

Popular Annual Financial Report **2024**



From Mayor McNamara



I am happy to present the city's Popular Annual Financial Report (PAFR). The PAFR is a summarized version of important elements of the city's official financial statements, the Annual Comprehensive Financial Report (ACFR). The ACFR is compliant with generally accepted accounting principles and is available on the City's website.

For those without experience with financial statements, the full ACFR can be challenging to read and get a clear picture of the City's financial condition.

The PAFR is specifically designed to convey information about major aspects of the City's financial condition that may be of interest to citizens of Rockford.

We hope that this document gives you a feel for the City's finances, and if you should have any questions, please don't hesitate to contact the Finance Department.

Thank you

CITYFACTS

Population 146,120

PHYSICAL:

Square Miles	66.64
Miles of streets	737
Number of street lights	12,776

PUBLIC SAFETY:

Annual police calls for service	150,391
Annual fire calls for service	34,146
Annual ambulance runs	24,804
Number of fire stations	11
Number of fire hydrants	5,800

COMMUNITY & ECONOMIC DEVELOPMENT:

Building permits issued	9,849
Inspections	12,617
Demolitions	70

HEALTH & HUMAN SERVICES:

Households receiving energy assistance	15,997
Head Start children served	484
Homeless prevention clients served	617

PUBLIC WORKS:

Number of engineering plans reviewed	282
Number of permits issued	2,122
Tree trims	1,780
Tree planting	257

PARKING DIVISION:

Total parking spaces	4,394
Number of tickets issued	7,936

WATER DIVISION:

Number of users	51,596
Annual water production (billion gal)	5.96
Miles of water main	816
Water sample tests	4,920
Number of water wells	25

FINANCE

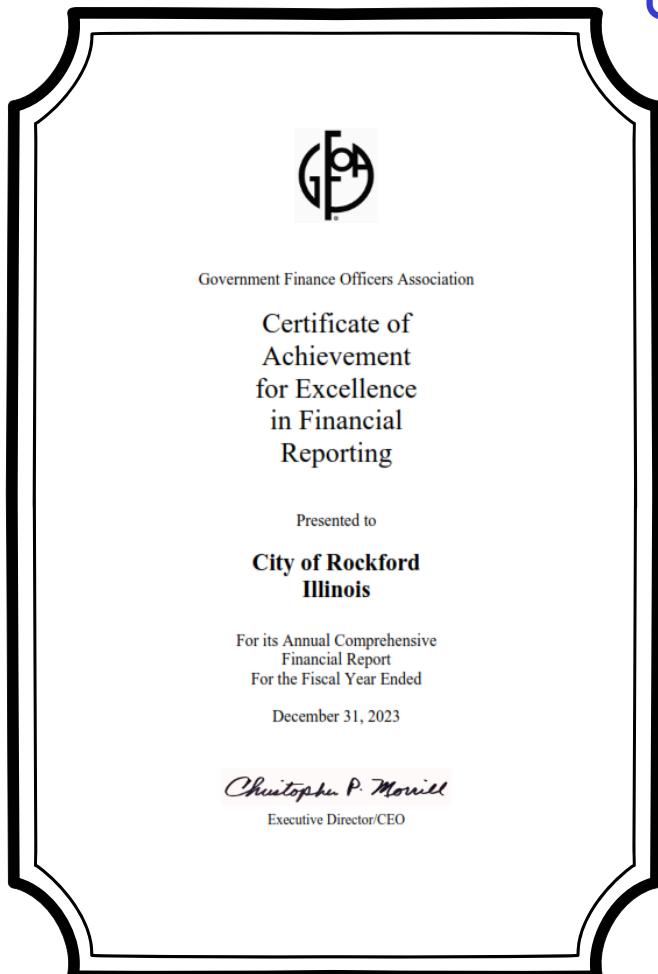
Number of purchase orders	4,040
Percent of local businesses	55.5%
Number of invoices processed	52,308
Number of vendor payments issued	12,179

