interest and fiscal charges	-	191,168	218,209	(27,041)
Bond issuance costs	-	39,560	39,560	-
Total debt service	-	2,044,474	2,486,631	(442,157)
Total expenditures	206,870,669	219,492,144	208,417,055	11,075,089
Excess (deficiency) of revenues over expenditures	(11,438,721)	(24,060,196)	3,377,626	27,437,822
Other Financing Sources (Uses)				
Bond issuance	-	-	5,637,000	5,637,000
Lease/SBITA issuance	14,023,000	14,023,000	2,447,695	(11,575,305)
Transfers in	4,604,273	4,604,273	3,545,394	(1,058,879)
Transfers out	(7,335,831)	(62,975,923)	(66,274,630)	(3,298,707)
Total other financing sources (uses)	11,291,442	(44,348,650)	(54,644,541)	(10,295,891)
Net change in fund balance	\$ (147,279)	\$ (68,408,846)	(51,266,915)	\$ 17,141,931
Fund Balance, Beginning (as reported)			127,463,373	
Restatement for correction an error (see note disclosure)			(6,474,726)	
Fund Balance, Beginning (as restated)			120,988,647	
Fund Balance, Ending			\$ 69,721,732	

See notes to required supplementary information

City of Rockford

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Community Development

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 3,499,325	\$ 3,499,325	\$ 6,451,686	\$ 2,952,361
Investment income	-	-	258,555	258,555
Miscellaneous	9,500	9,500	44,372	34,872
Total revenues	3,508,825	3,508,825	6,754,613	3,245,788
Expenditures				
Community development	3,591,706	7,454,758	6,488,778	965,980
Debt service:				
Principal payments	-	-	174,480	(174,480)
Interest and fiscal charges	-	-	71,256	(71,256)
Total expenditures	3,591,706	7,454,758	6,734,514	720,244
Excess (deficiency) of revenues over expenditures	(82,881)	(3,945,933)	20,099	3,966,032
Other Financing Sources (Uses)				
Lease/SBITA issuance	-	-	9,056	9,056
Transfers out	-	-	(85,782)	(85,782)
Total other financing sources (uses)	-	-	(76,726)	(76,726)
Net change in fund balance	\$ (82,881)	\$ (3,945,933)	(56,627)	\$ 3,889,306
Fund Balance, Beginning			686,271	
Fund Balance, Ending			\$ 629,644	

See notes to required supplementary information

City of Rockford

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Tax Increment

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes:				
Property	\$ 6,684,069	\$ 6,684,069	\$ 8,832,559	\$ 2,148,490
Investment income (loss)	107,784	107,784	(192,615)	(300,399)
Total revenues	6,791,853	6,791,853	8,639,944	1,848,091
Expenditures				
Community development	1,377,113	2,353,518	2,306,685	46,833
Debt service:				
Principal payments	-	3,922	248,976	(245,054)
Interest and fiscal charges	149,718	805,903	95,044	710,859
Total expenditures	1,526,831	3,163,343	2,650,705	512,638
Excess (deficiency) of revenues over expenditures	5,265,022	3,628,510	5,989,239	2,360,729
Other Financing Sources (Uses)				
Transfers in	-	-	1,281,364	1,281,364
Transfers out	(234,200)	(330,093)	(274,078)	56,015
Total other financing sources (uses)	(234,200)	(330,093)	1,007,286	1,337,379
Net change in fund balance	\$ 5,030,822	\$ 3,298,417	6,996,525	\$ 3,698,108
Fund Balance (Deficit), Beginning			(6,146,177)	
Fund Balance, Ending			\$ 850,348	

See notes to required supplementary information

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget is as amended by the City Council. All annual appropriations lapse at fiscal year end.

Prior to December 31, the City Finance Director submits to the City Council a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to March 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the general fund and special revenue funds.

The City is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the City Council. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level for all funds but Special Revenue funds which is the fund level. The appropriated budget is prepared by fund, function, and department. The City Finance Director is authorized to transfer budget amounts between departments (except for the General Fund) within any fund; however, the City Council must approve revisions that alter the total expenditures of any fund.

The City did not adopt a budget for the Human Services Fund and Workforce Connection Inc. Fund.

Other Supplementary Information

City of Rockford

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes:				
Other taxes	\$ 1,800,000	\$ 1,800,000	\$ 2,094,047	\$ 294,047
Intergovernmental	456,200	456,200	460,000	3,800
Contributions	229,488	229,488	-	(229,488)
Miscellaneous	80,000	80,000	164,392	84,392
Total revenues	<u>2,565,688</u>	<u>2,565,688</u>	<u>2,718,439</u>	<u>152,751</u>
Expenditures				
Debt service:				
Principal payments	9,947,221	9,947,221	9,355,852	591,369
Interest and fiscal charges	<u>2,575,756</u>	<u>2,575,756</u>	<u>2,445,472</u>	<u>130,284</u>
Total expenditures	<u>12,522,977</u>	<u>12,522,977</u>	<u>11,801,324</u>	<u>721,653</u>
Excess (deficiency) of revenues over expenditures	<u>(9,957,289)</u>	<u>(9,957,289)</u>	<u>(9,082,885)</u>	<u>874,404</u>
Other Financing Sources (Uses)				
Transfers in	<u>16,706,977</u>	<u>16,706,977</u>	<u>9,764,225</u>	<u>(6,942,752)</u>
Total other financing sources (uses)	<u>16,706,977</u>	<u>16,706,977</u>	<u>9,764,225</u>	<u>(6,942,752)</u>
Net change in fund balance	<u>\$ 6,749,688</u>	<u>\$ 6,749,688</u>	681,340	<u>\$ (6,068,348)</u>
Fund Balance, Beginning (as reported)			<u>8,780,330</u>	
Restatement for correction an error (see note disclosure)			<u>(229,488)</u>	
Fund Balance, Beginning (as restated)			<u>8,550,842</u>	
Fund Balance, Ending			<u>\$ 9,232,182</u>	

City of Rockford

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes:				
Other taxes	\$ 21,132,988	\$ 21,132,988	\$ 22,697,459	\$ 1,564,471
Intergovernmental	26,322,000	26,322,000	6,251,245	(20,070,755)
Investment income	150,000	150,000	474,480	324,480
Miscellaneous	-	-	1,070,898	1,070,898
Total revenues	47,604,988	47,604,988	30,494,082	(17,110,906)
Expenditures				
Streets, alleys and bridges	53,226,554	53,226,554	18,184,612	35,041,942
Capital outlay	-	807,918	16,267,253	(15,459,335)
Debt service:				
Principal payments	-	-	10,032	(10,032)
Interest and fiscal charges	-	-	298	(298)
Total expenditures	53,226,554	54,034,472	34,462,195	19,572,277
Excess (deficiency) of revenues over expenditures	(5,621,566)	(6,429,484)	(3,968,113)	2,461,371
Other Financing Sources (Uses)				
Lease/SBITA issuance	-	-	38,523	38,523
Transfers in	5,721,566	5,721,566	50,050,637	44,329,071
Transfers out	-	-	(919,734)	(919,734)
Total other financing sources (uses)	5,721,566	5,721,566	49,169,426	43,447,860
Net change in fund balance	\$ 100,000	\$ (707,918)	45,201,313	\$ 45,909,231
Fund Balance, Beginning			11,898,076	
Fund Balance, Ending			\$ 57,099,389	

CITY OF ROCKFORD

As of and for the Year Ended December 31, 2024

NONMAJOR GOVERNMENTAL FUNDS

Motor Fuel Tax Fund – To account for the receipt of the City's share of state gasoline taxes. These funds are then transferred to the Capital Improvement Program Fund and used for street maintenance and repairs. State of Illinois law requires separate accounting for such revenues and expenditures.

Redevelopment Fund – To account for monies deposited for sales tax and tourism tax in accordance with intergovernmental agreements between the City and the Rockford Metropolitan Exposition, Auditorium and Office Building Authority and between the City and the Rockford Area Convention & Visitors Bureau. Monies deposited are from a sales tax of one percent charged upon the retail purchase of food and beverages, renting of a hotel or motel room, and are used to cover any debt which has been authorized by City Council. Monies deposited also include a tourism tax of four percent charged upon the renting of a hotel or motel room and related expenditures and are used to promote tourism, conventions, and other special events within the municipality.

Family Justice Center Fund – To account for the revenues and expenditures of the center and services provided to the survivors of domestic violence, sexual assault, and human trafficking. Funding is provided by grants and donations.

Workforce Connection Inc. Fund – To account for the revenues and expenditures of Workforce Connection, Inc. and services provided to the youth in Boone and Winnebago Counties to complete their education and train in areas that help build a foundation to enhance their futures. Funding is provided by grants and donations.

City of Rockford

Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2024

	Motor Fuel Tax	Redevelopment	Family Justice Center	Workforce Connection, Inc.	Total Nonmajor Funds
Assets					
Cash and cash equivalents	\$ 20,158,093	\$ 14,715,993	\$ -	\$ -	\$ 34,874,086
Receivables:					
Accounts	-	755,902	-	-	755,902
Accrued interest	-	5,337	-	-	5,337
Due from Federal Government	-	-	99,089	-	99,089
Due from State of Illinois	558,213	-	406,484	435,322	1,400,019
Due from other governmental units	-	-	33,884	-	33,884
Prepays	-	1,986,388	-	-	1,986,388
Total assets	<u>\$ 20,716,306</u>	<u>\$ 17,463,620</u>	<u>\$ 539,457</u>	<u>\$ 435,322</u>	<u>\$ 39,154,705</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 1,732,612	\$ 812,240	\$ 128,840	\$ 435,322	\$ 3,109,014
Accrued payroll and benefits	-	-	26,123	-	26,123
Due to other funds	-	-	355,881	-	355,881
Total liabilities	<u>1,732,612</u>	<u>812,240</u>	<u>510,844</u>	<u>435,322</u>	<u>3,491,018</u>
Fund Balances					
Nonspendable	-	1,986,388	-	-	1,986,388
Restricted					
Community development	-	4,958,039	-	-	4,958,039
Public health and welfare	-	-	28,613	-	28,613
Highways and streets	18,983,694	-	-	-	18,983,694
Assigned					
Community development	-	9,706,953	-	-	9,706,953
Total fund balances	<u>18,983,694</u>	<u>16,651,380</u>	<u>28,613</u>	<u>-</u>	<u>35,663,687</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,716,306</u>	<u>\$ 17,463,620</u>	<u>\$ 539,457</u>	<u>\$ 435,322</u>	<u>\$ 39,154,705</u>

City of Rockford

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended December 31, 2024

	<u>Motor Fuel Tax</u>	<u>Redevelopment</u>	<u>Family Justice Center</u>	<u>Workforce Connection, Inc.</u>	<u>Total Nonmajor Funds</u>
Revenues					
Taxes	\$ -	\$ 8,837,375	\$ -	\$ -	\$ 8,837,375
Intergovernmental	6,607,738	9,261,221	1,936,498	8,808,644	26,614,101
Investment income	978,848	222,067	-	-	1,200,915
Miscellaneous	-	97,511	-	-	97,511
Total revenues	<u>7,586,586</u>	<u>18,418,174</u>	<u>1,936,498</u>	<u>8,808,644</u>	<u>36,749,902</u>
Expenditures					
Public safety	-	-	1,853,790	-	1,853,790
Community development	-	12,741,254	-	8,808,644	21,549,898
Streets, alleys and bridges	2,104,209	-	-	-	2,104,209
Debt service:					
Principal payments	-	137,078	1,798	-	138,876
Interest and fiscal charges	-	396,834	292	-	397,126
Capital outlay	<u>1,713,800</u>	<u>954,710</u>	<u>-</u>	<u>-</u>	<u>2,668,510</u>
Total expenditures	<u>3,818,009</u>	<u>14,229,876</u>	<u>1,855,880</u>	<u>8,808,644</u>	<u>28,712,409</u>
Excess (deficiency) of revenues over expenditures	<u>3,768,577</u>	<u>4,188,298</u>	<u>80,618</u>	<u>-</u>	<u>8,037,493</u>
Other Financing Sources (Uses)					
Transfers in	-	2,223,551	-	-	2,223,551
Transfers out	<u>(2,500,000)</u>	<u>(4,155,544)</u>	<u>-</u>	<u>-</u>	<u>(6,655,544)</u>
Total other financing sources (uses)	<u>(2,500,000)</u>	<u>(1,931,993)</u>	<u>-</u>	<u>-</u>	<u>(4,431,993)</u>
Net change in fund balances	<u>1,268,577</u>	<u>2,256,305</u>	<u>80,618</u>	<u>-</u>	<u>3,605,500</u>
Fund Balances (Deficits), Beginning	<u>17,715,117</u>	<u>14,395,075</u>	<u>(52,005)</u>	<u>-</u>	<u>32,058,187</u>
Fund Balances, Ending	<u>\$ 18,983,694</u>	<u>\$ 16,651,380</u>	<u>\$ 28,613</u>	<u>\$ -</u>	<u>\$ 35,663,687</u>

