

CITY OF ROCK ISLAND, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



ROCK ISLAND
ILLINOIS

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019

CITY OF ROCK ISLAND, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019

Prepared by:
Finance Department

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CITY OF ROCK ISLAND, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the City including: Letter of Transmittal, Principal Officials, Organizational Chart, and Certificate of Achievement for Excellence in Financial Reporting.

CITY OF ROCK ISLAND, ILLINOIS

Principal Officials

December 31, 2019

	<u>Term Expiration Date of Elected Officials</u>
Mayor: Mike Thoms	May 1, 2021
City Manager: Randy Tweet	Not Applicable
Council Members: Ivory Deaon Clark - 1st Ward Alderman	May 1, 2021
Randy Hurt - 2nd Ward Alderman	May 1, 2023
James Spurgetis - 3rd Ward Alderman	May 1, 2021
Jenni Swanson - 4th Ward Alderwoman	May 1, 2023
Dylan Parker - 5th Ward Alderman	May 1, 2021
Mark Poulos - 6th Ward Alderman	May 1, 2023
David Geenen - 7th Ward Alderman	May 1, 2021

CITY OF ROCK ISLAND, ILLINOIS

Organizational Chart
December 31, 2019





ROCK ISLAND
ILLINOIS

May 29, 2020

To the Mayor, City Council and Residents of the City of Rock Island,

We are pleased to present the 2019 Comprehensive Annual Financial Report (CAFR) to the City Council. This report is intended to update the City Council and the residents of Rock Island on the status of the City's financial position and results of operations for the period ending December 31, 2019. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Consistent with that requirement, we submit the CAFR for the City of Rock Island for the period ended December 31, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Lauterbach & Amen LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Rock Island's financial statements for the period ended December 31, 2019. The independent auditor's report is located at the front of the financial section of this 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 MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The City of Rock Island is located in northwestern Illinois, situated between the Mississippi and Rock Rivers approximately 175 miles west of Chicago and 175 miles east of Des Moines. Along with the communities of Moline and East Moline, Illinois, and Davenport and Bettendorf, Iowa, the City of Rock Island is part of the Davenport – Rock Island – Moline Metropolitan Statistical Area (MSA) commonly referred to as the Quad Cities. Rock Island is also the county seat of Rock Island County. In 2010, Rock Island's population was 39,018 in a region of 379,690.

The City of Rock Island is organized under the Council-Manager form of government with legislative authority vested in a City Council made up of a Mayor and seven alderpersons. Council members are elected from wards to staggered four-year terms.

The City has unified its administrative functions through the appointment of a City Manager (the position was created by the action of the City Council on July 1, 1952), who is responsible for the day to day operations of the City and its 436 full- time equivalent employees. The City’s police department, with 81 sworn police officers, is located at 1212 – 5th Avenue. The fire department currently has four stations housing the department’s 57 full-time personnel.

The City negotiates with the following bargaining units: Fraternal Order of Police (62 employees, contract expires December 31, 2020); Police Command (19 employees, contract expires December 31, 2021); Fire Fighters (57 employees, contract expires December 31, 2023); Library (8 full-time employees and 17 part-time employees, UAW contract expired December 31, 2019, and is under negotiation); Public Works (74 employees, AFSCME A contract expired December 31, 2019, and is under negotiation), and Office/Professional (63 employees, AFSCME B contract expired December 31, 2019, and is also under negotiation). The City considers its employee relations to be good.

The City of Rock Island maintains budgetary controls to ensure compliance with legal provisions of the annual budget. The City Manager may make adjustments within any departmental budget, provided that those revisions do not delete or basically change any activity or program approved by City Council in the budget ordinance. These adjustments shall not cause total expenditures within the budget to exceed revenues anticipated to finance them unless approved by City Council. Reported budget amounts represent the adopted budget as adjusted. Due to the City's power as a home rule unit and its ordinance establishing budget policies and procedures, actual budget expenditures and transfers out can exceed budgeted amounts without violating any state laws. Spending and administrative control of expenditures and transfers is monitored through detailed line item department budgets. The City of Rock Island also maintains an encumbrance accounting system. Encumbered amounts lapse at year-end but are generally re-appropriated as part of the following year's budget.

Factors Affecting Economic Condition

Local Economy

The downtown area, known regionally as “The District”, has become a destination for some 100,000 people who attend major events and weekly music presentations throughout the year. The success of The District in attracting visitors and new residents to the downtown has fostered the establishment of over 30 restaurants, bars, art galleries, and entertainment outlets generating significant private investment. Arts establishments such as the Art Place, Quad City Arts, Rozz-Tox, CIRCA 21, The Center for the Living Arts, and the Speakeasy offer unique venues for experiencing the visual and performing arts. Dphilms, a commercial video production business, maintains state of the art video production facilities. Navarro Canoe Company produces beautiful, hand-made canoes that help connect patrons with the rivers and lakes of the Midwest. Services for District patrons and residents are varied with establishments like Subway complementing more unique, local restaurants like Soi 2, El Patron, Erawan, Quad City Pancake House, and Huckleberry’s.

Aside from arts and entertainment, downtown Rock Island continues to benefit from the home office operations of four major insurance companies: Modern Woodmen of America, Royal Neighbors of America, Illinois Casualty Company, and Arthur J. Gallagher & Co. Several service and retail businesses have also opened in the downtown including: Discounted Furniture, Coleman Florist, Taste Buds, Celebrate QC, Ms. BriMani’s Hair & Beauty Supply, and Healthy Harvest. In addition to business establishments, MetroLINK completed construction of an indoor Transfer Station on 2nd Avenue in 2014. The station connects transit users to locations throughout the Quad Cities as well as the Moline Multi-Modal Station, which will eventually serve passenger rail to and from Chicago.

In addition to private investment in The District and downtown, the City of Rock Island has contributed to projects designed to improve the quality of life for residents and downtown employees. The Landing, a transient boat dock located at Schwiebert Riverfront Park supports recreational boat users and provides an alternative means of transportation to reconnect residents and visitors to the Mississippi River and downtown amenities. The City also assisted with the establishment of a Children's Garden at the Quad City Botanical Center. This \$1.2 million project consists of river basin and delta features and an entry plaza. The City assisted Bridges Catering, a premier local caterer, to relocate into the downtown.

Housing Activity Downtown

Creating new housing opportunities in the downtown has been a major focus of investment in recent years. Rock Island Economic GROWTH Corporation has been instrumental in redeveloping structures for downtown housing which has expanded our resident population. These efforts are advancing the goal of creating a downtown mixed-use neighborhood with office, retail, and recreational amenities integrated with quality public transportation. While GROWTH has led the way, several private developers have followed suit to convert the upper floors of commercial buildings into living space. Downtown housing successes include:

- Renaissance, Goldman, and Bowlby Lofts, renovated in 2001, were the first loft developments in the downtown with 54 mixed-income apartments and first floor commercial space.
- Clipper Condos, completed in 2004, with nine condominium units and first floor commercial space represented the first, new, owner-occupied construction in the downtown in over 50 years.
- The Sala Apartments project was completed in 2005 with 33 affordable rental units. This development received the Richard Driehaus Foundation award for Outstanding Rehabilitation; the Sala building is listed on the National Register of Historic Places.
- Voss Brothers Lofts was completed in 2006; a former vacant warehouse was transformed into 35 rental apartments.
- DuMarche' Market on Third, completed in 2009, offers six, live-work artist studios and retail shops. The McKesson building was renovated in 2009 as a mixed-use, sustainable development. McKesson was the first building in the Illinois Quad Cities to have a 10,000 square foot, environmentally friendly, "green" roof.
- Jackson Square, the former Illinois Oil Company building, was redeveloped in 2011. The project featured 30 rental units with nine different floor plans of one, two, and three-bedroom units.
- The Goldman Family Block redevelopment project was completed in 2013. This was the final piece of a \$12 million public/private investment for 1700 block on 2nd Avenue.
- The Locks, a 36-unit mixed-income apartment building, was completed by Rock Island GROWTH in January 2015. The Locks was developed as a transit-oriented development to support downtown's need for market driven, live-work housing. This project supports the Federal Transit Administration's Livable Communities Initiative, an effort that strengthens the link between transit and communities.
- The 137-year old historic Star Block building is slated for rehabilitation to create eight live-work units and approximately 1,600 square feet of commercial space. Accessible, affordable units targeted toward veterans will be created on the ground floor at the rear of the building. \$700,000 of federal funding was utilized for Phase 1 and is open.
- Garden District was completed in 2016, bringing seven single-family, new construction homes to downtown Rock Island.

In addition, the following coming attractions are planned for the near future or are currently under construction in downtown Rock Island:

- Star Block Phase II will redevelop two additional 130+ year old buildings into multiple apartment units.
- Plans have been developed to renovate (Estimated Cost of \$10 Million) the historic VanDerGinst (Best) office building into lofts. The project will create 44 market-rate loft apartments and five first floor commercial spaces.

Building on the momentum of these successful projects, the City anticipates an increase in private investment and a continuation of the downtown renaissance. The Downtown Revitalization Plan finalized in 2015, resulted in a planning document that articulates achievable actions to guide and catalyze further investment in the downtown. The plan also calls for the continuation of residential development especially on the upper floors of existing downtown buildings. In 2018, the City held public meetings to discuss and design streetscape guidelines for downtown.

Economic and Housing Activity in Greater Rock Island

The City of Rock Island continues to make progress with new developments within the city limits. In 2015, FedEx opened its new 189,000 square foot distribution facility in the City's southwest industrial area. Several other companies in the southwest industrial area have added jobs including Hawk Technology a designer/maker of high-tech manufacturing equipment. Green Thumb Inc. (GTI) completed a 66,000 square foot expansion of their Rock Island facility in 2020. This expansion cost approximately \$12,000,000 and will employ an additional 120 people. In 2019, AgriSolutions (a Canadian company) completed a \$4,000,000 relocation to the former Coca Cola distribution facility in the Southwest Industrial Park. This location will bring an additional 125 jobs to Rock Island. McLaughlin Body Company finalized the acquisition of their Rock Island facility in October 2018 and are investing over \$6,000,000 and bringing an additional 140 jobs to the facility

The City has aggressively undertaken the redevelopment of Watchtower Plaza on 11th Street. This old, tired shopping center needed a major redevelopment. To undertake the project, the City acquired the shopping center and a number of adjacent parcels. All companies relocated out of Watchtower Plaza to new locations and the former buildings were demolished. This action directly led to the development of Blackhawk Commons at the corner of Black Hawk Road and 11th Street. Blackhawk Commons is home to two former Watchtower Plaza tenants, Black Hawk College and State Farm Insurance; both were joined by the new corporate headquarters of IMEG Corp. (formerly Missman Incorporated). Hill & Valley Bakery moved to the former Quad City Industrial Center (QCIC) building (i.e. former Farmall facility). The move allowed Hill & Valley to add over 100 jobs and continue to expand their business. These developments total over \$22 Million in new investment. Attraction efforts for the site continue.

From a growth standpoint, the City continues to move steadily forward, avoiding the major development peaks and valleys experienced in other areas of the country. Modest, steady, and sustainable growth has allowed the City to maintain high service levels at very reasonable costs.

The Strategic Initiatives approved for 2019-2020 established four Goals:

- Goal #1: FINANCIALLY SOUND CITY PROVIDING HIGH QUALITY SERVICE AND INFRASTRUCTURE
- Goal #2: EXPANDING LOCAL ECONOMY
- Goal #3: REVITALIZATION OF STRATEGIC LOCATIONS
- Goal #4: INCREASE POPULATION THROUGH LIVABLE NEIGHBORHOODS

The 2020 budget incorporates the Capital Improvement Program, the Community Development Block Grant Program and other City funds. It allocates resources inasmuch as possible, to enable progress on the priorities established by the Mayor and City Council.

The proposed budget includes the following important features:

1. The budget includes the first year funding of the Five Year Capital Improvement Plan being presented to the City Council. This calendar year includes \$12,990,012 for capital and infrastructure projects/service contracts and a total of \$82,762,942 is planned for the remaining four years. Significant capital and maintenance projects in the 2020 budget include:

Replace of Two Refuse Haulers	555,000
Street Maintenance including Mill & Fill, Street Patching and Brick Street Repair	555,000
Water Main Replacement	530,000
Street Work on Blackhawk Hills Dr & River Heights Rd West of 30th St	475,000
Sanitary Sewer Replacement	400,000
Engineering for State Funded Street Work on 31st Avenue	100,000
Body Worn Cameras	97,881
	<u>2,712,881</u>

2. Municipal Services will be retained at a high level of quality.
3. The CY 2020 budget includes expenditures totaling \$4,501,661 from riverboat gaming revenues.

The City's assessed value is anticipated to increase for the fifth year in a row. The valuation before exemptions is expected to increase about .96% from last year. It is anticipated this pattern will continue into the future.

The City's proposed property tax rate for 2020 increased to \$2.7614 per \$100 of assessed value. This is an 3.93% or .1044 increase from the prior year tax rate. The proposed 2020 budget includes a property tax levy of \$13,375,456. This is an increase of \$628,360 from the 2019 calendar year property tax extensions.

The City's five-year projection for the General Fund indicates that the cost of providing services is increasing more rapidly than the revenue to support them. The City will continue to monitor spending closely at the same time it seeks to expand the City's tax base through economic development efforts.

The City was able to weather the economic downturn and prepare balanced budgets without noticeable changes in operations or service quality. This was accomplished through a combination of budget reductions, increases in local home rule taxes, user fee increases when appropriate as well as reallocation of revenue and expenses. In recent years there have been modest increases in property values indicating relatively healthy local economic conditions. Economic condition improvement is also seen in the increases of income and use taxes but the continued downward trend in utility and telecommunication taxes along with replacement tax revenue is a concern that will be monitored. Another significant concern is the City's rising police and fire pension contribution. Before the 2017 levy, the City has historically funded this obligation through the property tax levy without raising the overall rate. The cumulative effect on the general fund has been to reduce revenues available for operations. The COVID-19 Pandemic will impact revenue adversely in CY 2020. Management has implemented a hiring freeze and delaying projects as part of the first steps in response.