City of Rockford

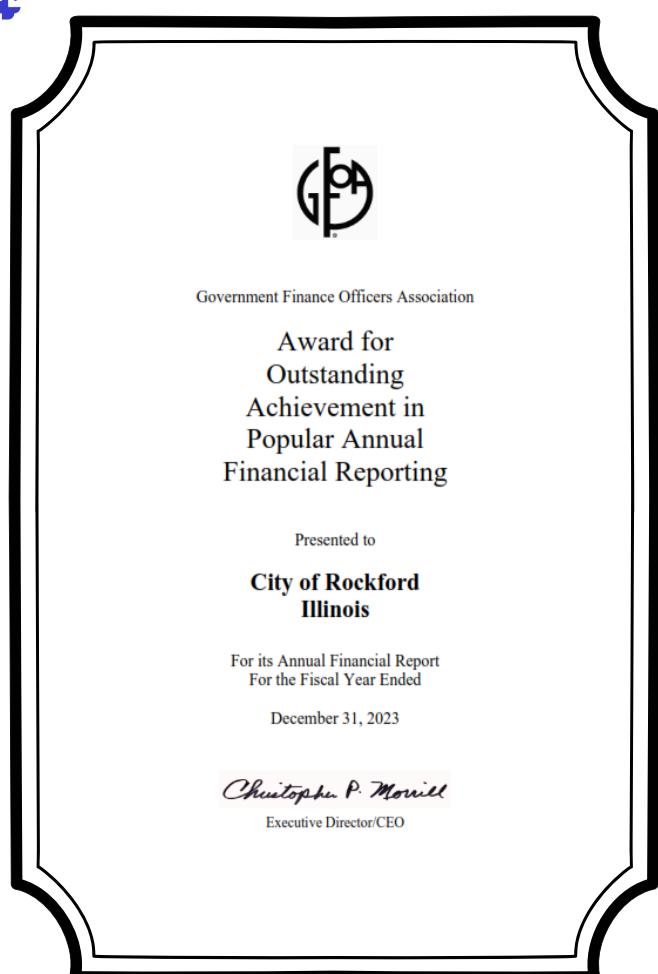
GFOA Financial Awards

The Government Finance Officers Association (GFOA) conferred an Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to the City of Rockford. The City was also recognized by GFOA for a Certificate of Achievement in Excellence in Financial Reporting (COA) for the Annual Comprehensive Financial Report where all the PAFR financial information is derived. These awards recognize and acknowledge conformance with the highest standards for the preparation of state and local government reports.

For more information on these awards, please visit <https://www.gfoa.org/awards> or click this QR:



Annual Comprehensive
Financial Report



Popular Annual
Financial Report

City of Rockford

Government Organization



Mayor and City Council



Mayor Thomas McNamara

The City of Rockford has an Aldermanic-City form of government which consists of 14 Alderpersons, a Mayor and an appointed City Administrator. The Alderpersons and Mayor are elected officials who serve four year terms on the City Council. The City of Rockford is divided into 14 wards.

City Council is responsible for establishing policy, passing ordinances, adopting the budget, and appropriate funds and present initiatives to best represent the needs of both their respective constituents and the City of Rockford as a whole.

The Mayor, with assistance from the City Administrator, is responsible for carrying out the policies and ordinances of the City Council and overseeing the day-to-day operations of the City. City services are provided by 9 City Departments: Community and Economic Development, Fire, Police, Finance, Health and Human Services, Legal, Human Resources, Information Technology, and Public Works.



Ward 1
Dr.
Timothy J.
Durkee



Ward 2
Jonathan
Logemann



Ward 3
Chad
Tuneburg



Ward 4
Kevin J.
Frost



Ward 5
Gabrielle
Torina



Ward 6
Aprel
Prunty



Ward 7
Janessa
Wilkins



Ward 8
Karen
Hoffman



Ward 9
Bill
Rose



Ward 10
Franklin C.
Beach



Ward 11
Isidro
Barrios



Ward 12
Gina
Meeks



Ward 13
Jeff
Bailey



Ward 14
Mark
Bonne

To the Citizens

of the City of Rockford

We are proud to present the City of Rockford's Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2024. This report gives readers a summary of the City's financial activities. The purpose of the PAFR is to report the City's financial information in a clear, concise manner giving all readers, both financial and non-financial, an understanding of where the revenue comes from and where dollars are being spent. Most importantly, it is essential that our citizens understand the key services that the City provides to make the City of Rockford a safer and more enjoyable place in which to work, live, and play.

The PAFR summarizes the financial activities of the City for our fiscal year which runs from January 1 to December 31. It is drawn from a more detailed report called the Annual Comprehensive Financial Report (ACFR). The ACFR includes financial statements that are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited by Baker Tilly, an independent auditing firm. The 2024 ACFR has two main restatements: 1) the Library has been restated per GASB 61 as a Component Unit of the City financials and 2) the Police and Fire Pension funds were restated to record the property tax receivable and recognize revenue that align with GASB 33. The numbers contained within the ACFR were acquired by applying the basis of accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

Although the numbers used in the PAFR come from an audited source, we have presented them in a condensed, easy to understand, non-GAAP format. GAAP reports deal with the presentation of segregated funds as well as full disclosure of all material financial and nonfinancial events in notes to the financial statements, while non-GAAP reports do not contain such notes. Citizens who wish to review audited GAAP basis financial statements can refer to the City of Rockford ACFR, which is available from the Finance Department or on the City's website at rockfordil.gov.

As a municipality, we want to continue to promote awareness, accountability, and transparency of the City's financial information. We anticipate that after reading the PAFR, community members will be reassured that public dollars are being used to build a better, safer, and stronger City of Rockford. With the help of all departments, the City, in 2024 has accomplished many goals. All these positive achievements have helped to increase growth and success in our City. We look forward to the future and growth of the City.