City of Rockford

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 6,571,566	\$ 6,571,566	\$ 6,607,738	\$ 36,172
Investment income	150,000	150,000	978,848	828,848
Total revenues	6,721,566	6,721,566	7,586,586	865,020
Expenditures				
Streets, alleys and bridges	100,000	100,000	2,104,209	(2,004,209)
Capital outlay	-	-	1,713,800	(1,713,800)
Total expenditures	100,000	100,000	3,818,009	(3,718,009)
Excess (deficiency) of revenues over expenditures	6,621,566	6,621,566	3,768,577	4,583,029
Other Financing Sources (Uses)				
Transfers out	(6,721,566)	(6,721,566)	(2,500,000)	(4,221,566)
Total other financing sources (uses)	(6,721,566)	(6,721,566)	(2,500,000)	(4,221,566)
Net change in fund balance	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	1,268,577	<u>\$ 361,463</u>
Fund Balance, Beginning			17,715,117	
Fund Balance, Ending			<u>\$ 18,983,694</u>	

City of Rockford

Redevelopment Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes:				
Sales	\$ 8,175,000	\$ 8,175,000	\$ 8,837,375	\$ 662,375
Intergovernmental	488,973	488,973	9,261,221	8,772,248
Fines	1,000	1,000	-	(1,000)
Investment income	27,983	27,983	222,067	194,084
Miscellaneous	44,700	44,700	97,511	52,811
	<u>8,737,656</u>	<u>8,737,656</u>	<u>18,418,174</u>	<u>9,680,518</u>
Total revenues				
Expenditures				
Community development	4,945,480	13,555,969	12,532,781	1,023,188
Payments on behalf of others	208,473	208,473	208,473	-
Debt Service				
Principal payments	-	141,876	137,078	4,798
Interest and fiscal charges	265,500	328,082	396,834	(68,752)
Capital outlay	-	-	954,710	(954,710)
	<u>5,419,453</u>	<u>14,234,400</u>	<u>14,229,876</u>	<u>4,524</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>3,318,203</u>	<u>(5,496,744)</u>	<u>4,188,298</u>	<u>9,675,994</u>
Other Financing Sources (Uses)				
Transfers in	-	-	2,223,551	(2,223,551)
Transfers out	(4,157,570)	(4,157,570)	(4,155,544)	(2,026)
	<u>(4,157,570)</u>	<u>(4,157,570)</u>	<u>(1,931,993)</u>	<u>(2,225,577)</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ (839,367)</u>	<u>\$ (9,654,314)</u>	<u>2,256,305</u>	<u>\$ 7,450,417</u>
Fund Balance, Beginning			<u>14,395,075</u>	
Fund Balance, Ending			<u>\$ 16,651,380</u>	

City of Rockford

Family Justice Center Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 1,574,730	\$ 1,574,730	\$ 1,936,498	\$ 361,768
Total revenues	1,574,730	1,574,730	1,936,498	361,768
Expenditures				
Public safety	1,574,730	2,104,452	1,853,790	250,662
Debt Service				
Principal payments	-	-	1,798	(1,798)
Interest and fiscal charges	-	-	292	(292)
Total expenditures	1,574,730	2,104,452	1,855,880	248,572
Net change in fund balance	\$ -	\$ -	80,618	\$ -
Fund Balance (Deficit), Beginning			(52,005)	
Fund Balance, Ending			\$ 28,613	

CITY OF ROCKFORD

As of and for the Year Ended December 31, 2024

ENTERPRISE FUNDS

Water Utility Fund – To account for the provision of water services to the residents of the City and some residents of Winnebago County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Parking System Fund – To account for the activities to provide ample parking for the business districts within the City. Activities include, but are not limited to, the collection of parking revenue from reserved spaces, the issuance and collection of parking fines, administration, operations, and maintenance.

City of Rockford

Water Utility Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Operating Revenues				
Charges for services	\$ 36,660,521	\$ 36,660,521	\$ 36,995,896	\$ 335,375
Fines	505,000	505,000	767,927	262,927
Capital grants - water	1,250,000	1,250,000	212,084	(1,037,916)
Miscellaneous	35,000	35,000	95,297	60,297
Total operating revenues	38,450,521	38,450,521	38,071,204	(379,317)
Operating Expenses				
Salaries and benefits	7,646,000	8,845,243	8,375,017	470,226
Services	8,141,530	8,141,530	9,443,048	(1,301,518)
Supplies and materials	5,392,373	5,392,373	3,978,472	1,413,901
Depreciation and amortization	6,593,047	7,554,225	7,554,225	-
Charges from General Fund	2,709,512	3,603,212	3,603,212	-
Miscellaneous	-	-	1,993	(1,993)
Total operating expenses	30,482,462	33,536,583	32,955,967	580,616
Operating income (loss)	7,968,059	4,913,938	5,115,237	(959,933)
Nonoperating Revenues (Expenses)				
Investment income	200,000	200,000	1,067,097	(867,097)
Gain (loss) on sale of capital assets	-	(315,046)	(769,969)	454,923
Contributions	50,000	50,000	336,137	(286,137)
Interest and fiscal charges	(750,305)	(750,305)	(874,435)	124,130
Amortization expense	100,307	100,307	100,307	-
Total nonoperating revenues (expenses)	(399,998)	(715,044)	(140,863)	(574,181)
Change in net position	\$ 7,568,061	\$ 4,198,894	4,974,374	\$ (1,534,114)
Net Position, Beginning			199,521,641	
Net Position, Ending			\$ 204,496,015	

City of Rockford

Parking System Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Operating Revenues				
Charges for services	\$ 1,918,379	\$ 1,918,379	\$ 2,558,446	\$ 640,067
Miscellaneous	27,371	27,371	(1,720)	(29,091)
Total operating revenues	1,945,750	1,945,750	2,556,726	610,976
Operating Expenses				
Salaries and benefits	325,735	325,735	382,805	(57,070)
Services	1,869,148	1,869,148	1,925,918	(56,770)
Supplies and materials	47,500	47,500	20,503	26,997
Depreciation and amortization	553,629	1,115,556	1,158,373	(42,817)
Miscellaneous	10,500	10,500	11,023	(523)
Total operating expenses	2,806,512	3,368,439	3,498,622	(130,183)
Operating income (loss)	(860,762)	(1,422,689)	(941,896)	741,159
Nonoperating Revenues (Expenses)				
Investment income (loss)	(49,226)	(49,226)	(478,400)	429,174
Contributions	-	-	949,875	(949,875)
Interest and fiscal charges	(575,242)	(575,242)	(446,747)	(128,495)
Total nonoperating revenues (expenses)	(624,468)	(624,468)	24,728	(649,196)
Change in net position	\$ (1,485,230)	\$ (2,047,157)	(917,168)	\$ 91,963
Net Position, Beginning			5,268,279	
Net Position, Ending			\$ 4,351,111	

CITY OF ROCKFORD

As of and for the Year Ended December 31, 2024

INTERNAL SERVICE FUNDS

Central Garage Fund – To account for the costs of operating a maintenance facility for automotive equipment used by other City departments and other government agencies. Billings to other departments and agencies are based on actual costs, including depreciation on the garage building and improvements, machinery, and equipment used to provide the service. The automotive equipment itself is acquired by the user departments which are also responsible for financing replacement vehicles as necessary.

Building Maintenance Fund – To account for the costs of operating maintenance facilities, including depreciation, which provide maintenance services and repairs of City buildings and properties. Financing is provided by service charges to user funds.

Health Insurance Fund – To account for health insurance claims relating to City employees and retirees. Financing is provided by service charges to user funds.

911 Communication Fund – To account for the operating costs relating to the 911 communications center serving the City of Rockford and Winnebago County with emergency services. Financing is provided by the Police Department, Fire Department, and Winnebago County.

Risk Management Fund – To account for all insurance, claims, and accidental property loss expenses of Governmental and Proprietary Funds. Financing is provided by service charges to user funds.

Information Systems Fund – To account for the costs relating to the City's data processing functions, pertaining to mainframe and microcomputer network services. Financing is provided by service charges to user funds.

Workmen's Compensation Fund – To account for workmen's compensation claims of Governmental and Proprietary Funds. Financing is provided by service charges to user funds.

City of Rockford

Combining Statement of Net Position

Internal Service Funds

December 31, 2024

	<u>Central Garage</u>	<u>Building Maintenance</u>	<u>Health Insurance</u>	<u>911 Communications</u>
Assets and Deferred Outflows of Resources				
Assets				
Current assets:				
Cash and cash equivalents	\$ 422,349	\$ 1,358,697	\$ 512,949	\$ 826,391
Receivables (net):				
Accounts	-	-	384,401	-
Other	72	696	329	494
Due from other governmental units	65,445	-	-	85,281
Inventories	420,541	-	-	-
Prepays	-	-	-	-
Total current assets	<u>908,407</u>	<u>1,359,393</u>	<u>897,679</u>	<u>912,166</u>
Noncurrent assets:				
Construction in progress	-	1,878,055	-	-
Buildings and improvements	218,245	8,755,443	-	158,200
Land improvements	-	615,752	-	-
Equipment	816,096	288,468	-	-
Lease assets - equipment	4,816	9,431	-	9,634
Leased buildings	-	1,463,010	-	-
Subscription assets - computers	187,233	-	-	-
Accumulated depreciation	<u>(875,004)</u>	<u>(3,463,324)</u>	<u>-</u>	<u>(66,170)</u>
Total noncurrent assets	<u>351,386</u>	<u>9,546,835</u>	<u>-</u>	<u>101,664</u>
Total assets	<u>1,259,793</u>	<u>10,906,228</u>	<u>897,679</u>	<u>1,013,830</u>
Deferred Outflows of Resources				
Deferred outflows related to pensions	<u>176,337</u>	<u>159,178</u>	<u>-</u>	<u>1,085,256</u>
Total deferred outflows of resources	<u>176,337</u>	<u>159,178</u>	<u>-</u>	<u>1,085,256</u>

Risk Management	Information Systems	Workmen's Compensation	Total
\$ -	\$ 2,271,534	\$ 12,328,501	\$ 17,720,421
1,407,406	3,461	-	1,795,268
(2,484)	1,150	5,772	6,029
-	-	-	150,726
-	-	-	420,541
24,896	-	-	24,896
1,429,818	2,276,145	12,334,273	20,117,881
-	-	-	1,878,055
-	-	-	9,131,888
-	-	-	615,752
-	8,457,078	-	9,561,642
-	3,185	-	27,066
-	-	-	1,463,010
-	7,815,247	-	8,002,480
-	(10,686,088)	-	(15,090,586)
-	5,589,422	-	15,589,307
1,429,818	7,865,567	12,334,273	35,707,188
-	172,735	-	1,593,506
-	172,735	-	1,593,506

City of Rockford

Combining Statement of Net Position

Internal Service Funds

December 31, 2024

	Central Garage	Building Maintenance	Health Insurance	911 Communications
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Current liabilities:				
Accounts payable	\$ 234,385	\$ 309,907	\$ 355,166	\$ 718
Accrued payroll and benefits	24,990	22,344	-	150,077
Accrued interest payable	1,454	1,681	-	-
Unearned revenues	-	-	9,256	-
Due to other funds	-	-	-	-
Compensated absences	8,504	17,461	-	51,298
Installment contracts payable	3,267	189,433	-	-
Leases payable	972	169,366	-	1,944
Subscriptions payable	30,086	-	-	-
General obligation alternate bonds payable	-	-	-	-
Claims and judgements payable	-	-	2,441,471	-
Total current liabilities	303,658	710,192	2,805,893	204,037
Noncurrent liabilities:				
Net pension liability	215,142	194,207	-	1,324,081
Compensated absences	34,015	69,843	-	205,194
Installment contracts payable	32,669	20,270	-	-
Leases payable	2,855	829,259	-	5,710
Subscriptions payable	95,448	-	-	-
General obligation alternate bonds payable (net of unamortized premiums/discounts)	-	-	-	-
Claims and judgements payable	-	-	2,060,517	-
Total noncurrent liabilities	380,129	1,113,579	2,060,517	1,534,985
Total liabilities	683,787	1,823,771	4,866,410	1,739,022
Deferred Inflows of Resources				
Deferred inflows related to pensions	1,245	1,124	-	7,661
Total deferred inflows of resources	1,245	1,124	-	7,661
Net Position				
Net investment in capital assets	186,089	8,338,507	-	94,010
Unrestricted net position	565,009	902,004	(3,968,731)	258,393
Total net position	\$ 751,098	\$ 9,240,511	\$ (3,968,731)	\$ 352,403