Major Initiatives

The City's 2014 Comprehensive Plan, along with the 2015 Downtown Revitalization Plan, outline specific strategies for continuing development activities. Continued investments in housing and high occupancy rates have created a resurgent downtown atmosphere. This atmosphere has encouraged projects like the QC Pancake House expansion (total project cost approximately \$400,000) and Ms. BriMani's purchase and renovation of a downtown building (total project cost approximately \$800,000). In an effort to further leverage the energy that exists downtown, an historic district nomination to the National Register of Historic Places has been submitted to the National Park Service.

Community partners are also investing in Rock Island. Trinity/Unity Point Hospital completed construction of a \$61 million, 90,000 square foot expansion to the Rock Island campus. The expansion included a modern cardiac care unit, emergency room, and psychiatric patient services. Augustana College recently completed expansion of Hanson Hall of Science and Brodahl Hall, and remodeled the Bruner Theatre. Augustana has also announced plans for the Knowlton Center for Innovation in Health, Wellness, and Human Performance.

CY 2019 was once again a busy year for the Public Works Department. The Mississippi River reached a historic crest of 22.70 feet on May 2, 2019. City staff implemented the flood strategy plan as the river rose which included installing flood pumps, closing gatewells, levee patrol, and the installation of the temporary flood panels at Consumers and Schwiebert Park.

After more than 2 years of construction, the City's new water filtration building became operational the middle of November 2019. The operators filtered water through both the old and new plants for a short period of time. The entire project will be finalized in July of 2020.

The Engineering Division is managing two resurfacing projects: 18th Avenue from 17th Street to the Moline Border and 38th Street from 7th Avenue to Blackhawk Road. All of the resurfacing projects also involved large concrete patching prior to resurfacing. Engineering also managed and performed design, inspection and construction inspection on the following Public Works projects: painting the Ridgewood Road Water Tower and the Water Pumping Building roof repairs. They also completed repairs to the street lighting along 11th Street. In addition, they have also completed very detailed and in-depth grant applications for BUILD, STBG and Safety funds. The City was awarded approximately \$3,000,000 in STBG and Safety funds.

Financial policies

The City's investment policy is updated as necessary to ensure compliance with state law and changes in allowed investments. It is the goal of City management to have 100% of its idle funds invested at all times in interest bearing accounts. This goal ensures that City management is using the available funds to their maximum. Safety of principal is the foremost objective of the investment policy. Except for the pension funds, for which short-term market fluctuations are tolerable, each investment transaction shall seek to first ensure that capital losses are avoided. Investment opportunities are limited by the parameters found in Illinois Statutes 30ILCS235. Market speculation is not appropriate in the investment of funds. Investments are intended to mature when funds are needed. The prudent person standard is used in managing the City's overall portfolio.

City financial policies address cash flow borrowing, general fund cash balance, fund balances for the library fund, health insurance fund, self-insurance fund, enterprise funds and park fund. Financial policies also address the diversification, stabilization and collections of revenue, use of revenue from riverboat gambling, general fund five-year projection, capital and debt management and contingency and reserves.

The city council approves the financial policies to ensure funds are spent and managed in the most cost-effective manner based on the services provided while ensuring the financial records are maintained in accordance with GAAP, Government Auditing Standards and state and federal laws.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rock Island for its comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the thirty-eighth consecutive year that the City of Rock Island has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report 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 that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department, particularly the Accounting Supervisor, Linda Barnes, as well as the staff of our independent auditors, Lauterbach & Amen, LLP. We would like to express our appreciation to all members of the department and audit staff who assisted and contributed to the preparation of this report. We would also like to commend the Mayor and members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Randall Tweet
City Manager



Stephanie Masson
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Rock Island
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the City's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

May 29, 2020

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rock Island, Illinois, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Rock Island Public Library Foundation. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Rock Island Public Library Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the 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 unit, each major fund, and the aggregate remaining fund information of the City of Rock Island, Illinois, as of December 31, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rock Island, Illinois' basic financial statements. The introductory section, other supplementary information, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters – Continued

Other Information – Continued

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis December 31, 2019

Our discussion and analysis of the City of Rock Island's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the transmittal letter, which begins on page 3 and the City's financial statements, which begin on page 33.

FINANCIAL HIGHLIGHTS

- The City's net position decreased as a result of this year's operations. While net position of business-type activities increased by \$3,001,213, or 6.5 percent, net position of the governmental activities decreased by \$9,098,131, or 16.4 percent.
- During the year, government-wide revenues for the primary government totaled \$84,306,503, while expenses totaled \$90,403,421, resulting in a decrease to net position of \$6,096,918.
- The City's net position totaled \$(11,281,082) on December 31, 2019, which includes \$96,627,611 net investment in capital assets, \$6,942,286 subject to external restrictions, and \$114,850,979 unrestricted (deficit) net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a deficit this year of \$375,959, resulting in ending fund balance of \$9,421,863, a decrease of 3.8 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 33 - 36) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements begin on page 37. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis December 31, 2019

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government wide financial statements can be found on pages 33 - 36 of this report.

The Statement of Net Position reports information on all of the City's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. 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. Consideration of other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, is needed to assess the overall health of the City.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. 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 leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, police and fire, electrical maintenance, municipal vehicle parking system, highways and streets, and libraries. The business-type activities of the City include waterworks, wastewater treatment, park and recreation, stormwater, solid waste, sunset marina, housing and community development loan, and hydro-electric plant.

The City includes two separate legal entities in its report. The Martin Luther King Center and Rock Island Public Library Foundation are presented as a discretely presented component units. Although legally separate, these "component units" are important because the City is financially accountable for it. Financial information for the component units are reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

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

CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis December 31, 2019

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Governmental Funds

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

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

The City maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Library Fund, Tax Increment Financing District Fund, Riverboat Gaming Fund, Community/Economic Development Fund, Debt Service Fund, and Capital Projects Fund, which are considered major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these 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 the governmental funds, except the Neighborhood Stabilization Fund and the Martin Luther King Facility Improvement Fund. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 37 - 43 of this report.

Proprietary Funds

The City maintains two proprietary fund types: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Rock Island uses enterprise funds to account for water utility, wastewater utility, stormwater utility, solid waste utility, park and recreation, Sunset Marina and housing and economic development loan activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis December 31, 2019

USING THIS ANNUAL REPORT – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

The City of Rock Island uses internal service funds to account for equipment maintenance, engineering, health insurance, liability insurance and hydroelectric plant funds. This service predominantly benefits governmental rather than business-type functions, and therefore, has been included within governmental activities in the government-wide financial statements. The exception is the hydroelectric plant fund which is included within business type activities because it primarily benefits enterprise funds.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks Fund, Wastewater Treatment Fund, and Park and Recreation Fund, which are considered to be a major funds of the City. Conversely, the internal service funds is presented in the proprietary fund financial statements in a single column. Individual fund data for the internal service fund is provided elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 45 - 54 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 55 - 56 of this report.

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. The notes to the financial statements can be found on pages 57 - 122 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's other post-employment benefit obligation, IMRF, police, and fire employee pension obligations and budgetary comparison schedules for the General Fund and major special revenue funds. Required supplementary information can be found on pages 124 - 140 of this report. The combining statements referred to earlier in connection with non-major governmental funds, enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 147 – 190 of this report.

CITY OF ROCK ISLAND, ILLINOIS

**Management's Discussion and Analysis
December 31, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the City, liabilities/deferred inflows exceeded assets/deferred outflows by \$11,281,082.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	12/31/19	12/31/18	12/31/19	12/31/18	12/31/19	12/31/18
Current and Other Assets	\$ 53,448,219	48,523,226	14,745,177	12,481,350	68,193,396	61,004,576
Capital Assets	93,051,290	91,034,045	134,716,018	127,368,157	227,767,308	218,402,202
Total Assets	146,499,509	139,557,271	149,461,195	139,849,507	295,960,704	279,406,778
Deferred Outflows	34,991,577	25,663,814	892,777	4,013,026	35,884,354	29,676,840
Total Assets/ Deferred Outflows	181,491,086	165,221,085	150,353,972	143,862,533	331,845,058	309,083,618
Long-Term Debt	210,954,374	189,788,428	83,627,421	81,505,101	294,581,795	271,293,529
Other Liabilities	13,590,362	12,814,907	8,659,662	8,239,226	22,250,024	21,054,133
Total Liabilities	224,544,736	202,603,335	92,287,083	89,744,327	316,831,819	292,347,662
Deferred Inflows	24,348,503	20,921,773	1,945,818	998,348	26,294,321	21,920,121
Total Liabilities/ Deferred Inflows	248,893,239	223,525,108	94,232,901	90,742,675	343,126,140	314,267,783
Net Position						
Net Investment in Capital Assets	44,660,706	40,933,326	51,966,905	52,569,874	96,627,611	93,503,200
Restricted	6,942,286	4,937,844	—	—	6,942,286	4,937,844
Unrestricted	(119,005,145)	(104,175,193)	4,154,166	549,984	(114,850,979)	(103,625,209)
Total Net Position	(67,402,153)	(58,304,023)	56,121,071	53,119,858	(11,281,082)	(5,184,165)

A large portion of the City's net position, \$96,627,611, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$6,942,286, of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit of \$114,850,979, represents unrestricted net position and if when positive, may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF ROCK ISLAND, ILLINOIS

**Management's Discussion and Analysis
December 31, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	12/31/19	12/31/18	12/31/19	12/31/18	12/31/19	12/31/18
Revenues						
Program Revenues						
Charges for Services	\$ 10,556,731	10,037,527	24,661,010	23,684,442	35,217,741	33,721,969
Operating Grants/Contrib.	1,665,860	1,199,416	289,217	49,840	1,955,077	1,249,256
Capital Grants/Contrib.	5,183,672	1,088,191	180,202	—	5,363,874	1,088,191
General Revenues						
Property Taxes	16,353,606	15,654,951	2,037,052	1,815,310	18,390,658	17,470,261
Gaming Taxes	4,164,535	4,310,910	—	—	4,164,535	4,310,910
Municipal Utility Tax	1,793,966	1,920,433	—	—	1,793,966	1,920,433
Other Taxes	3,177,073	3,142,158	—	—	3,177,073	3,142,158
State Income Tax	3,796,910	4,449,798	—	—	3,796,910	4,449,798
Sales Tax	5,216,340	5,190,415	—	—	5,216,340	5,190,415
Local Use Tax	1,296,360	1,130,023	—	—	1,296,360	1,130,023
Replacement Tax	3,072,974	2,479,049	—	—	3,072,974	2,479,049
Interest	465,882	305,474	155,964	149,271	621,846	454,745
Miscellaneous	239,099	258,080	50	52,467	239,149	310,547
Total Revenues	56,983,008	51,166,425	27,323,495	25,751,330	84,306,503	76,917,755
Expenses						
General Government	14,152,421	13,440,977	—	—	14,152,421	13,440,977
Police and Fire	42,147,938	33,842,945	—	—	42,147,938	33,842,945
Electrical Maintenance	641,991	617,287	—	—	641,991	617,287
Municipal Vehicle Parking System	11,773	16,188	—	—	11,773	16,188
Highways and Streets	4,979,420	4,866,750	—	—	4,979,420	4,866,750
Libraries	2,651,951	2,590,184	—	—	2,651,951	2,590,184
Interest on Long-Term Debt	1,967,070	1,728,807	—	—	1,967,070	1,728,807
Waterworks	—	—	7,112,784	5,655,945	7,112,784	5,655,945
Wastewater Treatment	—	—	8,318,782	8,052,147	8,318,782	8,052,147
Park and Recreation	—	—	3,740,727	6,652,213	3,740,727	6,652,213
Stormwater	—	—	1,754,831	1,768,428	1,754,831	1,768,428
Solid Waste	—	—	2,391,937	2,132,343	2,391,937	2,132,343
Sunset Marina	—	—	671,175	649,978	671,175	649,978
Housing and Community	—	—	(354,270)	213,615	(354,270)	213,615
Development Loan	—	—	214,891	265,987	214,891	265,987
Total Expenses	66,552,564	57,103,138	23,850,857	25,390,656	90,403,421	82,493,794
Change in Net Position						
Before Transfers	(9,569,556)	(5,936,713)	3,472,638	360,674	(6,096,918)	(5,576,039)
Transfers	471,425	119,207	(471,425)	(119,207)	—	—
Change in Net Position	(9,098,131)	(5,817,506)	3,001,213	241,467	(6,096,918)	(5,576,039)
Net Position-Beginning	(58,304,022)	(52,486,517)	53,119,858	52,878,391	(5,184,164)	391,874
Net Position-Ending	(67,402,153)	(58,304,023)	56,121,071	53,119,858	(11,281,082)	(5,184,165)

CITY OF ROCK ISLAND, ILLINOIS

**Management's Discussion and Analysis
December 31, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net position of the City’s governmental activities decreased by 16.4 percent (\$67,402,153 deficit in 2019 compared to a deficit of \$58,304,022 in 2018). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$119,005,145 at year-end.

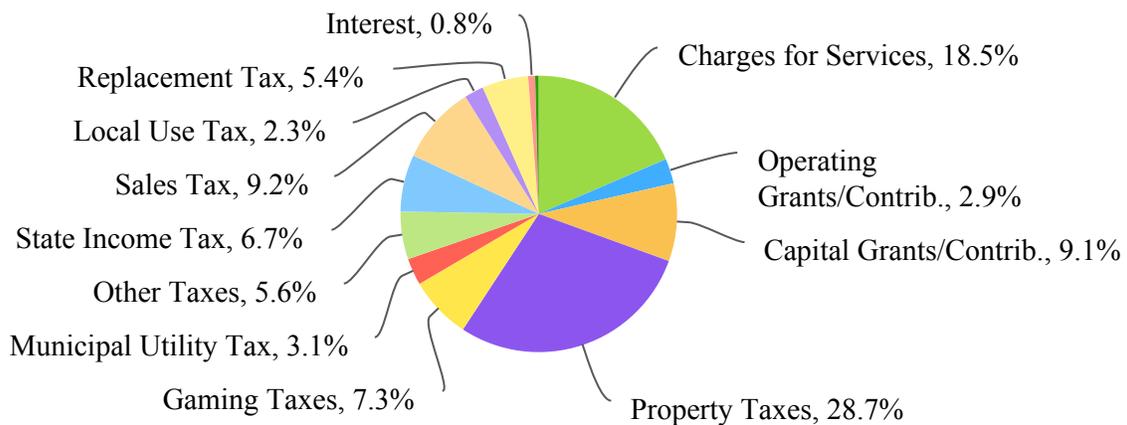
Net position of business-type activities increased by 6.5 percent (\$56,121,071 in 2019 compared to a balance of \$53,119,858 in 2018).