We are honored to serve the citizens of the City of Rockford and hope you enjoy reviewing the 2024 PAFR. We welcome any input, questions, and comments you may have regarding this report. You may contact the Finance Department at 779-348-7470.

City of Rockford Finance Department



Basic Demographics

	CITY OF ROCKFORD	WINNEBAGO COUNTY	STATE OF ILLINOIS	UNITED STATES
Population	147,486	283,790	12,710,158	340,110,988
Households	61,481	115,449	5,001,904	127,482,865
Persons per household	2.34	2.42	2.48	2.54
Median Household Income	53,328	64,363	81,702	78,538
Per Capita Income	30,409	34,775	45,104	43,289
High School Graduate or Higher (%)	84.9%	88.6%	90.3%	89.4%
Persons in Poverty (%)	21.9%	14.7%	11.6%	11.1%
Median Home Value	120,900	155,100	250,500	303,400

Source: US Census Quick Facts

10 Years at a Glance

CITY OF ROCKFORD	2014	2019	2024
Population	149,287	145,609	147,486
Unemployment Rate (%)	9.8%	5.8%	4.9%
Full Time Employees	1,076	1,098	1,169
Number of Sworn Police Officers	287	301	304
Number of Sworn Fire Personnel	259	272	287
Taxable Assessed Value	1,451,781	1,616,626	2,499,552
City Direct Tax Rate	3.797	3.375	2.253
Net Bonded Debt (000s)	86,214	88,204	62,381
Municipal Sales Tax (000s)	38,956	41,433	64,593
Governmental Fund Revenue (000s)	207,338	228,432	330,242
Governmental Fund Expenditures (000s)	213,380	230,544	314,809
Governmental Funds - Fund Balance (000s)	86,468	94,021	144,475

Source: City Records



The City's Finances

Accounting for Financial Activities

Fund Accounting Structure – The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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.

The City maintains ten 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.

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 governmental-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.



Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the finances of the City in a manner similar to a private-sector business. The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Net Position measures the net financial resources available as a result of City operations to pay expenditures in future periods. Rating agencies examine net positions when considering the overall economic health and creditworthiness of the City. Net position here means the balance of governmental funds calculated in accordance with generally accepted accounting principles.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

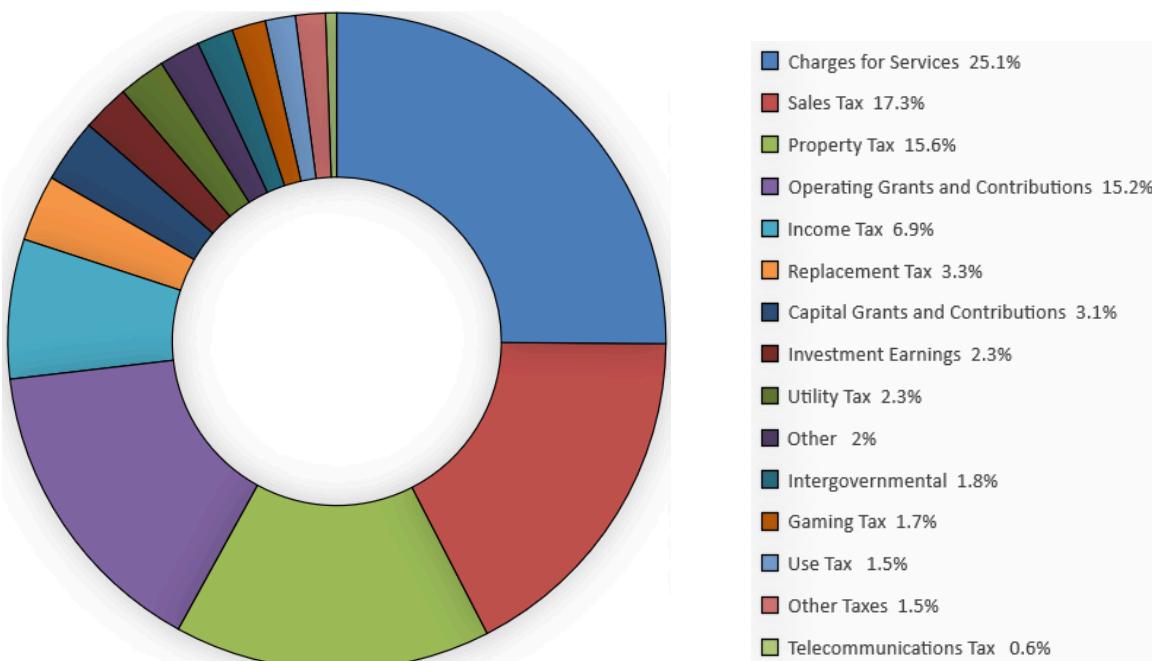
With total assets and deferred outflows of \$987.6 million and total liabilities and deferred inflows of \$847.3 million, the City's total net position was \$140.4 million at December 31, 2024. This is a decrease of \$87.1 million as was expected as the majority of the decrease was previous years' surplus funds being programmed for various projects. Approximately \$468.4 million represents the City's net investment in capital assets, \$37.7 million was held for restricted purposes and (\$365.7) million is classified as unrestricted.