<u>Risk Management</u>	<u>Information Systems</u>	<u>Workmen's Compensation</u>	<u>Total</u>
\$ -	\$ 276,418	\$ 30,111	\$ 1,206,705
-	28,870	-	226,281
10,295	-	-	13,430
-	-	-	9,256
2,213,434	-	-	2,213,434
-	22,158	-	99,421
-	-	-	192,700
-	643	-	172,925
-	1,550,322	-	1,580,408
880,000	-	-	880,000
563,531	-	-	3,005,002
<u>3,667,260</u>	<u>1,878,411</u>	<u>30,111</u>	<u>9,599,562</u>
-	210,747	-	1,944,177
-	88,630	-	397,682
-	-	-	52,939
-	1,888	-	839,712
-	3,466,017	-	3,561,465
5,687,796	-	-	5,687,796
16,213,798	-	3,517,850	21,792,165
<u>21,901,594</u>	<u>3,767,282</u>	<u>3,517,850</u>	<u>34,275,936</u>
<u>25,568,854</u>	<u>5,645,693</u>	<u>3,547,961</u>	<u>43,875,498</u>
-	1,219	-	11,249
-	1,219	-	11,249
-	570,552	-	9,189,158
(24,139,036)	1,820,838	8,786,312	(15,775,211)
<u>\$ (24,139,036)</u>	<u>\$ 2,391,390</u>	<u>\$ 8,786,312</u>	<u>\$ (6,586,053)</u>

City of Rockford**Combining Statement of Revenues, Expenses and Changes in Fund Net Position****Internal Service Funds**

Year Ended December 31, 2024

	Central Garage	Building Maintenance	Health Insurance	911 Communications
Operating Revenues				
Charges for services	\$ 4,667,335	\$ 4,214,407	\$ 23,338,004	\$ 5,572,166
Intergovernmental	-	-	-	1,044,359
Miscellaneous	74	103,015	4,344,459	-
Total operating revenues	4,667,409	4,317,422	27,682,463	6,616,525
Operating Expenses				
Salaries and benefits	1,233,161	1,216,664	-	7,199,286
Services	775,486	2,030,260	33,283,181	212,522
Supplies and materials	2,703,822	399,151	6,278	40,175
Depreciation and amortization	105,340	413,255	-	9,837
Charges from General Fund	260,190	219,770	266,030	-
Miscellaneous	-	3,108	-	-
Total operating expenses	5,077,999	4,282,208	33,555,489	7,461,820
Operating income (loss)	(410,590)	35,214	(5,873,026)	(845,295)
Nonoperating Revenues (Expenses)				
Investment income	11,978	48,010	126,061	42,514
Gain (loss) on sale of capital assets	-	-	-	-
Contributions	-	312,481	-	-
Interest and fiscal charges	(3,510)	(23,292)	-	(305)
Amortization expense	-	-	-	-
Total nonoperating revenues (expenses)	8,468	337,199	126,061	42,209
Income (loss) before transfers	(402,122)	372,413	(5,746,965)	(803,086)
Transfers				
Transfers in	-	2,366,455	-	-
Total transfers	-	2,366,455	-	-
Change in net position	(402,122)	2,738,868	(5,746,965)	(803,086)
Net Position, Beginning	1,153,220	6,501,643	1,778,234	1,155,489
Net Position, Ending	<u>\$ 751,098</u>	<u>\$ 9,240,511</u>	<u>\$ (3,968,731)</u>	<u>\$ 352,403</u>

Risk Management	Information Systems	Workmen's Compensation	Total
\$ 2,319,450	\$ 6,046,980	\$ 3,899,829	\$ 50,058,171
-	1,258,454	-	2,302,813
293,377	388,706	-	5,129,631
2,612,827	7,694,140	3,899,829	57,490,615
-	1,191,863	-	10,840,974
12,818,613	3,818,607	1,395,289	54,333,958
-	229,951	-	3,379,377
-	4,014,517	-	4,542,949
485,640	61,300	154,990	1,447,920
104,306	-	-	107,414
13,408,559	9,316,238	1,550,279	74,652,592
(10,795,732)	(1,622,098)	2,349,550	(17,161,977)
(188,488)	114,016	553,301	707,392
-	(7,404)	-	(7,404)
-	-	-	312,481
(267,120)	(46,624)	-	(340,851)
118,799	-	-	118,799
(336,809)	59,988	553,301	790,417
(11,132,541)	(1,562,110)	2,902,851	(16,371,560)
4,000,000	8,172	-	6,374,627
4,000,000	8,172	-	6,374,627
(7,132,541)	(1,553,938)	2,902,851	(9,996,933)
(17,006,495)	3,945,328	5,883,461	3,410,880
<u>\$ (24,139,036)</u>	<u>\$ 2,391,390</u>	<u>\$ 8,786,312</u>	<u>\$ (6,586,053)</u>

City of Rockford

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2024

	Central Garage	Building Maintenance	Health Insurance	911 Communications
Cash Flows From Operating Activities				
Cash received from customers and users	\$ 439,264	\$ -	\$ 2,885,107	\$ 1,057,630
Cash received from interfund service	4,212,910	4,317,422	24,348,346	5,572,166
Cash payments for goods and services	(3,663,041)	(3,217,723)	(30,986,916)	(257,891)
Cash payments to employees	(1,067,560)	(1,048,306)	-	(6,043,834)
Net cash provided by (used in) operating activities	(78,427)	51,393	(3,753,463)	328,071
Cash Flows From Noncapital Financing Activities				
Principal payments on bonds	-	-	-	-
Interest paid on debt	-	-	-	-
Due to other funds	-	-	-	-
Payments from (to) nonservice interfund accounts	-	2,366,455	-	-
Net cash provided by (used in) noncapital financing activities	-	2,366,455	-	-
Cash Flows From Capital and Related Financing Activities				
Purchase of capital assets	-	(2,348,703)	-	-
Interest paid on debt	(2,056)	(23,637)	-	(305)
Principal payments on installment contracts	(3,139)	(184,420)	-	-
Principal payments on leases	(3,434)	(163,897)	-	(1,877)
Principal payments on subscriptions	(33,628)	-	-	-
Transfer of installment contract	14,448	-	-	-
Net cash used in capital and related financing activities	(27,809)	(2,720,657)	-	(2,182)
Cash Flows From Investing Activities				
Income and dividends received	11,906	48,179	128,454	42,444
Net cash provided by (used in) investing activities	11,906	48,179	128,454	42,444
Net increase (decrease) in cash	(94,330)	(254,630)	(3,625,009)	368,333
Cash and Cash Equivalents, Beginning	516,679	1,613,327	4,137,958	458,058
Cash and Cash Equivalents, Ending	<u>\$ 422,349</u>	<u>\$ 1,358,697</u>	<u>\$ 512,949</u>	<u>\$ 826,391</u>

Risk Management	Information Systems	Workmen's Compensation	Total
\$ -	\$ -	\$ -	\$ 4,382,001
2,655,001	7,304,355	3,899,829	52,310,029
(3,960,734)	(4,576,794)	(2,638,492)	(49,301,591)
-	(987,543)	-	(9,147,243)
(1,305,733)	1,740,018	1,261,337	(1,756,804)
(850,000)	-	-	(850,000)
(268,550)	-	-	(268,550)
(1,389,713)	-	-	(1,389,713)
4,000,000	8,172	-	6,374,627
1,491,737	8,172	-	3,866,364
-	-	-	(2,348,703)
-	(46,624)	-	(72,622)
-	-	-	(187,559)
-	(620)	-	(169,828)
-	(1,648,697)	-	(1,682,325)
-	-	-	14,448
-	(1,695,941)	-	(4,446,589)
(186,004)	113,980	554,268	713,227
(186,004)	113,980	554,268	713,227
-	166,229	1,815,605	(1,623,802)
-	2,105,305	10,512,896	19,344,223
\$ -	\$ 2,271,534	\$ 12,328,501	\$ 17,720,421

City of Rockford

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2024

	Central Garage	Building Maintenance	Health Insurance	911 Communications
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ (410,590)	\$ 35,214	\$ (5,873,026)	\$ (845,295)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	105,340	413,255	-	9,837
Termination of liabilities		-	-	-
Change in operating assets and liabilities:				
Accounts receivable	1,460	-	(117,150)	-
Due from other governments	(16,695)	-	-	13,271
Inventory	(37,903)	-	-	-
Prepaid items	-	-	-	-
Deferred outflows, pension	130,201	157,569	-	945,579
Accounts payable	114,360	(565,434)	(156,484)	(5,194)
Accrued salaries	8,143	8,217	-	58,684
Claims payable	-	-	2,393,197	-
Compensated absences	(5,048)	(2,547)	-	39,000
Net pension liability	33,320	6,330	-	119,499
Deferred inflows, pension	(1,015)	(1,211)	-	(7,310)
Total adjustments	332,163	16,179	2,119,563	1,173,366
Net cash provided (used) by operating activities	\$ (78,427)	\$ 51,393	\$ (3,753,463)	\$ 328,071
Noncash Capital and Related Financing Activities				
Capital contributions from other governments	\$ -	\$ 312,481	\$ -	\$ -

<u>Risk Management</u>	<u>Information Systems</u>	<u>Workmen's Compensation</u>	<u>Total</u>
<u>\$ (10,795,732)</u>	<u>\$ (1,622,098)</u>	<u>\$ 2,349,550</u>	<u>\$ (17,161,977)</u>
-	4,014,517	-	4,542,949
-	(386,324)	-	(386,324)
42,174	(3,461)	-	(76,977)
-	-	-	(3,424)
-	-	-	(37,903)
18,206	-	-	18,206
-	157,072	-	1,390,421
-	(466,936)	21,370	(1,058,318)
-	16,068	-	91,112
9,429,619	-	(1,109,583)	10,713,233
-	17,269	-	48,674
-	15,123	-	174,272
-	(1,212)	-	(10,748)
<u>9,489,999</u>	<u>3,362,116</u>	<u>(1,088,213)</u>	<u>15,405,173</u>
<u>\$ (1,305,733)</u>	<u>\$ 1,740,018</u>	<u>\$ 1,261,337</u>	<u>\$ (1,756,804)</u>
\$ -	\$ -	\$ -	\$ 312,481

City of Rockford

Central Garage Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Operating Revenues				
Charges for services	\$ 4,702,750	\$ 4,702,750	\$ 4,667,335	\$ (35,415)
Miscellaneous	15,000	15,000	74	(14,926)
Total operating revenues	4,717,750	4,717,750	4,667,409	(50,341)
Operating Expenses				
Salaries and benefits	1,033,144	1,195,652	1,233,161	(37,509)
Services	872,670	872,670	775,486	97,184
Supplies and materials	2,495,350	2,688,568	2,703,822	(15,254)
Depreciation and amortization	25,577	58,242	105,340	(47,098)
Charges from General Fund	260,190	260,190	260,190	-
Total operating expenses	4,686,931	5,075,322	5,077,999	(2,677)
Operating income (loss)	30,819	(357,572)	(410,590)	(47,664)
Nonoperating Revenues (Expenses)				
Investment income	4,000	4,000	11,978	(7,978)
Interest and fiscal charges	(1,218)	(1,218)	(3,510)	2,292
Total nonoperating revenues (expenses)	2,782	2,782	8,468	(5,686)
Transfers				
Transfers out	(3,233)	(3,233)	-	(3,233)
Total transfers	(3,233)	(3,233)	-	(3,233)
Change in net position	\$ 33,601	\$ (354,790)	(402,122)	\$ (53,350)
Net Position, Beginning			1,153,220	
Net Position, Ending			\$ 751,098	