Governmental Activities

Revenues for governmental activities totaled \$56,983,008, while the cost of all governmental functions totaled \$66,552,564. This results in a deficit of \$9,569,556 prior to transfers in of \$471,425. In 2018, expenses of \$57,103,138 exceeded revenues of \$51,166,425, resulting in a deficit of \$5,936,713 prior to transfers in of \$119,207. The deficit in 2019 was due in part to increases in the pension liabilities and other post-employment benefit obligations.

The following table graphically depicts the major revenue sources of the City. It portrays very clearly the reliance on property taxes, charges for services, sales tax and gaming taxes to fund governmental activities. It also clearly identifies the less significant percentage the City receives from income taxes.

Revenue by Source - Governmental Activities



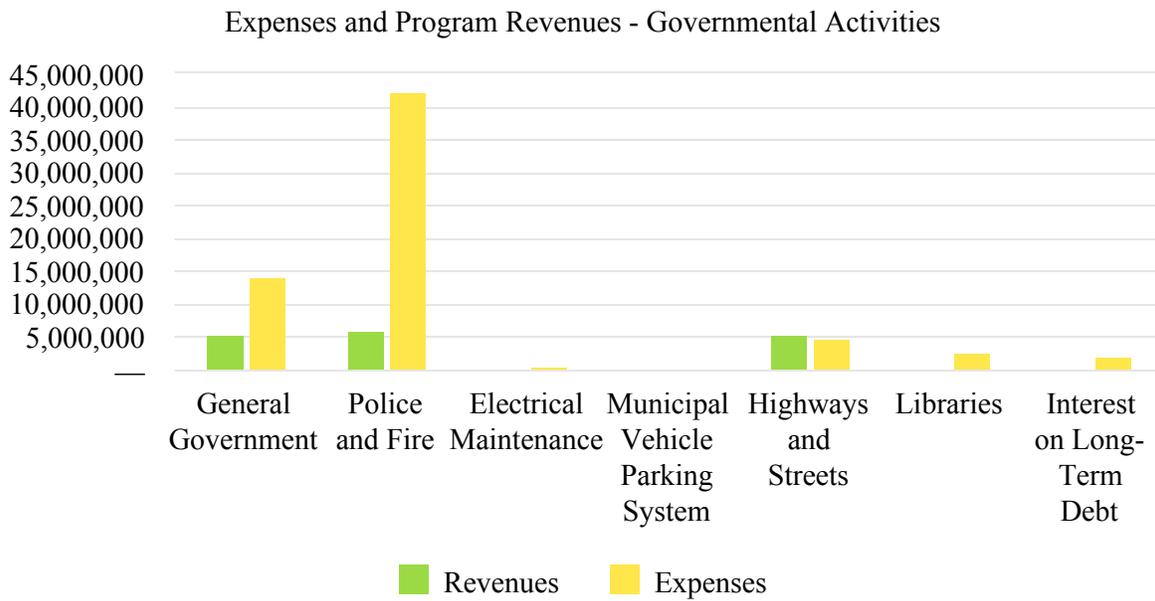
CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis December 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities – Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



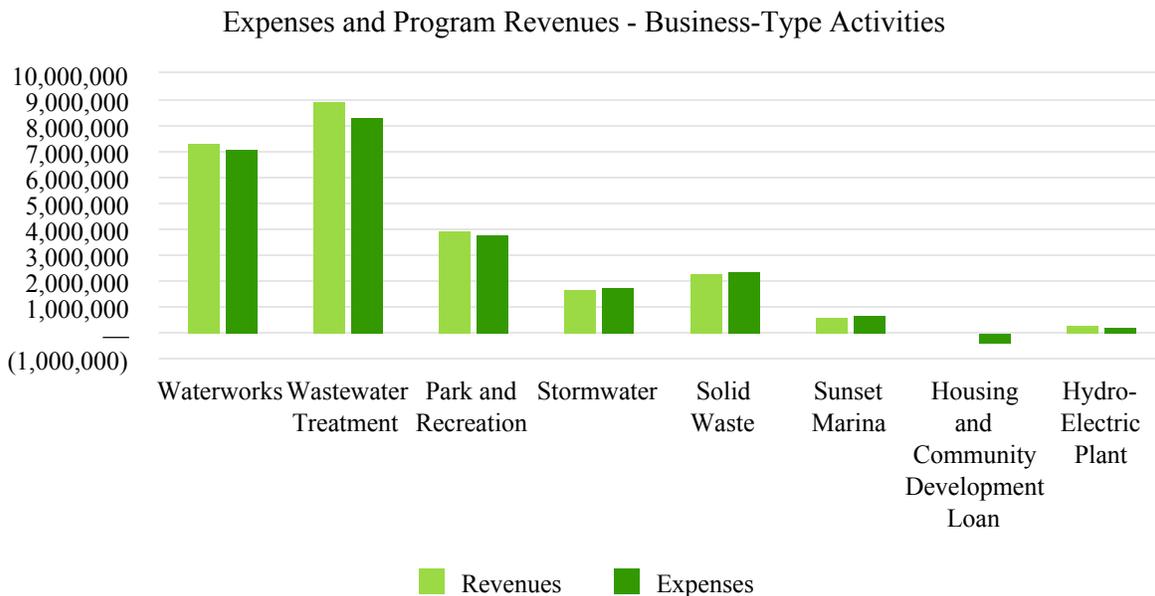
CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis December 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Business-Type activities

Business-Type activities reported total revenues of \$27,323,495, while the cost of all business-type activities totaled \$23,850,857. This results in a surplus of \$3,472,638 prior to transfers out of \$471,425. In 2018, revenues of \$25,751,330 exceed expenses of \$25,390,656, resulting in a surplus of \$360,674 prior to transfers in of \$119,207. The surplus in the current year is higher than the prior year due to increase in charges for services revenue, and decreases in Park and Recreation expenses. The below graph compares program revenues to expenses for utility operations.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S 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. 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.

The City's governmental funds reported combining ending fund balances of \$25,003,377, which is \$1,691,991, or 7.3 percent, higher than last year's restated total of \$23,311,386. Of the \$25,003,377 total, \$8,205,579, or approximately 32.8 percent, of the fund balance constitutes unassigned fund balance.

CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Governmental Funds – Continued

The General Fund reported a deficit for the year of \$375,959, resulting in a decrease in fund balance of 3.8 percent. The original budgeted expenditures exceeded budgeted revenues by \$719,737. Additionally, revenues for gas use utility tax, local option sales tax, franchise tax, state income tax, replacement tax, use tax, video gaming tax, and alcoholic beverage tax were higher than the budgeted amounts by \$1,088,163. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The General Fund is the chief operating fund of the City. At December 31, 2019, unassigned fund balance in the General Fund was \$9,067,499, which represents 96.2 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 22.75 percent of total General Fund expenditures.

The Public Library Fund reported a deficit for the year of \$14,768. This was due mainly to an increase in supplies during the year and the purchase of a mobile library.

The Tax Increment Financing District Fund reported a surplus for the year of \$1,194,446, which was due largely to unspent contributions and rebates.

The Riverboat Gaming Fund reported a deficit of \$491,116 due to transfers out to various funds totaling \$5,628,775.

The Community/Economic Development Fund reported a deficit of \$192,578 due mainly to loss on sale of assets.

The Debt Service Fund reported a deficit of \$18,251 due to costs related to debt reissuance.

The Capital Projects Fund reported a surplus of \$1,072,019 due to unspent bond proceeds.

CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

Proprietary Funds

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

The City reports the Waterworks Fund, Wastewater Treatment Fund, and Park and Recreation Fund as major proprietary funds. These funds account for all of the operations of the water, wastewater and park and recreation operations. The Public Works Department is responsible for operating many of the water and sewer functions and facilities within the City of Rock Island. Water and wastewater service charges for a standard residential meter is \$81.08 per quarter; while usage is charged per 100 cubic feet at \$7.76.

The City intends to run the funds at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects.

The surplus in the Waterworks Fund during the current fiscal year was \$281,330, which is due to lower than expected expenses in personnel supplies, services and other expenses. Unrestricted net position in the Waterworks Fund totaled \$2,707,045 at year-end.

The Wastewater Treatment Fund reported a surplus of \$743,326 due mainly to debt payment reductions as a result of debt reissuance.

The Park and Recreation Fund reported a surplus of \$2,069,884 due mainly to unspent grant proceeds, employer pension and insurance adjustments in the amount of \$1,483,946.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City Council made several budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$37,448,679, compared to budgeted revenues of \$36,304,545. Revenues for state income tax, sales tax, local use tax replacement tax, and federal grants were significantly higher than budgeted.

The General Fund actual expenditures for the year were \$153,247 higher than budgeted (\$39,863,781 actual compared to \$39,710,534 budgeted). The majority of general government expenditures were lower than expected by \$724,517, while police and fire expenditures exceeded the budget by \$1,006,400.

CITY OF ROCK ISLAND, ILLINOIS

**Management's Discussion and Analysis
December 31, 2019**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of December 31, 2019 was \$227,767,308 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure.

	Capital Assets - Net of Depreciation					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	12/31/19	12/31/18	12/31/19	12/31/18	12/31/19	12/31/18
Land	\$ 8,444,605	8,444,605	1,712,026	1,712,026	10,156,631	10,156,631
Construction in Progress	559,913	5,201,229	1,046,240	32,808,478	1,606,153	38,009,707
Buildings and Improvements	32,786,966	34,075,032	37,002,582	15,426,378	69,789,548	49,501,410
Machinery and Equipment	5,935,352	6,218,173	1,037,146	755,356	6,972,498	6,973,529
Infrastructure	45,324,454	37,095,006	93,918,024	76,665,919	139,242,478	113,760,925
Totals	93,051,290	91,034,045	134,716,018	127,368,157	227,767,308	218,402,202

This year's major additions included:

	Governmental	Business-Type
	Activities	Activities
Construction in Progress	\$ 1,184,546	10,272,781
Buildings and Improvements	—	—
Machinery and Equipment	262,645	570,967
Infrastructure	3,824,617	180,798
	5,271,808	11,024,546

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

CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis December 31, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

Debt Administration

At year-end, the City had total outstanding debt of \$305,247,648 as compared to \$281,771,257 the previous year, an increase of 8.3 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	12/31/19	12/31/18	12/31/19	12/31/18	12/31/19	12/31/18
Compensated Absences	\$ 3,766,020	3,661,415	687,497	711,592	4,453,517	4,373,007
Net Pension Liability - IMRF	2,469,867	7,537,521	1,281,124	6,284,362	3,750,991	13,821,883
Net Pension Liability - Police	73,987,240	60,597,042	—	—	73,987,240	60,597,042
Net Pension Liability -	66,620,588	55,552,561	—	—	66,620,588	55,552,561
Total OPEB Liability - RBP	20,013,656	18,158,529	4,204,465	4,357,012	24,218,121	22,515,541
Capital Lease Payable	—	—	192,356	—	192,356	—
General Obligation Bonds	49,457,603	50,100,719	8,792,030	9,988,009	58,249,633	60,088,728
IEPA Loans Payable	—	—	73,775,202	64,822,495	73,775,202	64,822,495
Total	216,314,974	195,607,787	88,932,674	86,163,470	305,247,648	281,771,257

The City received a rating of A3 from Moody's for general obligation debt. This is a downgrade from the previous rating of A2.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The December 2019 unemployment rate for the City of Rock Island was 5.0 percent. This is a 3.85 percent decrease since December 2018.

The continued reduction in state shared revenue from the income and replacement taxes due to the State of Illinois' poor financial condition may present significant budgetary challenges for management if the State legislature elects to reduce the distribution of these funds to solve the State's budget issues.

There is a concern that future General Fund revenues are predicted to be relatively flat and statewide distributed tax revenue is projected to decline. A five-year General Fund forecast anticipates modest increases in revenues. However, expenditures are anticipated to grow at a faster rate than the increases in revenues.

CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis December 31, 2019

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

All of these factors were considered in preparing the City of Rock Island's balanced budget for the 2020 calendar year. Management anticipates that actual revenue and expenditures will closely approximate budgeted revenue and expenditures for calendar 2020 with efforts to reduce spending as a result of the COVID-19 pandemic's expected impact on revenues.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the City of Rock Island's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 1528 Third Avenue, Rock Island, Illinois, 61201. The report is also available via the city web site at www.rigov.org.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF ROCK ISLAND, ILLINOIS

Statement of Net Position

December 31, 2019

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

**Statement of Net Position
December 31, 2019**

	Governmental Activities	Business-Type Activities	Totals	Component Units	
				Martin Luther King Center	Rock Island Public Library Foundation*
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 22,757,040	5,454,030	28,211,070	67,171	2,299,019
Assets Held for Resale	6,791,842	14,007	6,805,849	—	—
Receivables - Net of Allowances	22,794,822	6,905,037	29,699,859	—	—
Due from Other Governments	484,535	519,835	1,004,370	308,378	—
Prepays/Inventories	619,980	30,309	650,289	—	—
Total Current Assets	53,448,219	12,923,218	66,371,437	375,549	2,299,019
Noncurrent Assets					
Capital Assets					
Nondepreciable	9,004,518	2,758,266	11,762,784	—	—
Depreciable	136,348,916	207,289,760	343,638,676	—	1,451
Accumulated Depreciation	(52,302,144)	(75,332,008)	(127,634,152)	—	(1,451)
	93,051,290	134,716,018	227,767,308	—	—
Other Assets					
Long-Term Notes Receivable - Net of Allowance	—	1,821,959	1,821,959	—	—
Total Noncurrent Assets	93,051,290	136,537,977	229,589,267	—	—
Total Assets	146,499,509	149,461,195	295,960,704	375,549	2,299,019
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Items - IMRF	1,196,938	620,853	1,817,791	69,716	—
Deferred Items - Police Pension	17,788,551	—	17,788,551	—	—
Deferred Items - Firefighters' Pension	14,761,563	—	14,761,563	—	—
Deferred Items - RBP	1,244,525	261,449	1,505,974	10,199	—
Unamortized Loss on Refunding	—	10,475	10,475	—	—
Total Deferred Outflows of Resources	34,991,577	892,777	35,884,354	79,915	—
Total Assets and Deferred Outflows of Resources	181,491,086	150,353,972	331,845,058	455,464	2,299,019

*As of December 31, 2018

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business-Type Activities	Totals	Component Units	
				Martin Luther King Center	Rock Island Public Library Foundation*
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 4,473,164	2,151,341	6,624,505	8,276	—
Accrued Payroll	1,128,885	277,132	1,406,017	31,516	—
Accrued Interest Payable	177,576	327,486	505,062	—	—
Claims Payable	1,500,784	—	1,500,784	—	—
Deposits Payable	2,371	—	2,371	—	—
Other Payables	946,982	598,450	1,545,432	223,333	—
Current Portion of Long-Term Debt	5,360,600	5,305,253	10,665,853	—	—
Total Current Liabilities	13,590,362	8,659,662	22,250,024	263,125	—
Noncurrent Liabilities					
Compensated Absences Payable	1,572,832	287,124	1,859,956	—	—
Net Pension Liability - IMRF	2,469,867	1,281,124	3,750,991	143,856	—
Net Pension Liability - Police Pension	73,987,240	—	73,987,240	—	—
Net Pension Liability - Firefighters' Pension	66,620,588	—	66,620,588	—	—
Total OPEB Liability - RBP	20,013,656	4,204,465	24,218,121	164,020	—
Capital Leases Payable	—	146,744	146,744	—	—
General Obligation Bonds Payable - Net	46,290,191	7,792,655	54,082,846	—	—
IEPA Loans Payable	—	69,915,309	69,915,309	—	—
Total Noncurrent Liabilities	210,954,374	83,627,421	294,581,795	307,876	—
Total Liabilities	224,544,736	92,287,083	316,831,819	571,001	—
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	16,415,118	—	16,415,118	—	—
Deferred Items - IMRF	3,591,452	1,862,892	5,454,344	209,184	—
Deferred Items - Police Pension	1,900,629	—	1,900,629	—	—
Deferred Items - Firefighters' Pension	2,046,566	—	2,046,566	—	—
Deferred Items - RBP	394,738	82,926	477,664	3,235	—
Total Deferred Inflows of Resources	24,348,503	1,945,818	26,294,321	212,419	—
Total Liabilities and Deferred Inflows of Resources	248,893,239	94,232,901	343,126,140	783,420	—
NET POSITION					
Net Investment in Capital Assets	44,660,706	51,966,905	96,627,611	—	—
Restricted - Police Services	322,531	—	322,531	—	—
Restricted - Public Library	1,271,793	—	1,271,793	—	—
Restricted - Capital Improvements	4,056,357	—	4,056,357	—	—
Restricted - Motor Fuel Taxes	888,429	—	888,429	—	—
Restricted - Fire Services	142,010	—	142,010	—	—
Restricted - Community Development	5,679	—	5,679	—	—
Restricted - Drug Prevention	255,487	—	255,487	—	—
Library - Expendable	—	—	—	—	221,580
Library - Nonexpendable	—	—	—	—	1,959,606
Unrestricted (Deficit)	(119,005,145)	4,154,166	(114,850,979)	(327,956)	117,833
Total Net Position	(67,402,153)	56,121,071	(11,281,082)	(327,956)	2,299,019

The notes to the financial statements are an integral part of this statement.

CITY OF ROCK ISLAND, ILLINOIS

**Statement of Activities
For the Fiscal Year Ended December 31, 2019**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 14,152,421	4,111,384	17,713	1,213,339
Police and Fire	42,147,938	6,163,656	152	—
Electrical Maintenance	641,991	—	—	—
Municipal Vehicle Parking System	11,773	—	—	—
Highways and Streets	4,979,420	—	1,586,647	3,970,333
Libraries	2,651,951	281,691	61,348	—
Interest on Long-Term Debt	1,967,070	—	—	—
Total Governmental Activities	66,552,564	10,556,731	1,665,860	5,183,672
Business-Type Activities				
Waterworks	7,112,784	7,331,317	—	—
Wastewater Treatment	8,318,782	8,907,006	—	—
Park and Recreation	3,740,727	3,517,646	260,273	180,202
Stormwater	1,754,831	1,697,936	—	—
Solid Waste	2,391,937	2,284,997	29,264	—
Sunset Marina	671,175	618,379	—	—
Housing and Community Development Loan	(354,270)	—	(320)	—
Hydro-Electric Plant	214,891	303,729	—	—
Total Business-Type Activities	23,850,857	24,661,010	289,217	180,202
Total Primary Government	90,403,421	35,217,741	1,955,077	5,363,874
Component Units				
Martin Luther King Center	1,163,147	4,160	1,043,747	—
Rock Island Public Library Foundation*	83,156	—	33,850	—
Total Component Units	1,246,303	4,160	1,077,597	—

General Revenues
Taxes
Property
Gaming
Municipal Utility Tax
Other Taxes
Intergovernmental - Unrestricted
State Income Tax
Sales Tax
Local Use Tax
Replacement Tax
Interest
Miscellaneous
Transfers - Internal Activity

Change in Net Position
Net Position - Beginning
Net Position - Ending

*As of December 31, 2018

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues					
Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Totals	Martin Luther King Center	Rock Island Public Library Foundation*	
(8,809,985)	—	(8,809,985)	—	—	—
(35,984,130)	—	(35,984,130)	—	—	—
(641,991)	—	(641,991)	—	—	—
(11,773)	—	(11,773)	—	—	—
577,560	—	577,560	—	—	—
(2,308,912)	—	(2,308,912)	—	—	—
(1,967,070)	—	(1,967,070)	—	—	—
(49,146,301)	—	(49,146,301)	—	—	—
—	218,533	218,533	—	—	—
—	588,224	588,224	—	—	—
—	217,394	217,394	—	—	—
—	(56,895)	(56,895)	—	—	—
—	(77,676)	(77,676)	—	—	—
—	(52,796)	(52,796)	—	—	—
—	353,950	353,950	—	—	—
—	88,838	88,838	—	—	—
—	1,279,572	1,279,572	—	—	—
(49,146,301)	1,279,572	(47,866,729)	—	—	—
—	—	—	(115,240)	—	—
—	—	—	—	—	(49,306)
—	—	—	(115,240)	—	(49,306)
16,353,606	2,037,052	18,390,658	—	—	—
4,164,535	—	4,164,535	—	—	—
1,793,966	—	1,793,966	—	—	—
3,177,073	—	3,177,073	—	—	—
3,796,910	—	3,796,910	—	—	—
5,216,340	—	5,216,340	—	—	—
1,296,360	—	1,296,360	—	—	—
3,072,974	—	3,072,974	—	—	—
465,882	155,964	621,846	3,496	—	(188,241)
239,099	50	239,149	—	—	18,646
471,425	(471,425)	—	—	—	—
40,048,170	1,721,641	41,769,811	3,496	—	(169,595)
(9,098,131)	3,001,213	(6,096,918)	(111,744)	—	(218,901)
(58,304,022)	53,119,858	(5,184,164)	(216,212)	—	2,517,920
(67,402,153)	56,121,071	(11,281,082)	(327,956)	—	2,299,019

The notes to the financial statements are an integral part of this statement.

CITY OF ROCK ISLAND, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2019**

	General	Public Library
ASSETS		
Cash and Investments	\$ 7,798,393	1,287,327
Assets Held for Resale	28,935	—
Receivables - Net of Allowances		
Taxes	12,215,654	2,281,424
Accounts	893,097	4
Accrued Interest	21,002	4,326
Notes	—	—
Due from Other Governments	24,808	—
Due from Other Funds	14,105	—
	<u>20,995,994</u>	<u>3,573,081</u>
LIABILITIES		
Accounts Payable	515,760	65,410
Accrued Payroll	926,866	73,052
Deposits Payable	—	—
Due to Other Funds	344,584	—
Other Payables	718,166	—
Total Liabilities	<u>2,505,376</u>	<u>138,462</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	9,068,755	2,162,826
Total Liabilities and Deferred Inflows of Resources	<u>11,574,131</u>	<u>2,301,288</u>
FUND BALANCES		
Nonspendable	28,935	—
Restricted	325,429	1,271,793
Committed	—	—
Unassigned	9,067,499	—
Total Fund Balances	<u>9,421,863</u>	<u>1,271,793</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>20,995,994</u>	<u>3,573,081</u>

The notes to the financial statements are an integral part of this statement.

Special Revenue							
Tax							
Increment	Riverboat	Community/	Debt	Capital	Nonmajor	Totals	
Financing	Gaming	Economic	Service	Projects			
District		Development					
6,073,445	1,653,339	—	841	—	1,111,224	17,924,569	
270,123	—	6,486,550	—	—	—	6,785,608	
5,910,335	469,187	—	161,160	—	—	21,037,760	
—	—	—	96,238	—	12,030	1,001,369	
19,952	11,241	872	—	836	5,403	63,632	
274,332	—	—	—	250,000	—	524,332	
—	—	11,813	—	—	436,417	473,038	
—	1,543,034	—	—	—	—	1,557,139	
12,548,187	3,676,801	6,499,235	258,239	250,836	1,565,074	49,367,447	
2,638,846	—	26,362	1,611	—	190,621	3,438,610	
8,946	—	—	—	—	23,683	1,032,547	
—	—	—	—	—	2,371	2,371	
115,455	—	280,733	—	883,370	277,581	1,901,723	
—	—	50,000	96,238	—	11,497	875,901	
2,763,247	—	357,095	97,849	883,370	505,753	7,251,152	
5,728,583	—	—	152,754	—	—	17,112,918	
8,491,830	—	357,095	250,603	883,370	505,753	24,364,070	
—	—	—	—	—	—	28,935	
4,056,357	—	—	7,636	—	1,288,707	6,949,922	
—	3,676,801	6,142,140	—	—	—	9,818,941	
—	—	—	—	(632,534)	(229,386)	8,205,579	
4,056,357	3,676,801	6,142,140	7,636	(632,534)	1,059,321	25,003,377	
12,548,187	3,676,801	6,499,235	258,239	250,836	1,565,074	49,367,447	

The notes to the financial statements are an integral part of this statement.

CITY OF ROCK ISLAND, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

December 31, 2019

Total Governmental Fund Balances	\$ 25,003,377
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	93,051,290
Less: Internal Service Capital Assets	(4,212,301)
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(1,969,285)
Deferred Items - Police Pension	15,887,922
Deferred Items - Firefighters' Pension	12,714,997
Deferred Items - RBP	781,787
Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities	697,800
Internal service funds are used by the City to charge the costs of vehicle and equipment management and employee compensated absences to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position	4,820,265
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(3,491,563)
Net Pension Liability - IMRF	(2,031,256)
Net Pension Liability - Police Pension	(73,987,240)
Net Pension Liability - Firefighters' Pension	(66,620,588)
Total OPEB Liability - RBP	(18,412,179)
General Obligation Bonds Payable	(48,322,050)
Unamortized Bond Premium	(1,135,553)
Accrued Interest Payable	<u>(177,576)</u>
Net Position of Governmental Activities	<u>(67,402,153)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ROCK ISLAND, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2019**

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2019**

	General	Public Library
Revenues		
Taxes	\$ 13,419,251	2,117,069
Intergovernmental	13,689,362	61,348
Licenses and Permits	1,016,025	—
Charges for Services	8,589,522	255,932
Fines and Forfeitures	562,672	25,759
Interest	128,176	18,585
Miscellaneous	43,671	158,263
Total Revenues	<u>37,448,679</u>	<u>2,636,956</u>
Expenditures		
Current		
General Government	6,673,658	—
Police and Fire	29,118,200	—
Electrical Maintenance	641,991	—
Municipal Vehicle Parking System	11,773	—
Highways and Streets	3,418,159	—
Libraries	—	2,525,200
Capital Outlay	—	—
Debt Service		
Principal Retirement	—	—
Interest and Fiscal Charges	—	—
Total Expenditures	<u>39,863,781</u>	<u>2,525,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,415,102)</u>	<u>111,756</u>
Other Financing Sources (Uses)		
Debt Issuance	—	—
Premium on Debt Issuance	—	—
Payment to Escrow Agent	—	—
Disposal of Capital Assets	590	—
Transfers In	2,417,969	40,000
Transfers Out	(379,416)	(166,524)
	<u>2,039,143</u>	<u>(126,524)</u>
Net Change in Fund Balances	(375,959)	(14,768)
Fund Balances - Beginning as Restated	<u>9,797,822</u>	<u>1,286,561</u>
Fund Balances - Ending	<u><u>9,421,863</u></u>	<u><u>1,271,793</u></u>

The notes to the financial statements are an integral part of this statement.