Statement of Net Position (in 000s)	12/31/2024	12/31/2023	12/31/2022
ASSETS			
Total current assets	327,718	343,973	312,206
Total noncurrent assets	593,003	591,068	563,195
Total assets	920,721	935,041	875,401
Total deferred outflows of resources	66,956	100,097	130,013
LIABILITIES			
Total current liabilities	60,563	52,467	57,883
Noncurrent liabilities	691,685	659,015	654,514
Total liabilities	752,248	711,482	712,397
Total deferred inflows of resources	95,017	96,179	82,720
NET POSITION			
Net Investment in Capital Assets			
Assets	468,441	456,875	434,375
Restricted	37,745	59,746	53,305
Unrestricted	(365,774)	(289,144)	(277,383)
Total Net Position	140,412	227,477	210,297

Revenue

Government-wide

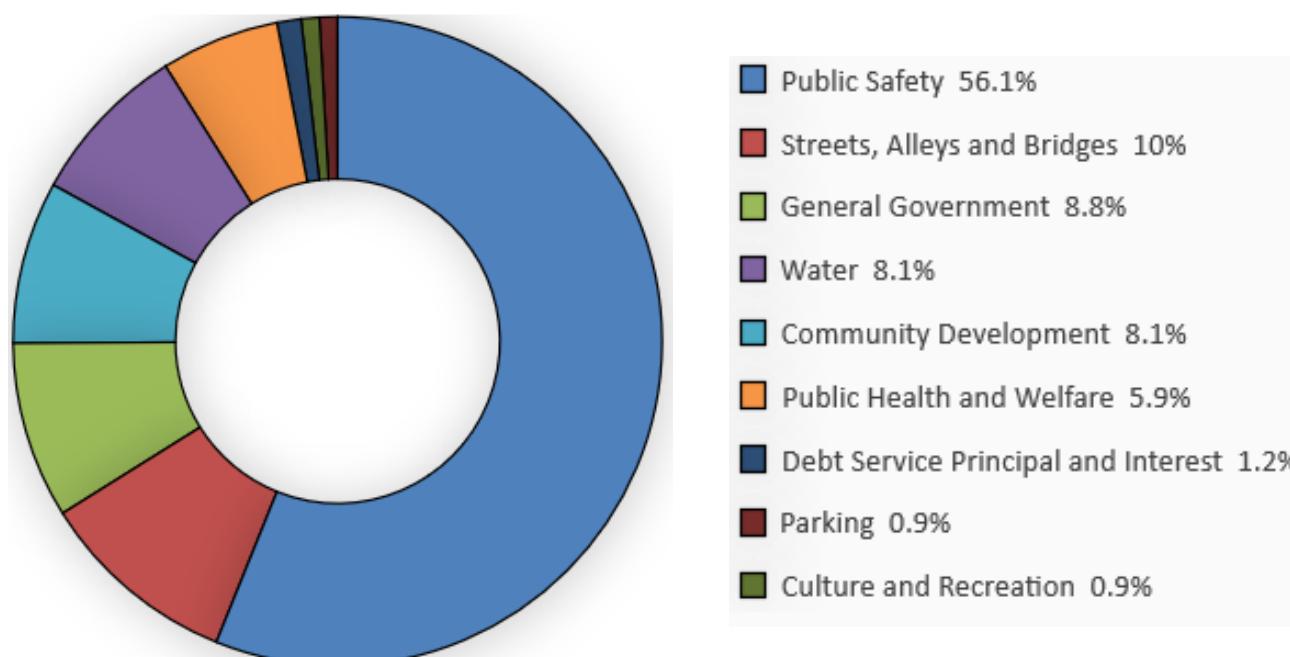
REVENUE (in 000s)	12/31/2024	12/31/2023	12/31/2022
Charges for Services	93,599	94,131	83,494
Sales Tax	64,593	50,161	49,184
Property Tax	57,954	63,699	61,857
Operating Grants and Contributions	56,500	50,986	85,790
Income Tax	25,590	23,901	24,410
Replacement Tax	12,156	23,171	27,829
Capital Grants and Contributions	11,674	9,923	11,422
Investment Earnings	8,659	2,679	4,715
Utility Tax	8,627	9,171	10,495
Other	7,500	3,108	1,250
Intergovernmental	6,671	4,422	-
Gaming Tax	6,175	4,851	-
Use Tax	5,509	6,623	6,778
Other Taxes	5,477	8,997	20,924
Telecommunications Tax	2,060	2,144	2,446
TOTAL	372,744	357,967	390,594