City of Rockford

Building Maintenance Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Operating Revenues				
Charges for services	\$ 4,074,810	\$ 4,074,810	\$ 4,214,407	\$ 139,597
Miscellaneous	-	-	103,015	103,015
Total operating revenues	4,074,810	4,074,810	4,317,422	242,612
Operating Expenses				
Salaries and benefits	1,119,921	1,119,921	1,216,664	(96,743)
Services	1,957,325	1,997,539	2,030,260	(32,721)
Supplies and materials	341,590	341,590	399,151	(57,561)
Depreciation and amortization	388,148	388,148	413,255	(25,107)
Charges from General Fund	219,770	219,770	219,770	-
Miscellaneous	3,000	3,000	3,108	(108)
Total operating expenses	4,029,754	4,069,968	4,282,208	(212,240)
Operating income	45,056	4,842	35,214	454,852
Nonoperating Revenues (Expenses)				
Investment income	20,500	20,500	48,010	(27,510)
Contributions	-	-	312,481	(312,481)
Interest and fiscal charges	(10,773)	(10,773)	(23,292)	12,519
Total nonoperating revenues (expenses)	9,727	9,727	337,199	(327,472)
Transfers				
Transfers in	225,020	225,020	2,366,455	(2,141,435)
Transfers out	(222,765)	(222,765)	-	(222,765)
Total transfers	2,255	2,255	2,366,455	(2,364,200)
Change in net position	\$ 54,783	\$ 14,569	2,738,868	\$ 127,380
Net Position, Beginning			6,501,643	
Net Position, Ending			\$ 9,240,511	

City of Rockford

Health Insurance Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Operating Revenues				
Charges for services	\$ 25,562,553	\$ 25,562,553	\$ 23,338,004	\$ (2,224,549)
Miscellaneous	600,000	600,000	4,344,459	3,744,459
Total operating revenues	26,162,553	26,162,553	27,682,463	1,519,910
Operating Expenses				
Services	25,304,190	33,287,505	33,283,181	4,324
Supplies and materials	2,000	2,000	6,278	(4,278)
Charges from General Fund	266,030	266,030	266,030	-
Total operating expenses	25,572,220	33,555,535	33,555,489	46
Operating income (loss)	590,333	(7,392,982)	(5,873,026)	1,519,864
Nonoperating Revenues (Expenses)				
Investment income	97,100	97,100	126,061	(28,961)
Total nonoperating revenues (expenses)	97,100	97,100	126,061	(28,961)
Change in net position	<u>\$ 687,433</u>	<u>\$ (7,295,882)</u>	(5,746,965)	<u>\$ 1,490,903</u>
Net Position, Beginning			<u>1,778,234</u>	
Net Position, Ending			<u>\$ (3,968,731)</u>	

City of Rockford

911 Communications Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Operating Revenues				
Charges for services	\$ 5,646,035	\$ 5,646,035	\$ 5,572,166	\$ (73,869)
Intergovernmental	1,329,387	1,329,387	1,044,359	(285,028)
Total operating revenues	6,975,422	6,975,422	6,616,525	(358,897)
Operating Expenses				
Salaries and benefits	6,090,997	6,564,136	7,199,286	(635,150)
Services	838,681	838,681	212,522	626,159
Supplies and materials	32,500	32,500	40,175	(7,675)
Depreciation and amortization	13,244	13,244	9,837	3,407
Total operating expenses	6,975,422	7,448,561	7,461,820	(13,259)
Operating income (loss)	-	(473,139)	(845,295)	(345,638)
Nonoperating Revenues (Expenses)				
Investment income	-	-	42,514	(42,514)
Interest and fiscal charges	-	-	(305)	305
Total nonoperating revenues (expenses)	-	-	42,209	(42,209)
Change in net position	\$ -	\$ (473,139)	(803,086)	\$ (387,847)
Net Position, Beginning			1,155,489	
Net Position, Ending			\$ 352,403	

City of Rockford

Risk Management Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Operating Revenues				
Charges for services	\$ 2,317,712	\$ 2,317,712	\$ 2,319,450	\$ 1,738
Miscellaneous	325,000	325,000	293,377	(31,623)
Total operating revenues	2,642,712	2,642,712	2,612,827	(29,885)
Operating Expenses				
Services	1,904,292	12,813,487	12,818,613	(5,126)
Depreciation and amortization	4,580	4,580	-	4,580
Charges from General Fund	485,640	485,640	485,640	-
Miscellaneous	-	104,306	104,306	-
Total operating expenses	2,394,512	13,408,013	13,408,559	(546)
Operating income (loss)	248,200	(10,765,301)	(10,795,732)	(29,339)
Nonoperating Revenues (Expenses)				
Investment income (loss)	20,000	20,000	(188,488)	208,488
Interest and fiscal charges	(268,200)	(268,200)	(267,120)	(1,080)
Amortization expense	-	-	118,799	(118,799)
Total nonoperating revenues (expenses)	(248,200)	(248,200)	(336,809)	88,609
Transfers				
Transfers in	-	-	4,000,000	(4,000,000)
Total transfers	-	-	4,000,000	(4,000,000)
Change in net position	\$ -	\$ (11,013,501)	(7,132,541)	\$ 59,270
Net Position, Beginning			(17,006,495)	
Net Position, Ending			\$ (24,139,036)	

City of Rockford

Information Systems Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Operating Revenues				
Charges for services	\$ 5,880,250	\$ 5,880,250	\$ 6,046,980	\$ 166,730
Intergovernmental	773,490	773,490	1,258,454	484,964
Miscellaneous	-	-	388,706	388,706
Total operating revenues	6,653,740	6,653,740	7,694,140	1,040,400
Operating Expenses				
Salaries and benefits	1,118,248	1,289,231	1,191,863	97,368
Services	5,453,100	3,872,600	3,818,607	53,993
Supplies and materials	262,500	262,500	229,951	32,549
Depreciation and amortization	1,628,280	4,014,517	4,014,517	-
Charges from General Fund	61,300	61,300	61,300	-
Total operating expenses	8,523,428	9,500,148	9,316,238	183,910
Operating income (loss)	(1,869,688)	(2,846,408)	(1,622,098)	856,490
Nonoperating Revenues (Expenses)				
Investment income	-	-	114,016	(114,016)
Gain (loss) on sale of capital assets	-	-	(7,404)	7,404
Interest and fiscal charges	-	-	(46,624)	46,624
Total nonoperating revenues (expenses)	-	-	59,988	(59,988)
Transfers				
Transfers in	-	-	8,172	(8,172)
Total transfers	-	-	8,172	(8,172)
Change in net position	<u>\$ (1,869,688)</u>	<u>\$ (2,846,408)</u>	(1,553,938)	<u>\$ 796,502</u>
Net Position, Beginning			<u>3,945,328</u>	
Net Position, Ending			<u>\$ 2,391,390</u>	

City of Rockford

Workmen's Compensation Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Operating Revenues				
Charges for services	\$ 3,212,169	\$ 3,212,169	\$ 3,899,829	\$ 687,660
Total operating revenues	3,212,169	3,212,169	3,899,829	687,660
Operating Expenses				
Services	2,892,200	2,892,200	1,395,289	1,496,911
Charges from General Fund	154,990	154,990	154,990	-
Total operating expenses	3,047,190	3,047,190	1,550,279	1,496,911
Operating income (loss)	164,979	164,979	2,349,550	(809,251)
Nonoperating Revenues				
Investment income	60,000	60,000	553,301	(493,301)
Total nonoperating revenues	60,000	60,000	553,301	(493,301)
Change in net position	\$ 224,979	\$ 224,979	2,902,851	\$ (1,302,552)
Net Position, Beginning			5,883,461	
Net Position, Ending			\$ 8,786,312	

CITY OF ROCKFORD

As of and for the Year Ended December 31, 2024

FIDUCIARY FUNDS

Police Pension and Firefighters' Pension Funds – To account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Administration costs are accounted for in each fund. Resources are contributed by employees at rates fixed by the State of Illinois and by the City at amounts determined by an annual actuarial evaluation.

City of Rockford

Pension Trust Funds

Combining Statement of Fiduciary Net Position

December 31, 2024

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	\$ 94,206	\$ 125,433	\$ 219,639
Investments:			
Annuities	-	163,042	163,042
Illinois Police Officer's Pension Investment Fund	228,587,781	-	228,587,781
Illinois Firefighters' Pension Investment Fund	-	184,412,530	184,412,530
Receivables:			
Accounts	4,631	24,759	29,390
Due from primary government	27,967	33,478	61,445
Total assets	228,714,585	184,759,242	413,473,827
Liabilities			
Accounts payable and other accrued liabilities	4,184	1,683	5,867
Total liabilities	4,184	1,683	5,867
Net Position			
Restricted for pensions	228,710,401	184,757,559	413,467,960
Total net position	\$ 228,710,401	\$ 184,757,559	\$ 413,467,960

City of Rockford

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2024

	Police Pension	Firefighters' Pension	Total
Additions			
Contributions:			
Employer	\$ 13,820,979	\$ 16,866,576	\$ 30,687,555
Plan members	2,721,104	2,657,662	5,378,766
Other	-	5,180	5,180
Total contributions	16,542,083	19,529,418	36,071,501
Investment earnings:			
Net appreciation in fair value of investments	20,339,132	18,373,238	38,712,370
Investment earnings	68,547	56,128	124,675
Total investment earnings	20,407,679	18,429,366	38,837,045
Investment expense	(124,620)	(219,682)	(344,302)
Net investment earnings	20,283,059	18,209,684	38,492,743
Total additions	36,825,142	37,739,102	74,564,244
Deductions			
Pension benefits	25,298,573	24,231,664	49,530,237
Refunds of contributions	163,655	140,571	304,226
Administration	165,022	196,342	361,364
Total deductions	25,627,250	24,568,577	50,195,827
Change in net position	11,197,892	13,170,525	24,368,417
Net Position, Beginning (as reported)	229,461,661	185,707,413	415,169,074
Restatement for correction an error (see note disclosure)	(11,949,152)	(14,120,379)	(26,069,531)
Net Position, Beginning (as restated)	217,512,509	171,587,034	389,099,543
Net Position, Ending	<u>\$ 228,710,401</u>	<u>\$ 184,757,559</u>	<u>\$ 413,467,960</u>

CITY OF ROCKFORD

As of and for the Year Ended December 31, 2024

DISCRETELY PRESENTED COMPONENT UNIT

Rockford Public Library – To account for the operations and maintenance of the main downtown library and five branch libraries.

City of Rockford

Rockford Public Library - Component Unit

Statement of Net Position and Governmental Funds Combining Balance Sheet

December 31, 2024

	Rockford Public Library	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	\$ 16,238,050	\$ -	\$ 16,238,050
Receivables (net):			
Property taxes	8,013,330	-	8,013,330
Accounts	1,373,401	-	1,373,401
Accrued interest	7,799	-	7,799
Capital assets not being depreciated	-	906,320	906,320
Capital assets being depreciated, net of accumulated depreciation	-	50,218,785	50,218,785
Total assets	25,632,580	51,125,105	76,757,685
Deferred Outflows of Resources			
Deferred outflows related to pensions	-	916,280	916,280
Total deferred outflows of resources	-	916,280	916,280
Liabilities			
Current liabilities:			
Accounts payable	627,104	-	627,104
Accrued liabilities	120,111	-	120,111
Accrued interest payable	-	857	857
Noncurrent liabilities:			
Due within one year	-	399,056	399,056
Due in more than one year	-	2,210,790	2,210,790
Total liabilities	747,215	2,610,703	3,357,918
Deferred Inflows of Resources			
Property taxes levied for future periods	7,995,896	-	7,995,896
Deferred inflows related to pensions	-	6,469	6,469
Total deferred inflows of resources	7,995,896	6,469	8,002,365
Fund Balance / Net Position			
Net investment in capital assets	-	49,973,182	49,973,182
Unassigned/unrestricted	16,889,469	(548,969)	16,340,500
Total fund balance/net position	\$ 16,889,469	\$ 49,424,213	\$ 66,313,682

City of Rockford

Rockford Public Library - Component Unit

Statement of Activities and Governmental Fund

Combining Statement of Revenues, Expenditures & Changes in Fund Balances/Net Position

Year Ended December 31, 2024

	Rockford Public Library	Adjustments	Statement of Activities
Revenues			
Taxes	\$ 7,709,194	\$ -	\$ 7,709,194
Intergovernmental	2,699,992	35,889,512	38,589,504
Charges for services	138,870	-	138,870
Fines	58,088	-	58,088
Investment income	867,233	-	867,233
Miscellaneous	657,810	-	657,810
Total revenues	12,131,187	35,889,512	48,020,699
Expenditures/Expenses			
Culture and recreation	9,078,464	1,541,077	10,619,541
Capital outlay	3,930,808	(3,930,808)	-
Debt service:			
Principal payments	444,547	(444,547)	-
Interest and fiscal charges	29,488	(10,097)	19,391
Total expenditures/expenses	13,483,307	(2,844,375)	10,638,932
Excess (deficiency) of revenues over expenditures	(1,352,120)	38,733,887	37,381,767
Other Financing Sources (Uses)			
Lease/SBITA issuance	661,584	(661,584)	-
Total other financing sources (uses)	661,584	(661,584)	-
Net change in fund balance/net position	(690,536)	38,072,303	37,381,767
Fund Balance/Net Position, Beginning (as reported)	-	-	-
Restatement for correction an error (see note disclosure)	17,580,005	11,351,910	28,931,915
Fund Balance/Net Position, Beginning (as restated)	17,580,005	11,351,910	28,931,915
Fund Balance/Net Position, Ending	\$ 16,889,469	\$ 49,424,213	\$ 66,313,682

STATISTICAL SECTION (UNAUDITED)

City of Rockford

Statistical Section

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December 31, 2024

The information in this section is not covered by the Independent Auditors' Report, but is presented as supplemental data for the benefit of the readers of the annual comprehensive financial report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to better understand and assess the City's overall financial health.