Special Revenue							
Tax							
Increment	Riverboat	Community/	Debt	Capital	Nonmajor	Totals	
Financing	Gaming	Economic	Service	Projects			
District		Development					
5,756,358	4,164,535	—	152,513	—	62,005	25,671,731	
—	—	17,713	—	—	2,493,360	16,261,783	
—	—	—	—	—	—	1,016,025	
—	—	—	—	—	106,821	8,952,275	
—	—	—	—	—	—	588,431	
91,570	79,167	4,731	2,791	4,999	26,406	356,425	
5,201	—	169	21,167	—	10,628	239,099	
5,853,129	4,243,702	22,613	176,471	4,999	2,699,220	53,085,769	
3,209,192	—	468,648	18,101	—	1,636,958	12,006,557	
—	—	—	—	—	—	29,118,200	
—	—	—	—	—	—	641,991	
—	—	—	—	—	—	11,773	
—	—	—	—	—	—	3,418,159	
—	—	—	—	—	—	2,525,200	
67,318	—	—	—	932,980	19,106	1,019,404	
—	—	—	2,768,650	—	—	2,768,650	
—	—	—	1,769,368	44,153	—	1,813,521	
3,276,510	—	468,648	4,556,119	977,133	1,656,064	53,323,455	
2,576,619	4,243,702	(446,035)	(4,379,648)	(972,134)	1,043,156	(237,686)	
—	—	—	5,205,000	1,980,000	—	7,185,000	
—	—	—	—	64,153	—	64,153	
—	—	—	(5,239,245)	—	—	(5,239,245)	
(1,296)	—	(138,322)	—	—	—	(139,028)	
—	893,957	1,089,132	4,462,678	—	191,091	9,094,827	
(1,380,877)	(5,628,775)	(697,353)	(67,036)	—	(716,049)	(9,036,030)	
(1,382,173)	(4,734,818)	253,457	4,361,397	2,044,153	(524,958)	1,929,677	
1,194,446	(491,116)	(192,578)	(18,251)	1,072,019	518,198	1,691,991	
2,861,911	4,167,917	6,334,718	25,887	(1,704,553)	541,123	23,311,386	
4,056,357	3,676,801	6,142,140	7,636	(632,534)	1,059,321	25,003,377	

The notes to the financial statements are an integral part of this statement.

CITY OF ROCK ISLAND, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended December 31, 2019**

Net Change in Fund Balances - Total Governmental Funds	\$ 1,691,991
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	4,817,878
Depreciation Expense	(2,833,006)
Disposals - Cost	(84,884)
Disposals - Accumulated Depreciation	24,838
Transfer of Capital Assets from Business-Type Activities	181,980
 A deduction to certain revenues recognized as revenue only in the governmental funds.	 (182,551)
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(4,869,220)
Change in Deferred Items - Police Pension	6,067,129
Change in Deferred Items - Firefighters' Pension	5,989,043
Change in Deferred Items - RBP	569,839
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
(Additions) to Compensated Absences Payable	(76,421)
Deductions from Net Pension Liability - IMRF	4,151,639
(Additions) to Net Pension Liability - Police Pension	(13,390,198)
(Additions) to Net Pension Liability - Firefighters' Pension	(11,068,027)
(Additions) to Total OPEB Liability - RBP	(1,600,268)
Issuance of Debt	(7,185,000)
Issuance of Debt Premium	(64,153)
Retirement of Debt	7,843,650
Amortization of Bond Premium	48,619
Internal service funds are used by the City to charge the costs of vehicle and equipment management and employee compensated absences to individual funds.	
The net revenue of certain activities of internal service funds is reported with governmental activities.	906,914
Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
	<u>(37,923)</u>
Changes in Net Position of Governmental Activities	<u>(9,098,131)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ROCK ISLAND, ILLINOIS

Statement of Net Position - Proprietary Funds

December 31, 2019

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2019**

	Business-Type Activities - Enterprise				Totals	Governmental
	Waterworks	Wastewater Treatment	Park and Recreation	Nonmajor		Internal Service
ASSETS						
Current Assets						
Cash and Investments	\$ 3,230,561	—	556,921	1,666,548	5,454,030	4,832,471
Receivables - Net of Allowances						
Property Taxes	—	—	2,040,825	—	2,040,825	—
Accounts	749,472	827,731	133,904	262,590	1,973,697	—
Estimated Unbilled Usage	883,191	1,146,461	—	571,626	2,601,278	—
Accrued Interest	11,586	2,068	2,507	30,738	46,899	18,671
Current Portion of Notes Receivable	—	—	—	242,338	242,338	—
Other	—	—	—	—	—	160,555
Due from Other Governments	519,835	—	—	—	519,835	—
Due from Other Funds	1,287,639	—	—	—	1,287,639	1,514,018
Prepays - Assets Held for Resale	—	—	—	—	—	20,241
Prepays	—	—	506	—	506	100,505
Inventories	—	—	2,822	26,981	29,803	519,475
Total Current Assets	6,682,284	1,976,260	2,737,485	2,800,821	14,196,850	7,165,936
Noncurrent Assets						
Capital Assets						
Nondepreciable	477,586	293,271	1,861,859	125,550	2,758,266	304,906
Depreciable	55,791,026	118,848,963	23,002,210	7,290,662	204,932,861	12,815,799
Accumulated Depreciation	(24,350,568)	(32,162,602)	(13,153,866)	(4,998,712)	(74,665,748)	(7,217,765)
	31,918,044	86,979,632	11,710,203	2,417,500	133,025,379	5,902,940
Other Assets						
Long-Term Notes Receivable - Net of Allowance	—	—	—	1,821,959	1,821,959	—
Total Noncurrent Assets	31,918,044	86,979,632	11,710,203	4,239,459	134,847,338	5,902,940
Total Assets	38,600,328	88,955,892	14,447,688	7,040,280	149,044,188	13,068,876
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Items - IMRF	181,195	172,647	123,429	143,582	620,853	212,558
Deferred Items - RBP	72,577	61,553	58,541	68,778	261,449	99,586
Loss on Refunding	—	10,475	—	—	10,475	—
Total Deferred Outflows of Resources	253,772	244,675	181,970	212,360	892,777	312,144
Total Assets and Deferred Outflows of Resources	38,854,100	89,200,567	14,629,658	7,252,640	149,936,965	13,381,020

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities - Enterprise					Governmental
	Waterworks	Wastewater	Park and	Nonmajor	Totals	Internal
		Treatment	Recreation			Service
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ 1,670,200	99,307	257,622	123,789	2,150,918	690,393
Accrued Payroll	79,349	69,984	66,618	59,028	274,979	98,491
Accrued Interest Payable	25,034	297,727	2,835	439	326,035	1,451
Claims Payable	—	—	—	—	—	1,500,784
Due to Other Funds	—	592,652	—	694,987	1,287,639	1,514,018
Other Payables	157,159	101,502	294,817	44,972	598,450	71,081
Current Portion of Long-Term Debt	1,237,826	3,478,637	313,125	128,474	5,158,062	307,024
Total Current Liabilities	3,169,568	4,639,809	935,017	1,051,689	9,796,083	4,183,242
Noncurrent Liabilities						
Compensated Absences Payable	79,161	77,795	62,759	63,448	283,163	118,585
Net Pension Liability - IMRF	373,893	356,256	254,694	296,281	1,281,124	438,611
Total OPEB Liability - RBP	1,167,131	989,859	941,416	1,106,059	4,204,465	1,601,477
Capital Leases Payable	—	—	146,744	—	146,744	—
General Obligation Bonds Payable - Net	986,904	4,660,470	843,996	384,642	6,876,012	916,643
IEPA Loans Payable	21,168,628	48,746,681	—	—	69,915,309	—
Total Noncurrent Liabilities	23,775,717	54,831,061	2,249,609	1,850,430	82,706,817	3,075,316
Total Liabilities	26,945,285	59,470,870	3,184,626	2,902,119	92,502,900	7,258,558
DEFERRED INFLOWS OF RESOURCES						
Deferred Items - IMRF	543,681	518,034	370,353	430,824	1,862,892	637,787
Deferred Items - RBP	23,020	19,523	18,568	21,815	82,926	31,586
Total Deferred Inflows of Resources	566,701	537,557	388,921	452,639	1,945,818	669,373
Total Liabilities and Deferred Inflows of Resources	27,511,986	60,008,427	3,573,547	3,354,758	94,448,718	7,927,931
NET POSITION						
Net Investment in Capital Assets	8,635,069	30,212,798	10,493,851	1,992,858	51,334,576	4,844,630
Unrestricted (Deficit)	2,707,045	(1,020,658)	562,260	1,905,024	4,153,671	608,459
Total Net Position	11,342,114	29,192,140	11,056,111	3,897,882	55,488,247	5,453,089
Total Liabilities, Deferred Inflows of Resources, and Net Position	38,854,100	89,200,567	14,629,658	7,252,640	149,936,965	13,381,020

The notes to the financial statements are an integral part of this statement.

CITY OF ROCK ISLAND, ILLINOIS

**Reconciliation of Total Enterprise Fund Balance to Net Position - Business-Type Activities
December 31, 2019**

Total Enterprise Fund Balances \$ 55,488,247

Amounts reported for business-type activities in the Statement of Net Position
are different because:

Adjustment to reflect the consolidation of the Hydro-Electric Plant - Internal Service Fund
activities which are related solely to business-type activities 632,824

Net Position of Business-Type Activities 56,121,071

CITY OF ROCK ISLAND, ILLINOIS

**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2019**

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2019

	<u>Waterworks</u>
Operating Revenues	
Charges for Services	\$ 7,107,095
Interfund Services	—
Sales of Merchandise	—
Other	215,915
Total Operating Revenues	<u>7,323,010</u>
Operating Expenses	
Operations	6,153,926
Depreciation and Amortization	669,049
Total Operating Expenses	<u>6,822,975</u>
Operating Income (Loss)	<u>500,035</u>
Nonoperating Revenues (Expenses)	
Intergovernmental	—
Property Taxes	—
Contributions	—
Interest Income	62,797
Other Income	8,307
Interest Expense	(289,809)
Disposal of Capital Assets	—
	<u>(218,705)</u>
Income (Loss) before Transfers and Contributions	<u>281,330</u>
Capital Contributions	—
Transfers In	—
Transfers Out	—
	<u>—</u>
Change in Net Position	281,330
Net Position - Beginning	<u>11,060,784</u>
Net Position - Ending	<u><u>11,342,114</u></u>

The notes to the financial statements are an integral part of this statement.

Business-Type Activities - Enterprise				Governmental Activities
Wastewater Treatment	Park and Recreation	Nonmajor	Totals	Internal Service
8,852,937	2,684,534	4,575,222	23,219,788	—
—	—	—	—	10,067,512
—	419,121	2,992	422,113	—
54,069	18,157	8,674	296,815	252,890
8,907,006	3,121,812	4,586,888	23,938,716	10,320,402
4,939,964	3,195,158	4,313,394	18,602,442	9,091,416
2,305,475	504,642	139,313	3,618,479	596,026
7,245,439	3,699,800	4,452,707	22,220,921	9,687,442
1,661,567	(577,988)	134,181	1,717,795	632,960
—	260,273	28,944	289,217	—
—	2,037,052	—	2,037,052	—
—	360,418	—	360,418	—
15,657	10,290	67,217	155,961	109,460
—	35,416	14,424	58,147	58,698
(1,073,343)	(40,927)	(10,966)	(1,415,045)	(36,011)
50	—	—	50	—
(1,057,636)	2,662,522	99,619	1,485,800	132,147
603,931	2,084,534	233,800	3,203,595	765,107
—	180,202	—	180,202	—
147,273	353,933	—	501,206	230,648
(7,878)	(548,785)	(415,968)	(972,631)	—
139,395	(14,650)	(415,968)	(291,223)	230,648
743,326	2,069,884	(182,168)	2,912,372	995,755
28,448,814	8,986,227	4,080,050	52,575,875	4,457,334
29,192,140	11,056,111	3,897,882	55,488,247	5,453,089

The notes to the financial statements are an integral part of this statement.

CITY OF ROCK ISLAND, ILLINOIS

Reconciliation of the Statement of Revenues, Expenses and Changes in Net Position to the Statement of Activities - Business-Type Activities

For the Fiscal Year Ended December 31, 2019

Net Change in Net Position - Total Enterprise Funds	\$ 2,912,372
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Amounts reported for business-type activities in the Statement of Activities are different because:

Adjustment to reflect the consolidation of the Hydro-Electric Plant - Internal Service Fund activities which are related solely to business-type activities	<u>88,841</u>
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Changes in Net Position of Business-Type Activities	<u><u>3,001,213</u></u>
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CITY OF ROCK ISLAND, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2019**

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2019**

	<u>Waterworks</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 8,155,482
Interfund Services Provided (Used)	(716,174)
Payments to Suppliers	(4,099,509)
Payments to Employees	(1,293,234)
	<u>2,046,565</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(9,786,506)
Disposal of Capital Assets	—
Debt Issuance	11,389,822
Premium on Debt Issuance	—
Principal Retirement	(1,443,152)
Interest Expense	(289,809)
	<u>(129,645)</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	—
Transfers Out	—
	<u>—</u>
Cash Flows from Investing Activities	
Interest Income	62,797
	<u>62,797</u>
Net Change in Cash and Cash Equivalents	1,979,717
Cash and Cash Equivalents - Beginning	<u>1,250,844</u>
Cash and Cash Equivalents - Ending	<u><u>3,230,561</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	500,035
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:	
Depreciation and Amortization Expense	669,049
Other Income (Expense)	8,307
(Increase) Decrease in Current Assets	824,165
Increase (Decrease) in Current Liabilities	45,009
	<u>2,046,565</u>
Net Cash Provided by Operating Activities	<u><u>2,046,565</u></u>
Noncash Capital and Related Financing Activities	
Transfer of Capital Assets to Governmental Activities	—
Capital Contributions	—
	<u><u>—</u></u>

The notes to the financial statements are an integral part of this statement.

Business-Type Activities - Enterprise				Governmental Activities
Wastewater Treatment	Park and Recreation	Nonmajor	Totals	Internal Service
9,189,617	7,441,675	4,806,386	29,593,160	311,588
(500,784)	(377,662)	(1,283,019)	(2,877,639)	10,221,727
(3,972,499)	(4,172,032)	(2,440,132)	(14,684,172)	(8,047,689)
(1,223,699)	(1,754,038)	(981,550)	(5,252,521)	(1,712,891)
3,492,635	1,137,943	101,685	6,778,828	772,735
(394,031)	(663,807)	—	(10,844,344)	(453,930)
—	—	—	—	—
4,749,171	244,771	—	16,383,764	—
—	—	—	—	—
(6,929,484)	(232,415)	(40,000)	(8,645,051)	(141,667)
(1,073,343)	(40,927)	(10,966)	(1,415,045)	(36,011)
(3,647,687)	(692,378)	(50,966)	(4,520,676)	(631,608)
147,273	216,646	—	363,919	230,648
(7,878)	(548,785)	(96,702)	(653,365)	—
139,395	(332,139)	(96,702)	(289,446)	230,648
15,657	10,290	67,217	155,961	109,460
—	123,716	21,234	2,124,667	481,235
—	433,205	1,645,314	3,329,363	4,351,236
—	556,921	1,666,548	5,454,030	4,832,471
1,661,567	(577,988)	134,181	1,717,795	632,960
2,305,475	504,642	139,313	3,618,479	596,026
—	2,693,159	43,368	2,744,834	58,698
282,611	1,626,704	176,130	2,909,610	154,215
(757,018)	(3,108,574)	(391,307)	(4,211,890)	(669,164)
3,492,635	1,137,943	101,685	6,778,828	772,735
—	137,287	(319,266)	(181,979)	—
—	180,202	—	180,202	—

The notes to the financial statements are an integral part of this statement.