Expenses

Government-wide

EXPENSES (in 000s)	12/31/2024	12/31/2023	12/31/2022
Public Safety	238,260	166,537	168,741
Streets, Alleys and Bridges	42,511	25,624	20,482
General Government	37,223	40,911	53,131
Water	34,500	30,749	27,215
Community Development	34,436	30,497	24,649
Public Health and Welfare	24,659	27,617	33,443
Debt Service Principal and Interest	5,035	5,567	5,187
Parking	3,945	3,907	3,550
Culture and Recreation	3,833	8,870	10,007
TOTAL	424,402	340,309	346,417





General Fund

Statement of Revenues, Expenditures, & Changes in Fund Balance

REVENUES

	12/31/2024	12/31/2023
Taxes	\$105,462,459	\$97,818,508
Licenses and permits	9,379,000	11,388,480
Intergovernmental	49,538,190	52,858,105
Charges for services	39,274,930	38,439,261
Fines	1,281,295	1,278,916
Investment income	6,256,610	1,150,595
Miscellaneous	602,197	636,555
Total revenues	211,794,681	203,570,420

EXPENDITURES

	2024	2023
General government	28,047,865	28,889,610
Public safety	147,442,454	135,994,183
Streets, alleys and bridges	13,651,901	12,510,745
Community development	3,814,000	2,847,780
Capital outlay	12,974,204	3,671,841
Debt service	2,486,631	2,221,291
Total expenditures	208,417,055	186,135,450
Excess revenues over expenditures	3,377,626	17,434,970

OTHER FINANCING SOURCES (USES)

	2024	2023
Debt issuance	5,637,000	7,096,132
Lease Proceeds	2,447,695	0
Transfers in	3,545,394	3,552,410
Transfers out	(66,274,630)	(17,381,772)
Net change in fund balances	(51,266,915)	10,701,740
Fund balances - beginning	127,463,373	116,761,633
Restatement	(6,474,726)	
Fund balances - ending	\$69,721,732	\$127,463,373

The General Fund is the chief operating fund of the City.

Revenues are primarily derived from general property taxes, charges for services, fines, licenses and permits, and State and Federal Sources.

Expenditures are primarily related to general administration, police and fire protection, street inspection and maintenance, building inspection, and planning and zoning.

The General Fund's unassigned fund balance at year end was \$69.7 million, or 33.5% of total General Fund Balance. This is a decrease of \$51.3 million from the prior year and is primarily due to the restatement of the Rockford Public Library as a component unit and surplus funds being programmed for various projects.

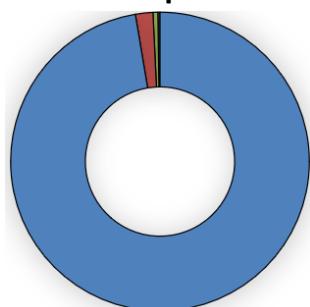


Enterprise Funds

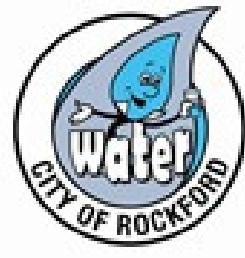
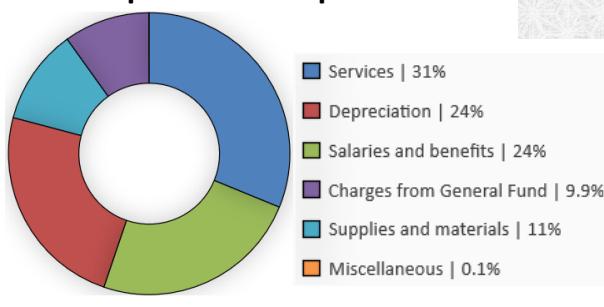
Schedule of Revenues, Expenses, & Changes in Net Position