Contents	Page
Financial Trends	150
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	160
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	164
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.	
Demographic and Economic Information	170
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	173
These schedules contain information about the City's services and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

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

City of Rockford

Net Position by Component
Last Ten Fiscal Years

	2024*	2023	2022	2021
Governmental Activities				
Net investment in capital assets	\$ 272,846,971	\$ 269,436,848	\$ 255,900,410	\$ 263,787,727
Restricted				
Debt services	-	8,583,108	8,046,664	7,643,293
Other purposes	28,501,305	42,670,463	36,940,637	32,179,117
Unrestricted	(369,783,561)	(298,003,810)	(285,420,931)	(322,408,164)
Total governmental activities	<u>\$ (68,435,285)</u>	<u>\$ 22,686,609</u>	<u>\$ 15,466,780</u>	<u>\$ (18,798,027)</u>
Business-Type Activities				
Net investment in capital assets	\$ 195,594,259	\$ 187,438,140	\$ 178,474,761	\$ 168,670,663
Restricted				
Capital projects	1,000,000	1,000,000	1,000,000	1,000,000
Debt service	8,243,478	7,492,301	7,318,535	7,189,179
Unrestricted	4,009,389	8,859,479	8,037,103	8,057,727
Total business-type activities	<u>\$ 208,847,126</u>	<u>\$ 204,789,920</u>	<u>\$ 194,830,399</u>	<u>\$ 184,917,569</u>
Primary Government				
Net investment in capital assets	\$ 468,441,230	\$ 456,874,988	\$ 434,375,171	\$ 432,458,390
Restricted	29,501,305	52,253,571	45,987,301	40,822,410
Unrestricted	(365,774,172)	(289,144,331)	(277,383,828)	(314,350,437)
Total primary government	<u>\$ 140,411,841</u>	<u>\$ 227,476,529</u>	<u>\$ 210,297,179</u>	<u>\$ 166,119,542</u>

Beginning in 2015, the City implemented GASB 68 which resulted in the inclusion of a net pension liability.

Beginning in 2018, the City implemented GASB 75 which resulted in the inclusion of a total OPEB liability.

*As of December 31, 2023, the City began reporting the Library as a discretely presented component unit. Prior year columns are not updated for this change.

Data Source

Audited Financial Statements

2020	2019	2018	2017	2016	2015
\$ 272,587,858	\$ 240,780,483	\$ 237,514,960	\$ 246,421,993	\$ 232,181,881	\$ 225,009,895
7,274,106	9,080,224	8,350,683	10,297,303	9,984,081	9,940,202
26,605,345	26,226,292	28,293,779	24,137,561	25,524,410	24,223,691
(357,991,883)	(354,897,376)	(334,710,176)	(315,835,681)	(294,263,674)	(281,214,840)
<u>\$ (51,524,574)</u>	<u>\$ (78,810,377)</u>	<u>\$ (60,550,754)</u>	<u>\$ (34,978,824)</u>	<u>\$ (26,573,302)</u>	<u>\$ (22,041,052)</u>
\$ 164,308,985	\$ 154,684,885	\$ 148,507,800	\$ 142,017,856	\$ 138,985,875	\$ 136,801,891
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
4,186,860	4,190,830	3,005,522	3,493,867	3,734,747	5,040,258
<u>7,382,485</u>	<u>14,524,616</u>	<u>15,064,449</u>	<u>15,214,839</u>	<u>12,682,405</u>	<u>8,525,774</u>
<u>\$ 176,878,330</u>	<u>\$ 174,400,331</u>	<u>\$ 167,577,771</u>	<u>\$ 161,726,562</u>	<u>\$ 156,403,027</u>	<u>\$ 151,367,923</u>
\$ 436,896,843	\$ 395,465,368	\$ 386,022,760	\$ 388,439,849	\$ 371,167,756	\$ 361,811,786
34,879,451	36,306,516	37,644,462	35,434,864	36,508,491	35,163,893
<u>(350,609,398)</u>	<u>(340,372,760)</u>	<u>(319,645,727)</u>	<u>(300,620,842)</u>	<u>(281,581,269)</u>	<u>(272,689,066)</u>
<u>\$ 125,353,756</u>	<u>\$ 95,589,954</u>	<u>\$ 107,027,017</u>	<u>\$ 126,747,738</u>	<u>\$ 129,829,725</u>	<u>\$ 129,326,871</u>

City of Rockford

Changes in Net Position
Last Ten Fiscal Years

	2024*	2023	2022	2021
Expenses				
Governmental activities:				
General government	\$ 37,223,439	\$ 40,910,756	\$ 53,130,735	\$ 17,817,639
Public safety	238,260,368	166,536,916	168,739,788	141,685,544
Streets, alleys, and bridges	42,510,617	25,624,252	20,482,423	24,304,870
Community development	36,000,744	30,497,306	24,649,327	21,225,280
Sanitation and sewers	-	30,124	12,338	24,675
Culture and recreation	3,832,983	8,869,861	10,007,368	9,045,440
Public health and welfare	24,658,918	27,616,955	33,442,524	29,248,683
Interest	3,469,988	5,566,720	5,186,842	5,135,893
Total governmental activities expenses	385,957,057	305,652,890	315,651,345	248,488,024
Business-type activities:				
Water	34,500,064	30,748,914	27,215,301	27,831,133
Parking	3,945,369	3,907,184	3,549,641	3,790,425
Total business-type activities expenses	38,445,433	34,656,098	30,764,942	31,621,558
Total primary government expenses	\$ 424,402,490	\$ 340,308,988	\$ 346,416,287	\$ 280,109,582
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 51,994,996	\$ 49,827,741	\$ 43,432,095	\$ 41,065,010
Public safety	1,281,295	1,278,916	1,442,964	1,624,255
Streets, alleys, and bridges	-	-	-	-
Community development	-	-	-	-
Sanitation and sewers	-	-	-	-
Culture and recreation	-	149,886	131,413	116,255
Operating grants and contributions	56,500,371	50,161,134	85,789,471	41,777,230
Capital grants and contributions	10,388,121	7,857,504	9,452,235	4,420,276
Total governmental activities program revenues	120,164,783	109,275,181	140,248,178	89,003,026
Business-type activities:				
Charges for services:				
Water	37,763,823	40,756,311	36,560,914	36,838,067
Parking	2,558,446	2,118,193	1,926,381	1,383,429
Capital grants and contributions	1,286,012	1,651,403	1,970,067	630,169
Total business-type activities program revenues	41,608,281	44,525,907	40,457,362	38,851,665
Total primary government program revenues	\$ 161,773,064	\$ 153,801,088	\$ 180,705,540	\$ 127,854,691
Net (Expense)/Revenue				
Governmental activities	\$ (265,792,274)	\$ (196,377,709)	\$ (175,403,167)	\$ (159,484,998)
Business-type activities	3,162,848	9,869,809	9,692,420	7,230,107
Total primary government net expense	\$ (262,629,426)	\$ (186,507,900)	\$ (165,710,747)	\$ (152,254,891)

2020	2019	2018	2017	2016	2015
\$ 11,274,151	\$ 35,092,646	\$ 14,226,719	\$ 18,138,188	\$ 21,300,763	\$ 18,051,570
128,276,579	128,312,734	116,539,144	108,748,346	110,625,870	128,158,182
23,434,088	32,328,120	38,576,921	41,388,115	38,707,462	42,806,715
23,971,515	11,973,876	13,693,237	11,918,656	13,478,587	12,401,104
24,632	24,675	12,423,942	14,588,031	15,308,363	12,358,032
11,303,428	9,810,071	10,299,372	10,197,037	8,554,854	8,270,725
21,383,787	18,634,837	17,091,672	14,993,154	15,033,706	15,768,176
4,148,958	3,744,012	2,292,276	4,093,321	4,270,103	3,444,206
223,817,138	239,920,971	225,143,283	224,064,848	227,279,708	241,258,710
26,593,664	24,003,349	25,245,966	23,861,455	22,860,954	22,414,342
2,805,081	3,155,858	3,010,818	2,968,127	2,932,988	2,747,317
29,398,745	27,159,207	28,256,784	26,829,582	25,793,942	25,161,659
\$ 253,215,883	\$ 267,080,178	\$ 253,400,067	\$ 250,894,430	\$ 253,073,650	\$ 266,420,369
\$ 29,620,769	\$ 24,688,289	\$ 24,767,832	\$ 28,538,407	\$ 28,458,097	\$ 8,045,685
1,482,344	2,022,607	2,033,143	1,885,378	-	10,525,495
-	-	-	-	-	6,569,562
-	57,335	105,663	1,181,885	227,441	1,132,543
12,616,425	12,473,238	12,569,368	12,175,492	12,708,453	12,747,602
85,324	168,044	151,491	180,135	122,831	198,765
37,226,428	26,763,411	29,600,919	24,578,758	31,665,946	29,023,324
-	3,447,733	6,434,827	6,211,884	10,072,753	14,124,360
81,031,290	69,620,657	75,663,243	74,751,939	83,255,521	82,367,336
33,162,144	30,954,297	29,100,353	28,943,917	27,628,814	24,772,693
1,416,736	1,766,277	1,766,949	1,782,237	2,059,037	1,911,746
497,436	770,104	3,511,512	1,305,355	859,380	-
35,076,316	33,490,678	34,378,814	32,031,509	30,547,231	26,684,439
\$ 116,107,606	\$ 103,111,335	\$ 110,042,057	\$ 106,783,448	\$ 113,802,752	\$ 109,051,775
\$ (142,785,848)	\$ (170,300,314)	\$ (149,480,040)	\$ (149,312,909)	\$ (144,024,187)	\$ (158,891,374)
5,677,571	6,331,471	6,122,030	5,201,927	4,753,289	1,522,780
\$ (137,108,277)	\$ (163,968,843)	\$ (143,358,010)	\$ (144,110,982)	\$ (139,270,898)	\$ (157,368,594)

City of Rockford

Changes in Net Position
Last Ten Fiscal Years

	2024*	2023	2022	2021
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property	\$ 57,954,278	\$ 63,699,332	\$ 61,857,366	\$ 60,828,453
Sales	64,592,842	50,985,850	49,183,904	48,166,796
Use	5,508,674	6,622,473	6,778,301	5,801,055
Telecommunications	2,060,196	2,142,514	2,446,018	2,640,048
Utility	8,627,365	9,171,226	10,495,069	6,023,727
Gaming	6,174,688	-	-	-
Other	5,476,718	13,846,986	14,418,692	15,427,042
Intergovernmental - unrestricted				
Income tax	25,590,204	23,901,617	24,409,935	20,565,117
Replacement tax	12,156,351	23,170,810	27,829,203	13,754,253
Grants	-	415,431	-	8,436,928
Other	6,458,901	4,422,331	6,505,535	4,044,278
Investment income	8,070,657	2,589,386	4,186,856	(44,962)
Miscellaneous	7,406,147	3,108,366	1,249,487	6,534,954
Transfers	-	-	307,608	33,856
Total governmental activities general revenues and other	210,077,021	204,076,322	209,667,974	192,211,545
Business-Type Activities:				
Intergovernmental - unrestricted				
Grants	-	-	-	900,000
Other	212,084	-	-	-
Investment income	588,697	89,712	528,018	(57,012)
Miscellaneous	93,577	-	-	-
Transfers	-	-	(307,608)	(33,856)
Total business-type activities general revenues and other	894,358	89,712	220,410	809,132
Total primary government	\$ 210,971,379	\$ 204,166,034	\$ 209,888,384	\$ 193,020,677
Change in Net Position				
Governmental activities	\$ (55,715,253)	\$ 7,698,613	\$ 34,264,807	\$ 32,726,547
Business-type activities	4,057,206	9,959,521	9,912,830	8,039,239
Total primary government net expense	\$ (51,658,047)	\$ 17,658,134	\$ 44,177,637	\$ 40,765,786

*As of December 31, 2023, the City began reporting the Library as a discretely presented component unit. Prior year columns are not updated for this change.