CITY OF ROCK ISLAND, ILLINOIS

**Statement of Fiduciary Net Position
December 31, 2019**

	Pension Trust	Custodial Section 125 Cafeteria Plan
ASSETS		
Cash and Cash Equivalents	\$ 4,917,148	18,843
Investments		
U.S. Government Obligations	10,076,179	—
U.S. Agency Obligations	3,385,889	—
State and Local Obligations	1,440,000	—
Corporate Bonds	9,508,295	—
Mutual Funds	33,567,775	—
Annuities	1,267,932	
Receivables - Net of Allowance		
Accrued Interest	150,186	53
Due from Other Funds	344,584	—
Prepays	1,590	—
Total Assets	64,659,578	18,896
LIABILITIES		
Accounts Payable	55,599	—
NET POSITION		
Net Position Restricted	64,603,979	18,896

The notes to the financial statements are an integral part of this statement.

CITY OF ROCK ISLAND, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2019**

	Pension Trust	Custodial Section 125 Cafeteria Plan
Additions		
Contributions		
Employer	\$ 6,834,077	—
Plan Members	1,011,787	—
Dependent Care	—	9,988
Medical Reimbursement	—	101,569
Total Contributions	<u>7,845,864</u>	<u>111,557</u>
Investment Earnings		
Interest Earned	8,703,296	74
Net Change in Fair Value	651,216	—
	<u>9,354,512</u>	<u>74</u>
Less Investment Expenses	(113,940)	—
Net Investment Income	<u>9,240,572</u>	<u>74</u>
Total Additions	<u>17,086,436</u>	<u>111,631</u>
Deductions		
Administration	136,737	—
Benefits and Refunds	9,482,958	—
Services	—	106,519
Total Deductions	<u>9,619,695</u>	<u>106,519</u>
Change in Fiduciary Net Position	7,466,741	5,112
Net Position Restricted for Pensions		
Beginning	<u>57,137,238</u>	<u>13,784</u>
Ending	<u><u>64,603,979</u></u>	<u><u>18,896</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rock Island, Illinois (the City), is a municipal corporation governed by a City Council, which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The City provides public safety (police and fire), streets, cultural-recreation, public improvements, and planning and zoning services. The City also operates municipal water, wastewater, recreation, stormwater, marina, and parking systems facilities.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the City's accounting policies established in GAAP and used by the City are described below.

REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of Rock Island
Discretely Presented Component Units:	Martin Luther King Center Rock Island Public Library Foundation

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the City. Based upon the criteria set forth in the GASB Statement No. 61, all component units that have a significant operational or financial relationship with the City have been included.

Police Pension Employees Retirement System

The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS 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 elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a pension trust fund.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

REPORTING ENTITY - Continued

Firefighters' Pension Employees Retirement System

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of those employees and is governed by a five-member pension board, with two members appointed by the City Mayor, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria but do not meet the criteria for blending.

Martin Luther King Center (Center)

The City is considered to be financially accountable for the Martin Luther King Center (Center). The Center has a December 31st year-end and accounts for revenues and expenditures of various programs including the Department of Alcohol and Substance Abuse Program. The Center meets the component unit criteria because a voting majority of the Center's governing board is appointed by the City, and the Center is fiscally dependent on the City as the City has the authority to determine the Center's budget and approve and modify the budget. The Center is considered a discretely presented component unit as the two Boards are not substantially the same and the services provided by the Center are not entirely for the benefit of the City. Complete financial statements for the component unit may be obtained at the City of Rock Island, 1528 Third Avenue, Rock Island, Illinois 61201.

Rock Island Public Library Foundation (Foundation)

The Rock Island Public Library Foundation (Foundation) is a legally separate, tax-exempt component unit of the City. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the City in support of its Library. The board of the Foundation is self-perpetuating. Although the City does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the activities of the City's Library by the donors. Because these restricted resources held by the Foundation can only be used by or for the benefit of the City's Library, the Foundation is considered a component unit of the City and is discretely presented in the City's financial statements.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

REPORTING ENTITY - Continued

Discretely Presented Component Units - Continued

Rock Island Public Library Foundation (Foundation) – Continued

Separate audited financial statements as of December 31, 2018 are available from the Foundation Office at 401 19th Street, Rock Island, Illinois 61201. As of the date of this report, December 31, 2018 is the most recently audited financial statements available. During the year ended December 31, 2018, the Foundation distributed \$52,364 to the City. The Foundation is presented as an enterprise fund type. Complete financial statements for the Foundation can be obtained from the Foundation Office at 401 19th Street, Rock Island, Illinois 61201.

BASIS OF PRESENTATION

Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire, electrical maintenance, municipal vehicle parking system, highways and streets, libraries, and general administrative services are classified as governmental activities. The City's waterworks, wastewater treatment, park and recreation, stormwater, solid waste, sunset marina, housing and community development loan, and hydro-electric plant services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The City utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, police and fire, highways and streets, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use, or directly benefit from foods, 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.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, fines, permits and charges, etc.).

The City does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is a primary operating fund of the City or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund is the general operating fund of the City. It accounts for all revenues and expenditures of the City which are not accounted for in other funds. The General Fund is a major fund.

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 11 special revenue funds. The Public Library Fund, a major fund, is used to account for monies from contributions, grants, and a tax levy restricted to services related to the operation of the City Library. The Tax Increment Financing (TIF) District Fund, a major fund, is used to account for monies from the state of Illinois to be applied to specific areas for rehabilitation of property. The Riverboat Gaming Fund, a major fund, is used to account for revenue and expenditures from riverboat gaming. The Community/Economic Development Fund, a major fund, is used to account for contributions and grants which support outside agencies and special economic development activities.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and is used to account for for monies restricted, committed or assigned to pay for principal and interest payments on the City's debt obligations.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Capital Projects Fund is treated as a major fund.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Proprietary Funds - Continued

Enterprise funds account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains seven enterprise funds. The Waterworks Fund, a major fund, is used to account for the revenue and expenses of the department responsible for providing a safe potable water supply and an adequate water supply for fire protection, domestic usage, and industrial usage. The Wastewater Treatment Fund, also a major fund, is used to account for the revenue and expenses of the department responsible for maintaining a dependable system for collecting and treating the wastewater of the City. The Park and Recreation Fund, also a major fund, is used to account for revenue and expenses associated with operating the recreation programs, park programs, fitness center, and golf courses of the City.

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The City maintains four internal services funds. The Equipment Maintenance Fund is used to account for the maintenance, repair, and purchase of vehicles used in the operation of City services. Revenue is from rental charges to user departments. Expenses include cost of labor, materials, supplies, and services. Replacement of equipment is part of the rental rate for equipment. The Engineering Fund is used to account for engineering services for all capital and major infrastructure maintenance projects. The Self Insurance Fund is used to account for premium and claim payments for workers' compensation, general liability, and property insurance for most of the City. Stop-loss insurance is also purchased. The Employee Health Benefit Fund is used to account for premium and claim payments for the self-insured group health insurance plan for City employees. Stop-loss insurance is also purchased. The Hydro-Electric Plant Fund is used to account for charges and expenses of the Hydro-Electric Plant to the City's departments.

The City's internal service funds are presented in the proprietary funds' financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements, except for the Hydro-Electric Plant Fund which services the business-type activities. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, police and fire, highways and streets, etc.).

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's Fire Department.

Custodial funds are used to account for assets held by the City in a purely custodial capacity. The City maintains one custodial fund. The Section 125 Cafeteria Plan Fund is used to account for the employees' tax-exempt payments for health insurance and health expenditures.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and custodial). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus - Continued

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and fiduciary funds utilize an “economic resources” measurement focus. The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, utility taxes, hotel/motel taxes, fines, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

All proprietary funds, pension trust funds and custodial funds utilize 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.

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 City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, 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.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report charges for services as their major receivables.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Prepays/Inventories - Assets Held for Resale

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more (depending on asset class), are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at acquisition value on the date donated.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets - Continued

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings	10 - 40 Years
Improvements Other than Buildings	5 - 40 Years
Machinery and Equipment	3 - 20 Years
Waterworks System	5 - 40 Years
Wastewater Treatment System	10 - 40 Years
Stormwater System	10 - 40 Years
Bridges and Approaches	10 - 67 Years
Marina Facilities	10 - 20 Years
Infrastructure (1969 to Present)	50 Years
Infrastructure (Before 1969)	100 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Compensated Absences

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the 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.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The City follows these procedures in establishing the budgetary data reflected in the financial statements. At least 45 days prior to December 31, the City Manager submits to the City Council a proposed operating budget for all funds for the fiscal year commencing January 1, except for the Neighborhood Stabilization Fund and the Martin Luther King Facility Improvement Fund. The operating budget includes proposed expenditures and transfers to other funds and the means of financing them.

A public hearing is conducted to obtain citizen comments on the proposed budget. Prior to December 31, the budget is legally adopted for the general, special revenue, capital projects, and debt service funds through passage of a budget ordinance by the City Council.

The legal level of budgetary control is at the fund level, but management control is exercised at the department level. In addition, the City Manager may make adjustments between departments and within any departmental budget as it becomes necessary, providing that those revisions do not delete or change any amounts approved by the City Council in the budget ordinance. Any such adjustments shall not cause total expenditures within the budget to exceed the revenue anticipated to finance them unless the City Council approval is obtained. Reported budget amounts represent the adopted budget as adjusted. Due to the City's power as a home rule unit and its ordinance establishing budget policies and procedures, an individual fund's total expenditures and transfers to other funds can exceed the budgeted amount without violating any state laws; however, such budget overages must be approved by the City Manager. Spending and administrative control of expenditures and transfers to other funds is monitored during the year through detailed line items of departmental budgets.

Appropriations lapse at the close of the fiscal year to the extent that they have not been expended. Encumbrances are re-appropriated for the following fiscal year. Budgets are prepared using the same accounting basis and practices used to account for and prepare financial reports for the funds; thus, budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. During the year, several supplementary appropriations were necessary.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget for the fiscal year:

Fund	Excess
General	\$ 153,247
Debt Service	26,231
Foreign Fire Insurance	18,458
Federal Programs	12,807
Solid Waste	25,193
Police Pension	199,883
Section 125 Cafeteria Plan	24,076

DEFICIT FUND BALANCE/NET POSITION

The following funds had deficit fund balance/net position as of the date of this report:

Fund	Deficit
Capital Projects	\$ 632,534
Martin Luther King Community Center Operations	124,783
Federal Programs	14,105
Martin Luther King Facility Improvement	90,498
Engineering	2,763,867
Solid Waste	886,720

NOTE 3 - DETAIL 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, Illinois Funds and the Illinois Metropolitan Investment Fund.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

The deposits and investments of the Pension Funds are held separately from those of other City funds. Illinois Statutes authorizes the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

City - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the City's deposits for governmental and business-type totaled \$13,950,105 and the bank balances totaled \$14,647,287.

Investments. At year-end, the City has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Obligations	\$ 1,661,289	726,618	934,671	—	—
Illinois Funds	5,760,525	5,760,525	—	—	—
IMET	6,839,151	6,839,151	—	—	—
Totals	14,260,965	13,326,294	934,671	—	—

The City has the following recurring fair value measurements as of December 31, 2019:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Government Obligations	\$ 1,661,289	1,661,289	—	—
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	5,760,525			
IMET	6,839,151			
Total Investments at the (NAV)	12,599,676			
Total Investments Measured at Fair Value	14,260,965			

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

City - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, maturities of investments of all funds shall not exceed five years and the majority of the funds would normally be invested with a life less than three years. The City's investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements that may be reasonably anticipated in any City fund. The City's investments in the Illinois Funds and the IMET Fund have an average maturity of less than one year to three years.

Concentration Risk. This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the City to meet all anticipated cash requirements. In order to reduce the risk of default, the investment portfolio of the City shall not exceed the following diversification limits: No financial institution shall hold more than 20 percent of the City of Rock Island's investment portfolio, exclusive of U.S. Treasury securities held in safekeeping unless specifically authorized by Council. Commercial paper shall not exceed 10 percent of the City's investment portfolio. Illinois Public Treasurer's Investment Pool shall not exceed 25 percent of the investment portfolio. Investments may be purchased with maturities to match future project or liability requirements. However, any investments purchased with a maturity longer than two years must be supported by written documentation explaining the reason for the purchase and must be specifically preauthorized by the Finance Director. Notwithstanding, no investment in any fund shall have a maturity longer than five years and must be supported by written documentation explaining the reason for the purchase and must be specifically preauthorized by the Finance Director. The City's investments in the external pools are not subject to concentration of credit risk. The U.S. Government Obligations are explicitly guaranteed by the U.S. Government. At year-end, the City has no investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

City - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City may invest in any type of security allowed by law as set out in The Public Funds Investment Act of the State of Illinois. In addition, the investment policy states that the City may invest in short-term obligations of corporations (commercial paper) organized in the United States with assets exceeding \$500,000,000 if 1) such obligations are rated at the time of purchase at the highest classification established by at least two standard rating services and which mature no later than 180 days from the date of purchase, 2) no more than 10 percent of City funds are invested in such obligations at any time, and 3) such purchases do not exceed 10 percent of the City's outstanding obligations. At year-end, the City's investment in the Illinois Funds was rated AAAM by Standard & Poor's. The Illinois Metropolitan Investment Trust Convenience Fund is not rated and the Illinois Metropolitan Investment Trust 1-3 Year Fund is rated AAAM by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires the amount of collateral provided will not be less than 110 percent of the fair market value of the net amount of public funds secured. The ratio of fair market value of collateral to the amount of funds secured will be reviewed quarterly and additional collateral will be requested when the ratio declines below the level required. Pledged collateral will be held by the City of Rock Island or in safekeeping and evidenced by a safekeeping agreement. If collateral is held in safekeeping, it may be held by a third party or by an escrow agent of the pledging institution. Collateral agreements will preclude the release of the pledged assets without an authorized signature from the City of Rock Island. Substitution or exchange of securities held in safekeeping cannot be done without prior approval of the City. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this 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. It is the policy of the City to require that funds on deposit with banks and savings and loans in excess of FDIC or SAIF insurance limits be secured by some form of collateral. The City will accept any of the following assets as collateral: U.S. Government Securities, Obligations of Federal Agencies, Obligations of Federal Instrumentalities, Obligations of the State of Illinois, and Obligations of the City of Rock Island. The City's investments in the Illinois Funds and the IMET Fund are not subject to custodial credit risk.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$3,917,915 and the bank balances totaled \$3,741,534.