	Water Utility	Parking System	Total Enterprise	
			2024	2023
OPERATING REVENUES				
Charges for services	36,995,896	2,558,446	39,554,342	36,898,770
Fines and penalties	767,927	-	767,927	660,963
Intergovernmental	212,084	-	212,084	5,171,989
Miscellaneous	95,297	(1,720)	93,577	142,782
Total operating revenues	38,071,204	2,556,726	40,627,930	42,874,504
OPERATING EXPENSES				
Salaries and benefits	8,375,017	382,805	8,757,822	6,192,463
Services	9,443,048	1,925,918	11,368,966	12,158,051
Supplies and materials	3,978,472	20,503	3,998,975	2,137,199
Depreciation	7,554,225	1,158,373	8,712,598	8,111,291
Charges from General Fund	3,603,212	-	3,603,212	3,471,319
Miscellaneous	1,993	11,023	13,016	10,132
Total operating expenses	32,955,967	3,498,622	36,454,589	32,080,455
Operating Income (loss)	5,115,237	(941,896)	4,173,341	10,794,049
NONOPERATING REVENUES (EXPENSES)				
Contributions	336,137	949,875	1,286,012	-
Investment Income	1,067,097	(478,400)	588,697	89,712
Disposal of capital assets	(769,969)	-	(769,969)	(1,423,554)
Interest expense and service fees	(874,435)	(446,747)	(1,321,182)	(1,252,396)
Amortization expense	100,307	-	100,307	100,307
	(140,863)	24,728	(116,135)	(2,485,931)
Income (loss) before transfers and contrib	4,974,374	(917,168)	4,057,206	8,308,118
Transfers	-	-	-	-
Changes in net position	4,974,374	(917,168)	4,057,206	9,959,521
Net position - beginning	199,521,641	5,268,279	204,789,920	194,830,399
Net position - ending	204,496,015	4,351,111	208,847,126	204,789,920

Enterprise Fund Revenue



Enterprise Fund Expenses



Enterprise Funds are used to record the City's business type activities. The City's enterprise funds are the Water Utility fund and the Parking system fund.

The Water fund is used to account for the provision of water services to residents.

The Parking fund is used to provide ample parking for the business districts within the City.

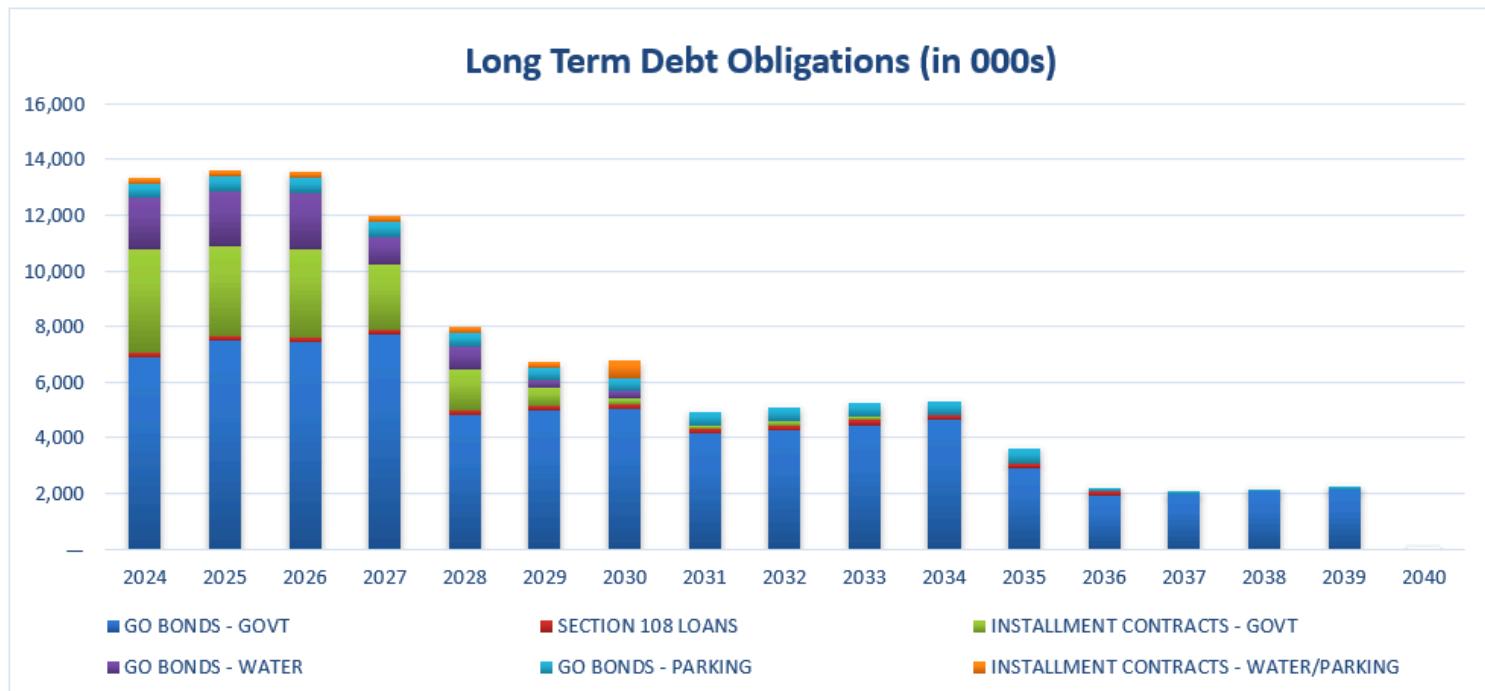
These funds are designed to be self-sustaining deriving revenue from customer fees. These fees supply the necessary funds to allow the water and parking funds to remain financially independent and also allow for some capital investments to provide and maintain the City's water utility and parking system.