Data Source

Audited Financial Statements

	2020	2019	2018	2017	2016	2015
\$	59,559,026	\$ 59,088,158	\$ 58,210,507	\$ 58,210,507	\$ 59,518,930	\$ 59,557,696
	38,481,118	41,432,700	40,241,419	40,241,419	39,229,423	39,212,916
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	27,530,279	28,086,266	23,989,197	16,364,785	11,592,026	10,295,225
	16,834,216	16,402,072	13,888,264	13,888,264	14,686,440	16,529,806
	7,841,272	8,768,557	7,365,335	7,365,335	7,188,103	6,541,765
	-	-	-	-	-	-
	9,320,101	-	-	-	-	-
	802,248	1,081,913	1,156,212	625,757	1,001,420	1,188,290
	9,519,858	5,779,049	3,021,339	4,130,550	3,536,395	3,335,120
	183,533	-	-	60,000	60,000	60,000
	170,071,651	160,638,715	147,872,273	140,886,617	136,812,737	136,720,818
	-	-	-	-	-	-
	-	-	-	-	-	-
	179,064	491,009	309,640	181,608	341,815	232,718
	-	-	-	-	-	-
	(183,533)	-	-	(60,000)	(60,000)	(60,000)
	(4,469)	491,009	309,640	121,608	281,815	172,718
\$	170,067,182	\$ 161,129,724	\$ 148,181,913	\$ 141,008,225	\$ 137,094,552	\$ 136,893,536
\$	27,285,803	\$ (9,661,599)	\$ (1,607,767)	\$ (8,426,292)	\$ (7,211,450)	\$ (22,170,556)
	5,673,102	6,822,480	6,431,670	5,323,535	5,035,104	1,695,498
\$	32,958,905	\$ (2,839,119)	\$ 4,823,903	\$ (3,102,757)	\$ (2,176,346)	\$ (20,475,058)

City of Rockford

Fund Balances, Governmental Funds

Last Ten Fiscal Years

	2024	2023	2022	2021
General Fund				
Nonspendable	\$ -	\$ -	\$ 320,258	\$ 318,934
Unassigned	69,721,732	127,463,373	116,441,375	46,280,214
Total general fund	<u>\$ 69,721,732</u>	<u>\$ 127,463,373</u>	<u>\$ 116,761,633</u>	<u>\$ 46,599,148</u>
All Other Governmental Funds				
Nonspendable	\$ 7,986,388	\$ 15,262,334	\$ -	\$ -
Restricted				
Debt service	-	8,780,330	8,264,604	7,885,437
Culture and recreation	-	17,338,183	16,194,130	14,048,280
Community development	6,135,104	5,831,346	5,124,404	2,024,645
Public health and welfare	1,396,119	1,785,817	-	2,811,123
Highway and streets	18,983,694	17,715,117	15,622,103	13,295,069
Unrestricted				
Assigned				
General government	-	-	-	-
Debt service	9,232,182	-	-	-
Community development	61,109,269	5,898,076	13,683,271	9,715,891
Public health and welfare	-	-	192,007	104,888
Unassigned	-	(6,198,182)	(4,232,483)	(4,263,488)
Total all other governmental funds	<u>104,842,756</u>	<u>66,413,021</u>	<u>54,848,036</u>	<u>45,621,845</u>
Total all governmental funds	<u>\$ 174,564,488</u>	<u>\$ 193,876,394</u>	<u>\$ 171,609,669</u>	<u>\$ 92,220,993</u>

Data Source

Audited Financial Statements

2020	2019	2018	2017	2016	2015
\$ 319,298	\$ 150,400	\$ 151,054	\$ 150,000	\$ 150,000	\$ 150,000
42,821,303	39,502,751	34,079,651	30,466,617	36,636,721	37,525,349
<u>\$ 43,140,601</u>	<u>\$ 39,653,151</u>	<u>\$ 34,230,705</u>	<u>\$ 30,616,617</u>	<u>\$ 36,786,721</u>	<u>\$ 37,675,349</u>
\$ -	\$ 81,000	\$ -	\$ 57,012	\$ 437,466	\$ 798,679
7,607,347	9,487,451.00	8,588,009	10,534,629	10,221,407	10,177,528
12,375,287	11,524,308	10,716,006	9,939,853	9,944,201	10,069,963
1,352,030	2,488,498	4,786,207	4,226,602	6,566,114	5,598,346
1,851,016	1,519,384	4,152,001	832,850	599,909	532,752
11,027,012	10,694,102	8,639,565	9,138,256	8,414,186	8,022,630
-	-	195,561	195,561	195,561	195,561
-	-	-	-	-	-
9,247,843	24,307,524	2,567,102	2,602,348	12,350,498	4,266,523
-	5,199	145,575	209,679	286,150	216,535
<u>(9,322,248)</u>	<u>(9,813,638)</u>	<u>(11,143,082)</u>	<u>(10,262,963)</u>	<u>(10,193,553)</u>	<u>(7,134,235)</u>
34,138,287	50,293,828	28,646,944	27,473,827	38,821,939	32,744,282
<u>\$ 77,278,888</u>	<u>\$ 89,946,979</u>	<u>\$ 62,877,649</u>	<u>\$ 58,090,444</u>	<u>\$ 75,608,660</u>	<u>\$ 70,419,631</u>

City of Rockford

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2024	2023	2022	2021
Revenues				
Taxes	\$ 147,923,899	\$ 146,468,381	\$ 145,179,350	\$ 138,887,121
Licenses and permits	9,379,000	11,388,480	9,241,157	9,769,217
Intergovernmental	111,261,997	109,928,827	153,986,379	89,408,742
Charges for services	39,274,930	38,547,402	34,283,445	31,372,851
Fines	1,281,295	1,320,661	1,481,870	1,663,452
Investment income	7,363,570	2,526,269	3,765,242	516
Miscellaneous	2,276,516	3,108,366	1,249,487	6,534,954
Total revenues	318,761,207	313,288,386	349,186,930	277,636,853
Expenditures				
Current:				
General government	28,047,865	28,889,610	24,475,645	28,507,909
Public safety	149,296,244	137,290,476	129,221,965	128,903,692
Streets, alleys, and bridges	33,940,722	17,431,049	12,160,406	15,782,584
Community development	34,159,361	30,375,214	24,466,215	21,177,685
Sanitation and sewers	-	-	-	-
Culture and recreation	-	8,369,498	8,788,636	7,385,242
Public health and welfare	21,976,307	27,346,093	33,265,425	29,121,725
Debt service:				
Principal	12,208,308	13,050,443	10,913,614	10,585,839
Interest	3,230,173	5,030,566	4,827,525	4,776,527
Bond issuance costs	39,560	-	-	-
Capital outlay:				
General government	-	-	-	-
Public safety	12,172,112	-	-	-
Streets, alleys, and bridges	18,750,855	29,536,222	24,499,621	17,538,699
Community development	987,000	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	314,808,507	297,319,171	272,619,052	263,779,902
Excess (deficiency) of revenues over expenditures	3,952,700	15,969,215	76,567,878	13,856,951
Other Financing Sources (Uses)				
Transfers in	66,865,171	25,580,645	17,822,554	15,522,876
Transfers out	(74,209,768)	(26,379,264)	(17,310,232)	(15,147,800)
Lease & SBITA value	2,497,722	679,990	-	-
Issuance of refunding bonds	-	-	-	-
Payment to escrow agent	-	-	-	-
Issuance of general obligation bonds	5,637,000	-	-	-
Issuance of installment contracts	-	6,416,142	2,308,473	710,078
Discount on bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	790,125	6,297,513	2,820,795	1,085,154
Net change in fund balances	\$ 4,742,825	\$ 22,266,728	\$ 79,388,673	\$ 14,942,105
Debt service as a percentage of noncapital expenditures	5.44%	6.64%	6.39%	6.17%

Data Source

Audited Financial Statements

2020	2019	2018	2017	2016	2015
\$ 125,570,423	\$ 128,607,124	\$ 122,441,123	\$ 114,816,711	\$ 110,340,379	\$ 109,065,837
9,490,309	11,028,972	10,874,632	9,745,667	7,182,358	7,836,475
71,222,017	53,923,910	57,289,345	52,044,241	63,613,242	68,003,443
32,796,285	26,303,212	26,652,526	32,263,530	33,077,083	30,134,940
1,518,268	2,077,329	2,100,339	1,952,100	1,257,381	1,248,237
650,625	712,630	901,939	461,721	726,080	914,998
9,519,858	5,779,049	3,021,339	4,130,550	3,536,395	1,550,932
250,767,785	228,432,226	223,281,243	215,414,520	219,732,918	218,754,862
24,695,816	22,835,047	13,064,160	11,710,916	11,597,842	11,152,236
121,765,321	113,983,475	110,656,380	107,513,287	101,937,283	98,615,052
19,938,492	15,744,910	13,973,852	12,415,385	16,202,782	21,094,419
23,893,882	11,923,262	15,788,408	12,562,462	13,341,542	12,368,519
-	-	12,397,792	14,737,836	14,398,829	12,358,032
8,476,567	9,038,648	8,289,293	8,249,312	8,554,854	7,348,771
21,180,333	18,431,025	16,964,131	15,947,170	15,033,706	15,627,543
10,454,272	10,075,455	10,846,812	13,039,045	12,040,963	13,148,479
3,588,960	3,225,586	2,993,490	5,128,971	4,220,590	3,425,850
-	-	-	-	-	-
-	-	-	-	-	1,124,980
-	-	-	-	-	-
31,987,563	25,287,062	22,038,242	33,876,952	36,633,253	41,979,220
-	-	-	-	-	-
-	-	-	-	-	275,570
265,981,206	230,544,470	227,012,560	235,181,336	233,961,644	238,518,671
(15,213,421)	(2,112,244)	(3,731,317)	(19,766,816)	(14,228,726)	(19,763,809)
15,590,022	31,071,827	17,714,465	19,199,654	19,852,700	23,124,325
(14,565,487)	(31,268,871)	(15,126,085)	(19,139,654)	(19,792,700)	(23,064,325)
-	-	-	-	-	-
-	-	-	-	5,400,000	14,874,939
-	-	(10,929,758)	-	(5,642,373)	-
1,520,795	31,945,831	16,800,526	-	14,770,000	-
-	-	-	1,020,330	4,515,600	-
-	-	(37,960)	-	-	-
-	758,685	97,334	-	314,528	-
-	-	-	1,147,500	-	-
2,545,330	32,507,472	8,518,522	2,227,830	19,417,755	14,934,939
\$ (12,668,091)	\$ 30,395,228	\$ 4,787,205	\$ (17,538,986)	\$ 5,189,029	\$ (4,828,870)
6.19%	6.27%	5.63%	8.41%	7.68%	8.40%

City of Rockford

Assessed Value and Actual Value of Taxable Property

Last Ten Tax Levy Years

Winnebago County										Estimated Actual Taxable Value
Levy Year	Residential Property	Commercial Property	Industrial Property	Other Property	Ogle County	Total Taxable Assessed Value	Tax Rate	Estimated Actual Value		
2015	\$ 895,443	\$ 392,693	\$ 145,896	\$ 4,477	\$ 122	\$ 1,438,387	3.8791	\$ 4,315,959	33.333%	
2016	897,083	394,345	146,506	5,246	122	1,443,058	3.8397	4,329,973	33.333%	
2017	916,110	401,147	150,748	5,021	122	1,472,904	3.7608	4,419,520	33.333%	
2018	950,922	405,789	147,832	5,107	180	1,509,470	3.6084	4,529,403	33.333%	
2019	1,010,668	447,832	152,516	5,457	153	1,616,626	3.3749	4,850,363	33.333%	
2020	1,066,142	465,612	161,289	6,019	164	1,699,226	3.2286	5,098,188	33.333%	
2021	1,135,854	488,330	167,541	6,416	164	1,798,140	3.0464	5,394,961	33.333%	
2022	1,245,434	523,601	177,204	6,531	176	1,952,770	2.8335	5,858,897	33.333%	
2023	1,438,629	614,770	221,626	7,868	122	2,283,014	2.5500	6,849,728	33.333%	
2024	1,638,482	640,929	211,585	8,334	222	2,499,552	2.2533	7,499,407	33.333%	

Data Source

Assessed valuations are provided by Office of Winnebago County and Ogle Clerk. Property is reassessed each year at 33% of actual value.