Investments. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Obligations	\$ 6,973,854	—	2,840,195	3,576,334	557,325
U.S. Agency Obligations	2,452,937	—	120,522	147,060	2,185,355
State and Local Obligations	720,000	115,000	275,000	330,000	—
Corporate Bonds	6,149,445	45,374	2,356,365	2,562,904	1,184,802
Totals	16,296,236	160,374	5,592,082	6,616,298	3,927,482

The Fund has the following recurring fair value measurements as of December 31, 2019:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Government Obligations	\$ 6,973,854	6,973,854	—	—
U.S. Agency Obligations	2,452,937	—	2,452,937	—
State and Local Obligations	720,000	—	720,000	—
Corporate Bonds	6,149,445	—	6,149,445	—
Equity Securities				
Mutual Funds	19,018,524	19,018,524	—	—
Total Investments Measured at Fair Value	35,314,760	25,992,378	9,322,382	—

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Investments - Continued. Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. In accordance with the Fund's investment policy, the Fund's investment time horizon is three to five years. Risk of fixed income investments shall be approximately equal to the appropriate indexes for the portfolio. Risk associated with the total portfolio shall not exceed a weighted beta of 1.03.

Concentration of Credit Risk. The Fund avoids a concentration of credit risk by diversifying its investments by security type as defined by the fund asset allocation policy. In addition to the securities and fair values listed above, the Fund also has \$19,018,524 invested in mutual funds. At year-end, the Fund does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for retirement benefits.

Credit Risk. The Fund's investment policy limits investments to those authorized by state statutes and applicable rules and regulations governing investment of Fund. It is the policy of the Board to minimize credit risk through diversification by maturity, type (within Illinois pension code guidelines) and institution. The Fund's investment policy further follows the same guidelines as discussed under the City's investment policy. At year-end, the Fund's investments in U.S. Agency obligations were not rated or rated AA+. The Fund's investments in the corporate bonds were rated Baa3 to Aaa and the state and local obligations were rated not rated by Moody's.

Custodial Credit Risk. The Fund's deposits are covered by FDIC insurance and flow-through FDIC insurance; however, the investment policy is silent regarding custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For investments, the Fund's investment policy limits its exposure by requiring that all investments will be in the name of the Fund. Investments of the Fund will be held in a designated custodial account. Safekeeping account receipts, including statements from custodial accounts, will be held by the City's finance department. The money market mutual funds and mutual funds are not subject to custodial credit risk.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Concentration Risk - Continued. The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	48%	1.07%
Mutual Funds	48%	5.2%
Money Market Mutual Funds	4%	0.19%
Cash and Cash Equivalents	0%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities to 55% of the Fund's net position with a further 10% allowed to be invested in equities through mutual funds. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in January 2020 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 the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are listed in the table above.

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$999,233 and the bank balances totaled \$999,233.

Investments. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Obligations	\$ 3,102,325	—	2,198,689	903,636	—
U.S. Agency Obligations	932,952	—	—	172,566	760,386
State and Local Obligations	720,000	115,000	275,000	330,000	—
Corporate Bonds	3,358,850	155,881	1,642,071	1,534,424	26,474
Totals	8,114,127	270,881	4,115,760	2,940,626	786,860

The Fund has the following recurring fair value measurements as of December 31, 2019:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Government Obligations	\$ 3,102,325	3,102,325	—	—
U.S. Agency Obligations	932,952	—	932,952	—
State and Local Obligations	720,000	—	720,000	—
Corporate Bonds	3,358,850	—	3,358,850	—
Equity Securities				
Annuities	1,267,932	1,267,932	—	—
Mutual Funds	14,549,251	14,549,251	—	—
Total Investments Measured at Fair Value	23,931,310	18,919,508	5,011,802	—

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Investments - Continued. Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. In accordance with the Fund's investment policy, the Fund's investment time horizon is three to five years. Risk of fixed income investments shall be approximately equal to the appropriate indexes for the portfolio. Risk associated with the total portfolio shall not exceed a weighted beta of 1.00.

Concentration Risk. The Fund avoids a concentration of credit risk by diversifying its investments by security type as defined by the fund asset allocation policy. In addition to the securities and fair values listed above, the Fund also has \$14,549,251 invested in mutual funds and \$1,267,932 invested in annuities. At year-end, the Fund does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position available for retirement benefits.

Credit Risk. The Fund's investment policy limits investments to those authorized by state statutes and applicable rules and regulations governing investment of Fund. It is the policy of the Board to minimize credit risk through diversification by maturity, type (within Illinois pension code guidelines) and institution. The Fund's investment policy further follows the same guidelines as discussed under the City's investment policy. At year-end, the Fund's investments in U.S. Agency obligations were rated Aaa by Moody's. The Fund's investments in the corporate bonds were rated Baa3 to Aaa by Moody's and the state and local obligations were rated not rated.

Custodial Credit Risk. The Fund's deposits are covered by FDIC insurance and flow-through FDIC insurance; however, the investment policy is silent regarding custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For investments, the Fund's investment policy limits its exposure by requiring that all investments will be in the name of the Fund. Investments of the Fund will be held in a designated custodial account. Safekeeping account receipts, including statements from custodial accounts, will be held by the City's finance department. The money market mutual funds and mutual funds are not subject to custodial credit risk.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Concentration Risk - Continued. The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	35%	2.1%
Domestic Equities	30%	5.6%
International Equities	25%	5.8%
Real Estate	5%	5.0%
Alternative Assets	5%	3.7%
Cash and Cash Equivalents	0%	0.7%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in April 2020 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 the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are listed in the table above.

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Rock Island Public Library Foundation

Management of the Rock Island Public Library Foundation (Foundation) believes the credit risk associated with these stocks, funds, and bonds is minimal. The Foundation maintains its cash at several financial institutions. It maintains its operating cash balances at one bank and the balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The remaining cash is maintained in money market accounts at various financial institutions and these balances are uninsured. The financial institutions each have a strong credit rating and management believes that credit risk related to cash is minimal. The Foundation's investments at fair value as of December 31, 2018, are as follows:

Investments	
Equity Mutual Funds	\$ 695,756
Fixed Income Mutual Funds	1,315,579
Alternative Funds	<u>119,483</u>
Total Investments	<u><u>2,130,818</u></u>

Deposits. At year-end, the carrying amount of the Library's deposits totaled \$168,201.

PROPERTY TAXES

Property taxes for 2018 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Rock Island County and are payable in two installments, on or about June 1 and August 1 during the following year. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy to reflect actual collection experience.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NOTES RECEIVABLE

As of December 31, 2019, the governmental activities and business-type activities had the following notes receivables, net of allowance for uncollectible:

Governmental Funds	
Notes issued to businesses with maturities typically at 5 years; interest on notes typically at 4%	\$ 1,133,619
Less: Allowance for Uncollectible Amounts	<u>(609,287)</u>
Total Governmental Funds	<u><u>524,332</u></u>
Enterprise Funds	
Notes issued to businesses with maturities typically at 5 years; interest on notes typically at 4%	1,895,566
Notes issued to residents with maturities ranging from 1 to 10 years; interest on notes ranging from 3% to 5%, collateralized by first or second mortgages on the borrowers' residences.	299,303
Notes issued to residents with no principal repayment due until the property is sold; 0% interest; collateralized by first or second mortgages on the borrowers' residences.	615,113
Less: Allowance for Uncollectible Amounts	<u>(745,685)</u>
Total Enterprise Funds	<u><u>2,064,297</u></u>

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND BALANCES

All of the below balances represent short-term loans to cover deficit cash balances at December 31, 2019. All the balances are expected to be repaid within one year. The composition of interfund balances as of the date of this report, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 14,105
Riverboat Gaming	Tax Increment Financing District	115,455
Riverboat Gaming	Community/Economic Development	280,733
Riverboat Gaming	Capital Projects	883,370
Riverboat Gaming	Nonmajor Governmental	263,476
Waterworks	Wastewater Treatment	592,652
Waterworks	Nonmajor Business-Type	694,987
Internal Service	Internal Service	1,514,018
Police Pension	General	176,382
Firefighters' Pension	General	168,202
		<u>4,703,380</u>

Interfund balances result from the time lag between when transactions are recorded in the accounting system and payments between funds are made. Also, interfund balances are advances in anticipation of receipts to cover temporary cash shortages.

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Riverboat Gaming	\$ 1,167,261 (1)
General	Nonmajor Governmental	711,467 (1)
General	Park and Recreation	434,661 (1)
General	Wastewater Treatment	7,878 (1)
General	Nonmajor Business-Type	96,702 (1)
Public Library	Riverboat Gaming	40,000 (1)
Riverboat Gaming	General	74,986 (3)
Riverboat Gaming	Debt Service	67,036 (1)
Riverboat Gaming	Community/Economic Development	697,353 (1)
Riverboat Gaming	Nonmajor Governmental	4,582 (1)
Riverboat Gaming	Park and Recreation	50,000 (1)
Community/Economic Development	Riverboat Gaming	1,089,132 (1)
Debt Service	Tax Increment Financing District	1,224,665 (2)
Debt Service	Riverboat Gaming	3,238,013 (2)
Nonmajor Governmental	General	167,440 (3)
Nonmajor Governmental	Riverboat Gaming	23,651 (1)
Wastewater Treatment	Tax Increment Financing District	147,273 (1)
Park and Recreation	General	136,990 (3)
Park and Recreation	Riverboat Gaming	70,718 (1)
Park and Recreation	Tax Increment Financing District	8,939 (1)
Internal Service	Public Library	166,524 (1)
Internal Service	Park and Recreation	64,124 (1)
Park and Recreation	Governmental Activities	137,286 (1)
Governmental Activities	Nonmajor Business-Type	319,266 (4)
		<u>10,145,947</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) transfer of business-type activity capital assets to governmental activity.

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Transfers In (Out)	Ending Balances
Nondepreciable Capital Assets					
Land	\$ 8,444,605	—	—	—	8,444,605
Construction in Progress	5,201,229	1,184,546	5,825,862	—	559,913
	<u>13,645,834</u>	<u>1,184,546</u>	<u>5,825,862</u>	<u>—</u>	<u>9,004,518</u>
Depreciable Capital Assets					
Buildings and Improvements	47,522,066	—	—	(137,287)	47,384,779
Machinery and Equipment	13,980,630	262,645	—	200,297	14,443,572
Infrastructure	64,832,732	9,650,479	84,884	122,238	74,520,565
	<u>126,335,428</u>	<u>9,913,124</u>	<u>84,884</u>	<u>185,248</u>	<u>136,348,916</u>
Less Accumulated Depreciation					
Buildings and Improvements	13,447,034	1,150,779	—	—	14,597,813
Machinery and Equipment	7,762,457	743,259	—	2,504	8,508,220
Infrastructure	27,737,726	1,482,459	24,838	764	29,196,111
	<u>48,947,217</u>	<u>3,376,497</u>	<u>24,838</u>	<u>3,268</u>	<u>52,302,144</u>
Total Net Depreciable Capital Assets	<u>77,388,211</u>	<u>6,536,627</u>	<u>60,046</u>	<u>181,980</u>	<u>84,046,772</u>
Total Net Capital Assets	<u>91,034,045</u>	<u>7,721,173</u>	<u>5,885,908</u>	<u>181,980</u>	<u>93,051,290</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 517,309
Police and Fire	627,685
Highways and Streets	1,561,261
Libraries	126,751
Internal Service	<u>543,491</u>
	<u><u>3,376,497</u></u>

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Transfers In (Out)	Ending Balances
Nondepreciable Capital Assets					
Land	\$ 1,712,026	—	—	—	1,712,026
Construction in Progress	32,808,478	10,272,781	42,035,019	—	1,046,240
	<u>34,520,504</u>	<u>10,272,781</u>	<u>42,035,019</u>	<u>—</u>	<u>2,758,266</u>
Depreciable Capital Assets					
Land Improvements	24,152,734	22,064,398	—	137,287	46,354,419
Buildings and Equipment	2,353,882	570,967	—	(200,297)	2,724,552
Vehicles and Equipment	138,181,608	20,151,419	—	(122,238)	158,210,789
	<u>164,688,224</u>	<u>42,786,784</u>	<u>—</u>	<u>(185,248)</u>	<u>207,289,760</u>
Less Accumulated Depreciation					
Land Improvements	8,726,356	625,481	—	—	9,351,837
Buildings and Equipment	1,598,526	91,384	—	(2,504)	1,687,406
Vehicles and Equipment	61,515,689	2,777,840	—	(764)	64,292,765
	<u>71,840,571</u>	<u>3,494,705</u>	<u>—</u>	<u>(3,268)</u>	<u>75,332,008</u>
Total Net Depreciable Capital Assets	<u>92,847,653</u>	<u>39,292,079</u>	<u>—</u>	<u>(181,980)</u>	<u>131,957,752</u>
Total Net Capital Assets	<u>127,368,157</u>	<u>49,564,860</u>	<u>42,035,019</u>	<u>(181,980)</u>	<u>134,716,018</u>