Debt

Government-wide

All general obligation notes and bonds payable are backed by the full faith and credit of the City. The chart below illustrates the City's total outstanding debt service and how it can be expected to change over time. Should the City not issue any more debt, the City's general obligation would be completely paid off by the year 2039. As a non-home rule government, under Illinois law, the City is limited in issuing debt. Moody's Investor Service has issued the City of Rockford a bond rating of AAA.

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.



What Improvements are happening around Rockford?

City-Wide Capital Improvements are funded by three main sources: the 1% Infrastructure Sales Tax, Motor Fuel Tax, and the Capital General Fund. To find out more visit the City's website at www.rockfordil.gov or scan this QR code where you can find an infrastructure interactive map.

2024 CAPITAL CONSTRUCTION PROJECT HIGHLIGHTS



WHITMAN STREET IMPROVEMENTS (AVON STREET TO CHURCH STREET)

Category	Funding Source	Project Total
Capital Roadway Program	1% Sales Tax	\$5.6M



ALPINE DAM REPAIRS (PHASE 2) (REUBEN ALDEEN PARK)

Category	Funding Source	Project Total
Stormwater Program	1% Sales Tax	\$2M



WELL 39 TREATMENT PLANT

Category	Funding Source	Project Total
Water Production Program	IEPA SRF	\$5.0M



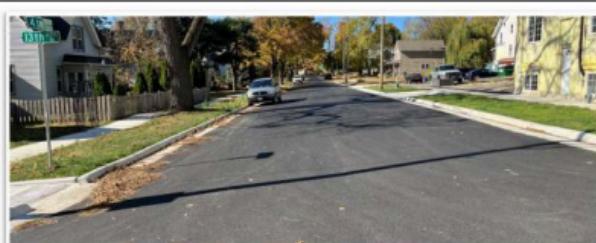
PARKVIEW AVENUE SIDEWALK (UIC ROCKFORD TO ANDERSON GARDENS)

Category	Funding Source	Project Total
Sidewalk & Active Transportation	MFT/TAP	\$500K



4TH AVENUE (NEIGHBORHOOD ALLOCATION) (11TH STREET TO 13TH STREET)

Category	Funding Source	Project Total
Neighborhood Program	1% Sales Tax	\$400K



LEAD SERVICE LINE REPLACEMENT

Category	Funding Source	Project Total
Water Distribution Program	IEPA SRF	\$4.0M





Capital Improvements (cont.)

LOGISTICS PARKWAY EXTENSION

Category	Funding Source	Project Total
Water Distribution Program	WRRA	\$0.9M



CORBIN STREET, MONTAGUE ROAD

Category	Funding Source	Project Total
Water Distribution Program	WRRA	\$1.1M



WARD FUNDING ALLOCATION (2025)

Ward	Miles of Roadway	Basic Funding (2024)	Basic Funding (2025)	Alley Allocation	Additional FY-23 General Fund Surplus Funding	Total Allocation (2024)	Total Allocation (2025)
1st Ward	81.32	\$321,428	\$357,143	\$0	\$250,000	\$321,428	\$607,143
2nd Ward	46.78	\$321,428	\$357,143	\$84,969	\$250,000	\$399,928	\$692,112
3rd Ward	49.64	\$321,428	\$357,143	\$51,140	\$250,000	\$370,938	\$658,258
4th Ward	56.58	\$321,428	\$357,143	\$1,768	\$250,000	\$321,428	\$608,911
5th Ward	56.04	\$321,428	\$357,143	\$56,930	\$250,000	\$381,197	\$664,073
6th Ward	75.68	\$321,428	\$357,143	\$31,452	\$250,000	\$350,866	\$638,595
7th Ward	50.69	\$321,428	\$357,143	\$57,662	\$250,000	\$374,958	\$664,805
8th Ward	41.64	\$321,428	\$357,143	\$5,730	\$250,000	\$328,564	\$612,873
9th Ward	46.32	\$321,428	\$357,143	\$15,116	\$250,000	\$339,716	\$622,259
10th Ward	61.81	\$321,428	\$357,143	\$18,895	\$250,000	\$345,960	\$626,038
11th Ward	47.31	\$321,428	\$357,143	\$65,525	\$250,000	\$387,442	\$672,668
12th Ward	54.48	\$321,428	\$357,143	\$48,031	\$250,000	\$366,032	\$655,174
13th Ward	52.77	\$321,428	\$357,143	\$62,477	\$250,000	\$390,115	\$669,620
14th Ward	58.97	\$321,428	\$357,143	\$305	\$250,000	\$321,428	\$607,448
Total	780.03	\$4,499,992	\$5,000,002	\$500,000	\$3,500,000	\$5,000,000	\$9,000,002



Pension Benefits

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, a single-employer pension plan; and the Firefighters' Pension, also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

All employees (other than those covered by the Police Pension and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members are required to contribute 4.50% of their annual gross salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The City's actuarially determined contribution rate for the fiscal year ended December 31, 2024 was 5.98% of covered payroll.