City of Rockford

Property Tax Rates - Direct and Overlapping Governments
Last Ten Tax Levy Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City Direct Rates										
General Fund	3.16080	3.18710	3.18050	3.11140	2.90820	2.78450	2.63610	2.45750	2.19720	1.93030
Library Special Revenue Fund	0.51960	0.51900	0.50910	0.48900	0.45640	0.43430	0.41030	0.37600	0.35280	0.32300
Debt Service Fund	0.18470	0.12370	0.06020	-	-	-	-	-	-	-
Other Revenue Fund	0.01400	0.00990	0.01100	0.00800	0.01030	0.00980	-	-	-	-
Total City Direct Tax Rate	<u>3.87910</u>	<u>3.83970</u>	<u>3.76080</u>	<u>3.60840</u>	<u>3.37490</u>	<u>3.22860</u>	<u>3.04640</u>	<u>2.83350</u>	<u>2.55000</u>	<u>2.25330</u>
Overlapping Tax Rates										
Winnebago County	1.09840	1.08260	1.05870	1.01730	0.96610	0.94360	0.90320	0.83730	0.75870	0.67300
Winnebago County Forest Preserve	0.12030	0.12070	0.11820	0.11470	0.11070	0.10730	0.10410	0.09930	0.09130	0.08350
Rockford Township	0.29360	0.29420	0.29240	0.28010	0.26250	0.24930	0.23910	0.22450	0.20710	0.18600
Rockford Park District	1.16290	1.15440	1.13710	1.09630	1.03340	1.00420	0.97390	0.94010	0.89140	0.81320
Rock River Water Reclamation	0.20750	0.20820	0.20400	0.19640	0.18480	0.17950	0.17310	0.15930	0.14250	0.12530
Greater Rockford Airport	0.10730	0.11030	0.11020	0.10730	0.10110	0.09870	0.09550	0.09260	0.08770	0.08030
Rockford School District	7.93790	7.80310	7.64960	7.35080	6.89290	6.58570	6.26460	5.76250	5.19540	4.78990
Rock Valley Community College	0.48930	0.49270	0.50530	0.49870	0.47030	0.46150	0.45640	0.47620	0.45930	0.47190

Data Source:

Tax rates are provided by the office of the Winnebago County Clerk.

Notes:

Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.

The increase in property tax extensions is limited to the lesser of 5% or the percentage increase in the Consumer Price Index for all urban consumers.

City of Rockford

Principal Property Taxpayers
Current Year and Ten Years Ago

2024				2014			
Taxpayer	Equalized Value	Rank	Percentage of Total Equalized Value	Taxpayer	Equalized Value	Rank	Percentage of Total Equalized Value
Greater Rockford Airport Authority	\$ 12,703,015	3	0.51%	Greater Rockford Airport Authority	\$ 10,401,909	1	0.72%
Wesley Willows	16,317,782	1	0.65%	Wesley Willows	5,279,214	5	0.36%
Lowes Homes Centers Inc.	15,884,991	2	0.64%	Lowes Homes Centers Inc.	9,154,904	2	0.63%
Forest Plaza LLC	11,532,807	4	0.46%	Forest Plaza LLC	6,556,951	3	0.45%
Swedish American Hospital	10,306,431	5	0.41%	Swedish American Hospital			
PCI, Inc	9,653,419	6	0.39%	PCI, Inc			
Walmart Stores INC	9,499,965	7	0.38%	Walmart Stores INC	6,089,489	4	0.42%
GLP Capital	9,314,371	8	0.37%	GLP Capital			
Hampton Ridge Apartments	7,374,550	9	0.30%	Hampton Ridge Apartments			
Beacon Hill Apartment	6,781,905	10	0.27%	Beacon Hill Apartment			
Fairhaven Christian Home				Fairhaven Christian Home	3,152,138	9	0.22%
MB Rockford State LLC				MB Rockford State LLC	3,882,186	6	0.27%
Hamilton Sundstrand Corporation				Hamilton Sundstrand Corporation	3,570,831	7	0.25%
Anderson Rockford LLC				Anderson Rockford LLC	3,318,577	8	0.23%
Rock River Valley Industrial Park				Rock River Valley Industrial Park	3,137,526	10	0.22%
	<u>\$ 109,369,236</u>		<u>6.08%</u>		<u>\$ 54,543,725</u>		<u>3.95%</u>

Data Source:
Winnebago County Clerk's office.

Note:

Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

City of RockfordProperty Tax Levies and Collections
Last Ten Tax Levy Years

Levy Year	Tax Levy Extension (1)	Collected Within the Fiscal Year of the Levy		Delinquent Tax Collections (3)	Total Collections to Date	
		Collections (2)	Percentage of Tax Levy Extension Collected		Total Tax Collections	Percentage of Levy
2015	\$ 54,580,057	\$ 53,655,866	98.31%	(156,499)	\$ 53,499,367	98.02%
2016	54,215,868	54,137,076	99.85%	(68,339)	54,068,797	99.73%
2017	54,696,106	53,968,144	98.67%	(51,618)	53,916,526	98.57%
2018	55,567,606	55,220,493	99.38%	(22,454)	55,198,039	99.33%
2019	55,567,606	55,269,174	99.46%	(12,177)	55,256,997	99.44%
2020	55,567,606	54,763,029	98.55%	-	54,763,029	98.55%
2021	55,623,392	55,493,918	99.77%	(8,753)	55,485,165	99.75%
2022	55,623,392	54,501,385	97.98%	-	54,501,385	97.98%
2023	55,992,392	55,593,189	99.29%	-	55,593,189	99.29%
2024	56,379,842	N/A	N/A	N/A	N/A	N/A

N/A - Information not available

Data Source:

City records

Notes:

(1) The tax levy extensions do not include tax increment financing districts or special service tax areas.

(2) Current collections as shown above represent those collections made by Winnebago County on the current levy up to the date of tax sale (the date such taxes are determined to be delinquent). The current tax collection period normally is the calendar year immediately subsequent to the tax year, but may be extended beyond December 31, depending on the date of the tax sale.

(3) Delinquent property taxes collected by the County Treasurer are distributed to the taxing units by use of the current tax rate and cannot be applied to specific levy years. Thus, delinquent taxes collected during the year are applied to the year preceding the tax levy for which current taxes are being collected.

City of Rockford

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities									
Fiscal Year Ended	General Obligation Bonds	Section 108 Guaranteed Loans	Promissory Term Note	Leases	Installment Contracts	Installment Note Payable	Inter-governmental payable	Subscriptions Payable	Lines of Credit
2015	\$67,266,849	\$ 635,000	\$ 28,065	\$ -	\$ 17,797,236	\$ -	\$ -	\$ -	\$ 1,461,113
2016	69,826,993	3,175,000	-	-	15,723,141	-	-	-	1,461,113
2017	76,178,017	3,115,000	-	-	13,195,517	-	-	-	-
2018	67,814,223	3,055,000	-	-	20,162,692	-	4,520,372	-	-
2019	60,276,399	2,868,000	-	-	26,228,983	-	4,317,345	-	-
2020	76,272,024	2,793,000	-	-	22,255,165	-	4,108,063	-	-
2021	80,674,842	2,457,000	-	-	17,315,950	-	3,891,538	-	-
2022	74,214,596	2,313,000	-	8,750,113	14,405,064	-	3,667,924	-	-
2023	60,216,087	2,167,000	-	8,426,654	16,120,014	425,795	3,417,096	13,145,762	-
2024	58,154,004	2,018,000	-	1,727,203	11,464,519	288,717	3,172,042	11,484,538	-

* See the schedule of Demographic and Economic Information for personal income and population data.

N/A - Information not available

Data Sources

County Records
U.S. Bureau of Economic Analysis
U.S. Census Bureau

Business-Type Activities								
Water General Obligation Alternate Bonds	Parking System General Obligation Alternate Bonds	Water IEPA Loans	Leases	Subscriptions Payable	Installment Contracts	Total Primary Government	Percentage of Personal Income*	Per Capita*
\$ 26,266,614	\$ 7,815,000	\$ 31,373,810	\$ -	\$ -	\$ 1,261,945	\$ 153,905,632	2.62%	\$ 1,037
23,776,576	8,140,000	29,483,315	-	-	1,033,603	152,619,741	2.57%	1,034
21,608,315	7,774,919	27,558,040	-	-	858,998	150,288,806	2.54%	1,022
19,383,870	7,430,259	25,602,864	-	-	673,799	148,643,079	2.42%	1,014
17,454,125	8,249,967	23,606,083	-	-	995,563	143,996,465	2.30%	989
15,788,818	7,809,254	21,577,827	-	-	785,046	151,389,197	2.09%	1,040
14,063,511	7,347,276	20,007,230	-	-	559,985	146,317,332	2.22%	984
12,323,204	6,853,823	21,593,697	2,213	-	376,056	144,499,690	1.91%	978
8,592,589	6,354,105	26,331,686	2,084,872	61,114	984,039	148,326,813	1.99%	1,011
6,627,282	5,842,912	30,363,218	1,941,978	14,344	1,674,122	134,772,879	1.84%	922

City of Rockford

Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Population	EAV	Bond Principal	Less Debt Service	Net Bonded Debt	Ratio of Bonded Debt to Equalized Value	Net Bonded Debt Per Capita
2015	\$ 148,422	\$ 1,438,623,439	\$ 101,348,463	\$ 9,940,202	\$ 91,408,261	6.35%	\$ 616
2016	147,651	1,443,301,828	101,743,569	9,984,081	91,759,488	6.36%	621
2017	147,051	1,473,147,305	105,561,251	13,791,170	91,770,081	6.23%	624
2018	146,526	1,537,222,547	94,628,352	11,356,205	83,272,147	5.42%	568
2019	145,609	1,649,676,971	85,980,491	12,106,408	73,874,083	4.48%	507
2020	145,609	1,741,706,058	99,870,096	11,460,966	88,409,130	5.08%	607
2021	148,655	1,850,371,307	102,085,629	14,832,472	87,253,157	4.72%	587
2022	147,711	2,030,590,488	93,391,623	15,365,199	78,026,424	3.84%	528
2023	146,713	2,283,014,227	75,162,781	16,075,409	59,087,372	2.59%	403
2024	146,120	2,613,729,299	70,624,198	8,243,478	62,380,720	2.39%	427

* See the schedule of Assessed Value and Actual Value of Taxable Property for property value data.

Data Source

City Records

City of Rockford

Direct and Overlapping Debt - Governmental Activities

December 31, 2024

Governmental Unit	Total Debt Outstanding	(2) Percentage Applicable to City	(3) City Share of Debt
Direct Debt			
City of Rockford, Illinois (1)	\$ 69,717,000	100.00%	\$ 69,717,000
Overlapping Debt			
Schools:			
Rockford School District #205	149,506,081	71.10%	106,239,021
Harlem School District #122	13,785,000	3.00%	406,658
Meridian School District #223	5,870,000	93.40%	5,482,580
Pecatonica School District #321	1,289,000	9.70%	125,033
Winnebago School District #323	11,367,000	6.20%	707,027
Rock Valley Community College #511	37,425,000	58.70%	21,979,703
	<u>219,242,081</u>		<u>134,940,022</u>
Other units:			
Winnebago County	62,765,000	40.80%	25,589,291
Winnebago County Forest Preserve	1,087,930	40.80%	443,549
Four Rivers Sanitation Authority	13,390,000	58.30%	7,805,031
Greater Rockford Airport Authority	55,850,130	55.10%	30,773,422
Rockford Township	-	74.40%	-
Cherry Valley Township	-	44.70%	-
Winnebago Township	-	0.70%	-
Owen Township	-	19.70%	-
Winnebago Park District	-	0.70%	-
Rockford Park District	37,297,500	70.30%	26,220,143
	<u>389,632,641</u>		<u>225,771,458</u>
Total Overlapping Debt			
	<u>389,632,641</u>		<u>225,771,458</u>
Total direct and overlapping debt	\$ 459,349,641		\$ 295,488,458

Data Source:

Information on overlapping debt obtained from Winnebago County.

Notes:

(1) Total debt outstanding for the City of Rockford does not include general obligation bonds and water revenue bonds being funded by the Water Utility Fund.

(2) Determined by ratio of assessed value of property subject of taxation in the City to value of property.

City of Rockford

Legal Debt Margin Information
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Legal debt limit	\$ 99,265,017	\$ 99,587,826	\$ 101,647,164	\$ 106,068,356	\$ 113,827,711	\$ 120,177,718	\$ 127,675,620	\$ 140,110,744	\$ 157,527,982	\$ 225,434,152
Total net debt applicable to limit	25,393,359	20,204,254	14,480,517	19,760,938	27,224,546	21,552,656	17,877,894	14,741,524	17,104,053	13,138,641
Legal debt margin	<u>\$ 73,871,658</u>	<u>\$ 79,383,572</u>	<u>\$ 87,166,647</u>	<u>\$ 86,307,418</u>	<u>\$ 86,603,165</u>	<u>\$ 98,625,062</u>	<u>\$ 109,797,726</u>	<u>\$ 125,369,220</u>	<u>\$ 140,423,929</u>	<u>\$ 212,295,511</u>
Total debt applicable to the limit as a percentage of debt limit	34.37%	25.45%	16.61%	22.90%	31.44%	21.85%	16.28%	11.76%	12.18%	6.19%

Legal debt margin calculation for 2024

Assessed value - 2024	\$ 2,613,729,299
Legal debt margin	<u>8.625%</u>
Debt limit	225,434,152
Debt limit - City (80% of the State limit)	180,347,322
Debt applicable to limit	
General obligation debt	<u>13,138,641</u>
Legal debt margin	<u>\$ 212,295,511</u>
City debt margin	<u>\$ 167,208,681</u>

Data Source

County Treasurer

City of Rockford

Pledged Revenue Coverage
Last Ten Fiscal Years

General Obligation Alternate Revenue Source Bonds *

Fiscal Year	Water Service Charges	Less Operating Expenses	Revenue Available for Debt Service	Debt Service		Total	Coverage
				Principal	Interest		
2015	\$ 24,642,193	\$ 20,496,014	\$ 4,146,179	\$ 2,365,000	\$ 1,026,735	\$ 3,391,735	1.22
2016	27,301,152	20,922,909	6,378,243	3,175,000	1,595,786	4,770,786	1.34
2017	28,615,526	21,867,186	6,748,340	2,130,000	1,433,182	3,563,182	1.89
2018	28,238,574	22,186,694	6,051,880	7,360,000	1,328,979	8,688,979	0.70
2019	29,064,491	22,924,230	6,140,261	1,565,000	668,306	2,293,306	2.75
2020	29,907,792	25,601,789	4,306,003	1,625,000	594,431	2,234,431	1.94
2021	31,799,113	24,736,833	7,062,280	1,640,000	519,806	2,234,806	3.27
2022	31,888,981	24,049,209	5,839,772	1,715,000	441,306	2,256,306	2.71
2023	34,793,780	28,608,225	6,185,553	1,815,000	358,806	2,156,306	2.85
2024	36,995,894	32,955,970	4,039,924	1,960,000	273,506	2,233,506	1.81

Note:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest or amortization expenses.

City of Rockford

Demographic and Economic Information
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (Thousands of dollars) (3)	Per Capita Personal Income (2)	Unemployment Rate (4)
2015	148,422	\$ 5,882,706	\$ 39,635	7.5%
2016	147,651	5,943,543	40,254	7.7%
2017	147,051	5,919,391	40,254	6.4%
2018	146,526	6,152,773	41,991	6.4%
2019	145,609	6,270,797	43,066	5.8%
2020	145,609	7,232,399	49,670	11.4%
2021	148,655	6,578,281	44,252	6.5%
2022	147,711	7,553,941	51,140	5.4%
2023	146,713	7,453,901	50,806	5.9%
2024	146,120	7,319,151	50,090	4.9%

Notes:

(1) U.S. Department of Commerce, Bureau of Statistic

(2) U.S. Department of Commerce, Bureau of Statistics, the amount presented is for the Rockford MSA.

(3) Per Capita Personal Income multiplied by the population.
unemployment
for the year, Rockford MSA.

City of Rockford

Principal Employers

Current Year and Ten Years Ago

2024		2014	
Employer	Rank	Employer	Rank
UW Health/SwedishAmerican Health System	1	UW Health/SwedishAmerican Health System	3
Rockford Public School	2	Rockford Public School	1
Mercyhealth/Rockford Health	3	Mercyhealth/Rockford Health	4
OSF Healthcare	4	OSF Healthcare	6
UPS	5	UPS	10
Collins Aerospace	6	Collins Aerospace	
Woodward Governor Company	7	Woodward Governor Company	
Amazon	8	Amazon	
Wal-Mart Stores	9	Wal-Mart Stores	8
Stellantis/Fiat Chrysler Automobiles	10	Stellantis/Fiat Chrysler Automobiles	2
PCI Pharma Services		PCI Pharma Services	5
Rockford Park District		Rockford Park District	7
Freeport Health Network Hospital		Freeport Health Network Hospital	9

Data Source

(1) Rockford Chamber of Commerce

City of Rockford

Full-Time Equivalent Employees
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Mayor's office	4.00	4.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00
Legal department	13.00	13.00	13.00	13.00	13.00	13.00	14.00	14.00	15.00	15.00
Finance office	36.00	36.00	36.00	36.00	33.00	32.00	32.00	32.00	32.00	32.00
Information technology	4.00	4.00	4.00	5.00	6.00	6.00	6.00	6.00	8.00	25.00
Human resources	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00
Public safety										
Police department										
Officers	287.00	287.00	284.00	301.00	301.00	301.00	301.00	303.00	304.00	304.00
Civilians	36.00	36.00	40.00	41.00	40.00	41.00	44.00	45.00	45.00	62.00
Fire department	259.00	259.00	261.00	272.00	272.00	274.00	274.00	274.00	274.00	287.00
911	53.00	52.00	52.00	52.00	52.00	52.00	53.00	53.00	53.00	57.00
Public works - traffic	11.00	12.00	11.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Construction services	23.20	24.00	23.00	25.00	21.00	20.30	20.30	21.30	21.30	21.30
Streets, alleys and bridges										
Administration	2.00	2.00	2.00	2.00	2.00	3.00	7.00	7.00	7.00	7.00
Engineering	9.10	9.00	10.00	6.00	6.10	7.20	7.20	9.70	13.40	15.90
Capital Projects	18.90	20.00	20.00	21.00	20.90	21.80	21.80	18.30	15.60	15.20
Street and sewer maintenance	31.00	30.00	30.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
Property and equipment	23.00	24.00	25.00	24.00	24.00	24.00	20.00	20.00	20.00	20.00
Community development										
Administration	1.50	2.00	2.00	1.50	1.50	2.50	2.50	2.50	2.50	2.50
Development	6.00	6.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Planning	4.30	5.00	4.00	4.50	8.50	8.30	8.30	8.30	8.30	8.30
Code enforcement	0.00	0.00	0.00	0.00	0.00	0.00	N/A	N/A	N/A	N/A
Culture and recreation										
Library	87.00	88.00	88.00	87.00	88.10	78.00	80.00	67.50	67.50	67.50
Public health and welfare	86.40	89.00	89.00	93.40	84.40	91.70	91.70	101.60	101.60	100.90
Parking	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Water	63.00	64.00	63.00	63.00	65.00	65.00	65.00	66.00	67.00	67.00
Totals	<u>1066.40</u>	<u>1074.00</u>	<u>1075.00</u>	<u>1109.40</u>	<u>1098.40</u>	<u>1102.69</u>	<u>1109.70</u>	<u>1111.10</u>	<u>1117.10</u>	<u>1169.40</u>

Data Source:
City Finance Office

City of Rockford

Operating Indicators
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police department										
Total calls for service	162,339	158,966	159,511	161,679	154,840	159,510	159,510	158,962	168,732	150,391
Total group A offenses	18,119	18,164	17,489	17,433	15,921	15,259	13,785	13,888	14,624	13,821
Total group B offenses	9,872	9,960	10,141	11,692	11,777	8,212	4,075	4,214	4,512	7,690
Clearance rate	32.70%	34.00%	37.50%	44.00%	39.80%	38.00%	30.00%	33.70%	36.99%	38.06%
Fire department										
Total call for service	27,446	27,580	28,409	29,238	29,427	29,330	31,322	32,329	32,659	34,146
Total number of fire calls	690	679	567	544	513	534	618	529	613	536
Total number of ambulance runs	21,844	21,580	22,390	19,714	19,792	19,038	20,123	20,183	23,719	24,804
911 center										
Total non-emergency calls	106,246	132,427	108,080	105,096	95,697	97,291	99,000	152,050	145,490	144,193
Total emergency calls	137,945	108,072	132,868	121,605	111,806	103,074	109,000	103,229	109,542	110,105
Total police dispatches	167,305	163,339	161,572	168,680	155,071	189,039	155,130	162,471	255,032	254,298
Total fire dispatches	27,838	31,557	28,835	29,217	34,204	43,261	40,348	40,692	N/A	N/A
Construction and development services										
Building permits	6,463	N/A	6,744	8,726	6,665	8,635	7,000	7,772	9,495	9,849
Total inspections	9,572	8,095	8,710	11,866	20,724	19,735	11,100	10,894	10,761	12,617
Demolitions	113	118	215	81	27	62	76	31	75	70
Human services										
Households receiving energy assistance	8,270	7,943	7,796	9,099	10,299	10,660	11,355	17,478	9,689	15,997
Head start children served	760	763	689	798	1,164	1,050	662	792	874	484
Homeless prevention clients served	1,155	1,155	410	218	304	704	509	562	661	617
Summer food program - meals served	53,982	56,509	57,272	58,908	52,710	44,670	31,040	31,602	N/A	N/A
Clients receiving weatherization assistance	112	90	62	89	140	74	63	81	38	80
Sanitation division										
Regular tonnage	47,140	48,609	51,140	49,985	51,357	56,872	51,332	56,093	50,498	56,409
Composting tonnage	12,470	12,777	11,627	12,720	12,924	11,801	7,038	9,109	11,273	8,277
Recycling tonnage	8,230	7,674	6,969	7,369	7,695	7,846	8,496	7,687	6,550	9,479
Public works										
Number of engineering plans reviewed	159	154	136	130	181	165	220	199	182	282
Number of permits issued	2,091	1,576	2,171	1,772	1,801	1,900	2,000	2,107	1,153	2,122
Plowing/spreading occurrences	22	17	13	26	21	21	21	15	10	11
Tree trims	2,384	2,802	3,075	2,137	2,310	1,445	1,600	1,216	1,537	1,780
Tree plantings	530	536	211	174	151	98	250	218	227	257
Total requests	7,271	5,633	6,093	4,204	6,242	4,537	3,700	4,493	5,037	6,410
Parking division										
Total parking spaces	4,170	8,246	8,052	4,170	4,170	4,170	4,219	4,862	4,394	4,394
Number of tickets issued	19,000	17,830	17,077	16,488	14,646	6,228	8,528	6,914	7,936	7,936
Water division										
Number of users	50,800	50,888	51,060	52,329	51,123	51,067	51,337	51,317	51,534	51,596
Annual water production (billion gallons)	6.5	6.41	6.45	6.39	6.02	6.12	6.56	6.08	6.03	5.96

N/A: Not Available

Data Source:

City Finance Department

City of RockfordCapital Asset Statistics
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police department										
Stations	1	3	3	3	3	3	3	4	4	4
Substations	4	4	4	4	4	4	4	4	2	2
Squad cars	150	150	150	159	188	186	220	251	274	308
Vans (including trucks and mobile units)	45	45	45	45	48	48	48	54	28	31
Fire department										
Stations	11	11	11	11	11	11	11	11	11	11
Companies:										
Engine	8	9	1	9	9	9	9	14	13	13
Quints	3	3	4	-	-	-	-	-	-	-
Ladder	2	4	5	4	4	4	4	6	6	6
Ambulances	6	7	11	7	7	10	10	10	14	16
Library	1	1	1	1	-	-	-	-	-	-
Main facility	5	5	6	6	6	6	6	6	5	5
Branch facilities										
Parking division										
Surface lots	34	37	37	37	37	37	37	37	40	40
Garages	4	4	4	4	4	4	4	4	4	4
Water division										
Water mains (miles)	820	816	824	824	826	826	826	826	826	826
Wells	30	26	26	26	26	26	26	25	25	25
Treatment Plants	12	12	12	12	13	13	13	15	14	14
Production capacity (gal per day)	76,500,000	76,500,000	76,500,000	76,500,000	76,500,000	76,500,000	76,500,000	76,500,000	71,830,000	71,830,000

Date Source:

City Finance Department