The City's sworn police personnel are enrolled in the Police Pension Plan as participating members and contribute 9.91% of their base salary to the Police Pension Plan. The City's sworn fire personnel are enrolled in the Firefighters' Pension Plan as participating members and contribute 9.455% of their base salary to the Firefighters' Pension Plan.

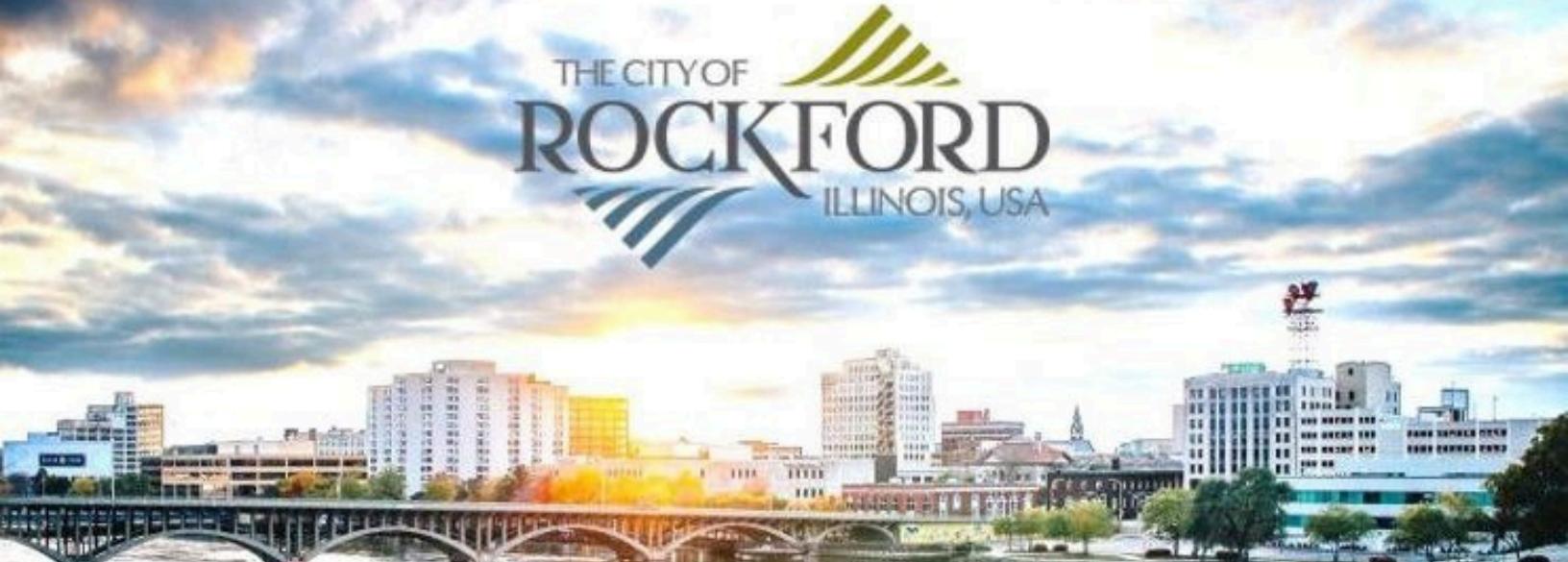
The City is required to contribute the remaining amounts necessary to finance the Plans and the administrative costs as actuarially determined by an enrolled actuary. ILCS requires the City to contribute a minimum amount annually calculated using an entry age normal actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040.

- For the year-ended December 31, 2024, the City's contribution to the Police Pension Fund was 52.13% of covered payroll. The unfunded net pension liability at December 31, 2024 measures \$233 million and the fund was 49.54% funded.
- For the year-ended December 31, 2024, the City's contribution to the Fire Pension Fund was 59.14% of covered payroll. The unfunded net pension liability at December 31, 2024 measures \$257 million and the fund was 41.8% funded.

Executed Summary

Reported as of December 31, 2024

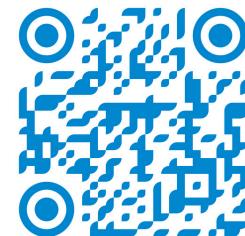
	Police Pension	Firefighters' Pension
Total Pension Liability	461,638,790	441,959,747
Plan Fiduciary Net Position	228,710,401	184,757,559
Net Pension Liability	232,928,389	257,202,188
Plan Fiduciary Net Position as a % of Total Pension Liability	49.54%	41.80%



For more information . . .

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