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

Waterworks	\$ 658,176
Wastewater Treatment	2,123,744
Park and Recreation	95,604
Stormwater	6,719
Solid Waste	37,955
Sunset Marina	513,641
Hydro-Electric Plant	<u>58,866</u>
	<u>3,494,705</u>

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$700,000 General Obligation Bonds of 2008C - Due in annual installments of \$46,667 plus interest at 1.025% through December 15, 2022.	Hydro- Electric Plant	\$ 186,666	—	46,667	139,999
\$1,440,000 General Obligation Bonds of 2009C - Due in annual installments of \$110,000 to \$180,000 plus interest at 5.10% to 6.00% through December 1, 2028.	Debt Service	1,440,000	—	1,440,000 *	—
\$7,270,000 General Obligation Taxable Bonds of 2010A - Due in annual installments of \$295,000 to \$475,000 plus interest at 2.50% to 5.50% through December 1, 2030.	Waterworks Wastewater Treatment	1,443,152	—	4,490,000 * 102,983	—
		3,391,848	—	242,017	—
\$4,580,000 General Obligation Refunding Bonds of 2010B - Due in annual installments of \$100,000 to \$730,000 plus interest at 3.00% through December 1, 2020.	Debt Service	215,000	—	105,000	110,000
\$2,065,000 General Obligation Refunding Bonds of 2011A - Due in annual installments of \$60,000 to \$260,000 plus interest at 2.00% to 3.50% through December 15, 2021.	Debt Service	200,000	—	65,000	135,000

*Refunded

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

General Obligation Bonds - Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$3,890,000 General Obligation Bonds of 2012A - Due in annual installments of \$40,000 to \$145,000 plus interest at 2.00% to 3.00% through December 15, 2032.	Debt Service	\$ 1,390,000	—	135,000	1,255,000
	Sunset Marina	455,000	—	40,000	415,000
\$9,625,000 General Obligation Bonds of 2013A - Due in annual installments of \$390,000 to \$640,000 plus interest at 3.00% to 4.75% through December 1, 2033.	Debt Service	7,630,000	—	430,000	7,200,000
\$1,000,000 General Obligation Taxable Bonds of 2013B - Due in annual installments of \$90,000 to \$115,000 plus interest at 1.250% to 4.125% through December 1, 2023.	Debt Service	535,000	—	100,000	435,000
\$9,585,000 General Obligation Bonds of 2014A - Due in annual installments of \$375,000 to \$645,000 plus interest at 3.00% to 4.00% through December 1, 2034.	Debt Service	8,085,000	—	400,000	7,685,000
\$15,865,000 General Obligation Taxable Bonds of 2014B - Due in annual installments of \$475,000 to \$1,145,000 plus interest at 2.19% to 4.25% through December 1, 2034.	Debt Service	14,050,000	—	3,635,000 *	10,415,000
				—	

*Refunded

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

General Obligation Bonds - Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$6,075,000 General Obligation Bonds of 2015A - Due in annual installments of \$165,000 to \$460,000 plus interest at 2.00% to 4.00% through December 1, 2035.	Debt Service	\$ 4,945,000	—	405,000	4,540,000
\$4,175,000 General Obligation Refunding Bonds of 2015B - Due in annual installments of \$230,000 to \$665,000 plus interest at 2.00% to 4.00% through December 1, 2026.	Debt Service	910,000	—	285,000	625,000
	Wastewater Treatment	1,775,000	—	380,000	1,395,000
\$3,505,000 General Obligation Taxable Bonds of 2016A - Due in annual installments of \$125,000 to \$245,000 plus interest at 2.00% to 4.00% through December 1, 2036.	Debt Service	3,255,000	—	130,000	3,125,000
\$1,885,000 General Obligation Taxable Refunding Bonds of 2016C - Due in one installment of \$1,885,000 plus interest at 4.375% through December 1, 2035.	Debt Service	1,885,000	—	—	1,885,000
\$4,840,000 General Obligation Refunding Bonds of 2017A - Due in annual installments of \$150,000 to \$425,000 plus interest at 2.00% to 4.00% through December 1, 2036.	Debt Service	2,405,000	—	55,000	2,350,000
	Park and Recreation	1,150,000	—	180,000	970,000
	Hydro- Electric Plant	950,000	—	95,000	855,000

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

General Obligation Bonds - Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$2,845,000 General Obligation Refunding Bonds of 2017B - Due in annual installments of \$510,000 to \$800,000 plus interest at 2.00% to 3.00% through December 1, 2021.	Debt Service	\$ 2,035,700	—	658,650	1,377,050
	Wastewater Treatment	299,300	—	96,350	202,950
\$4,125,000 General Obligation Refunding Bonds of 2019A - Due in annual installments of \$285,000 to \$450,000 plus interest at 4.00% through December 1, 2030.	Waterworks	—	1,237,500	—	1,237,500
	Wastewater Treatment	—	2,887,500	—	2,887,500
\$1,360,000 General Obligation Refunding Bonds of 2019B - Due in annual installments of \$255,000 to \$285,000 plus interest at 2.10% to 2.35% through December 1, 2024.	Debt Service	—	1,360,000	—	1,360,000
\$3,845,000 General Obligation Refunding Bonds of 2019C - Due in annual installments of \$1,890,000 to \$1,955,000 plus interest at 3.700% to 3.75% through December 1, 2037.	Debt Service	—	3,845,000	—	3,845,000
\$1,980,000 General Obligation Refunding Bonds of 2019C - Due in annual installments of \$125,000 to \$180,000 plus interest at 2.625% to 4.00% through December 1, 2037.	Debt Service	—	1,980,000	—	1,980,000
		<u>58,631,666</u>	<u>11,310,000</u>	<u>13,516,667</u>	<u>56,424,999</u>

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

IEPA Loans Payable

The City has entered into loan agreements with the IEPA to provide low interest financing for waterworks and sewerage improvements. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$532,456 IEPA Loan Payable of 2011 - Store/Treat Basins Modifications - Due in semi-annual installments of \$11,924, plus interest at 1.25%, through December 6, 2030.	Wastewater Treatment	\$ 266,576	—	20,729	245,847
\$20,000,000 IEPA Loan Payable of 2011 - Mill Street Wastewater Treatment Plant Expansion - Due in semi-annual installments of \$510,765, plus interest at 1.25%, through January 1, 2033.	Wastewater Treatment	13,164,330	—	866,056	12,298,274
\$15,000,000 IEPA Loan Payable of 2012 - Mill Street Wastewater Treatment Plant Expansion Phase 2 - Due in semi-annual installments of \$473,805, plus interest at 2.295%, through July 14, 2033.	Wastewater Treatment	12,105,620	—	684,565	11,421,055
\$10,034,628 IEPA Loan Payable of 2013 - Mill Street Wastewater Treatment Plant Expansion Phase 3 - Due in semi-annual installments of \$340,796, plus interest at 1.93%, through August 6, 2034.	Wastewater Treatment	9,434,140	—	508,532	8,925,608

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

IEPA Loans Payable - Continued

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$10,941,066 IEPA Loan Payable of 2014 - Wastewater Project - Due in semi-annual installments of \$338,288 , plus interest at 1.995%, through July 21, 2035.	Wastewater Treatment	\$ 9,713,518	—	485,194	9,228,324
\$4,506,250 IEPA Loan Payable of 2016 - Farmall Storage Tank Wastewater Project - Due in semi-annual installments of \$135,049, plus interest at 2.21%, through January 1, 2036.	Wastewater Treatment	3,852,515	—	188,981	3,663,534
\$22,198,434 IEPA Loan Payable of 2017 - Drinking Water Project - Due in semi-annual installments, plus interest at 1.64%, through July 28, 2039.	Wastewater Treatment	10,443,015	9,618,131	—	20,061,146
\$8,368,016 IEPA Loan Payable of 2018 - Wastewater Project - Due in semi-annual installments of \$354,953, plus interest at 1.75%, through January 1, 2038.	Wastewater Treatment	5,842,781	2,395,862	307,229	7,931,414
		64,822,495	12,013,993	3,061,286	73,775,202

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Defeased Debt

On October 8, 2019, the City issued \$4,125,000 par value General Obligation Refunding Bonds Series 2019A to refund \$4,490,000 of the General Obligation Taxable Bonds of 2010A, \$1,360,000 of General Obligation Refunding Bonds Series 2019B to refund \$1,440,000 of the General Obligation Bonds of 2009C, and \$3,845,000 of General Obligation Refunding Bonds Series 2019C to refund \$3,635,000 of the General Obligation Taxable Bonds of 2014B. The City defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the City increased its total debt service by \$1,939,686 and obtained an economic gain of \$358,229.

Capital Leases

The City has entered into a lease agreement as lessee for financing the acquisition of equipment. Capital assets of \$277,771 have been added to machinery and equipment in the Parks and Recreation Fund as a result of this capital lease. These lease agreements qualify as capital leases for accounting purposes and; therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The capital leases have been recorded as liabilities in the Parks and Recreation Fund.

The future minimum lease payments and the net present value of these minimum lease payments are as follows:

Year Ending December 31	Lease Payment
2020	\$ 52,415
2021	52,415
2022	52,415
2023	52,415
	<u>209,660</u>
Interest Portion	<u>(17,304)</u>
Principal Balance	<u><u>192,356</u></u>

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences					
General	\$ 3,415,142	152,842	76,421	3,491,563	2,033,355
Internal Service	246,273	56,368	28,184	274,457	159,833
Net Pension Liability - IMRF					
General	6,182,895	—	4,151,639	2,031,256	—
Internal Service	1,354,626	—	916,015	438,611	—
Net Pension Liability - Police Pension	60,597,042	13,390,198	—	73,987,240	—
Net Pension Liability - Firefighters' Pension	55,552,561	11,068,027	—	66,620,588	—
Total OPEB Liability - RBP					
General	16,811,911	1,600,268	—	18,412,179	—
Internal Service	1,346,618	254,859	—	1,601,477	—
General Obligation Bonds	48,980,700	7,185,000	7,843,650	48,322,050	3,047,500
Plus: Unamortized Premium	1,120,019	64,153	48,619	1,135,553	119,912
	<u>195,607,787</u>	<u>33,771,715</u>	<u>13,064,528</u>	<u>216,314,974</u>	<u>5,360,600</u>
Business-Type Activities					
Compensated Absences	711,592	24,095	48,190	687,497	400,373
Net Pension Liability - IMRF	6,284,362	—	5,003,238	1,281,124	—
Total OPEB Liability - RBP	4,357,012	—	152,547	4,204,465	—
Capital Leases Payable	—	244,771	52,415	192,356	45,612
General Obligation Bonds	9,650,966	4,125,000	5,673,017	8,102,949	914,167
Plus: Unamortized Premium	337,043	560,937	208,899	689,081	85,208
IEPA Loans*	64,822,495	12,013,993	3,061,286	73,775,202	3,859,893
	<u>86,163,470</u>	<u>16,968,796</u>	<u>14,199,592</u>	<u>88,932,674</u>	<u>5,305,253</u>

*Includes estimated payment for the 2017 IEPA loans that have not been finalized yet.

For the governmental activities, payments on the compensated absences, the net pension liabilities and the total OPEB liability are made by the General Fund, Equipment Maintenance Fund or Engineering Fund. Payments on general obligation bonds are being liquidated by the Debt Service Fund. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liability Activity - Continued

Additionally, for the business-type activities, the compensated absences, the net pension liability, and the total OPEB liability are being liquidated by the Waterworks Fund, the Wastewater Treatment Fund, the Park and Recreation Fund, the Stormwater Fund, the Solid Waste Fund, the Sunset Marina Fund, and the Hydro-Electric Plan Fund. The general obligation bonds are being liquidated by the Waterworks Fund, the Wastewater Treatment Fund the Park and Recreation Fund, the Sunset Marina Fund, and the Hydro-Electric Plant Fund. The capital leases payable are liquidated by the Park and Recreation Fund. The IEPA Loans Payable are being liquidated by the Wastewater Treatment Fund.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities			
	General Obligation		General Obligation		IEPA	
	Bonds		Bonds		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 3,047,500	1,850,575	914,167	330,235	3,171,285	980,658
2021	3,154,550	1,712,298	952,117	275,370	3,229,421	922,522
2022	2,115,000	1,600,052	916,665	243,210	3,288,674	863,269
2023	2,120,000	1,514,551	890,000	208,662	3,349,064	802,879
2024	2,765,000	1,426,396	925,000	173,794	3,410,619	741,324
2025	2,700,000	1,340,059	730,000	137,525	3,473,358	678,585
2026	2,480,000	1,251,863	760,000	109,000	3,537,305	614,637
2027	2,575,000	1,165,501	555,000	79,350	3,602,485	549,458
2028	2,655,000	1,073,848	570,000	57,775	3,668,923	483,020
2029	2,760,000	974,829	440,000	35,600	3,736,642	415,301
2030	2,865,000	868,843	450,000	18,000	3,805,607	346,336
2031	2,970,000	758,267	—	—	3,851,962	275,984
2032	3,090,000	638,643	—	—	3,923,384	204,562
2033	3,115,000	513,879	—	—	2,965,067	134,966
2034	2,575,000	385,217	—	—	2,062,373	79,176
2035	2,700,000	282,317	—	—	1,410,981	42,180
2036	2,500,000	170,104	—	—	484,358	19,362
2037	2,135,000	78,712	—	—	492,873	10,847
2038	—	—	—	—	249,675	2,185
Totals	48,322,050	17,605,954	8,102,949	1,668,521	53,714,056	8,167,251

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to the incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property... (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts.”

To date the Illinois General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

Industrial Revenue Bonds

The City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2019, there was one series of Industrial Revenue Bonds outstanding. The original issue amounts totaled \$8,650,000 includes refinancing of Series 2004 \$4,160,300 and \$4,489,700 for facility improvements. The aggregate principal amount outstanding was \$6,483,707.

Tax Abatements

The City of Rock Island through its Tax Incremental Financing (TIF) Districts has entered into tax abatement agreements with developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the Development or Redevelopment Agreements as authorized by the City Council and executed by the City Manager. The developers are reimbursed for TIF eligible expenditures as outlined by the agreements through one-time payments or are entitled to future incentive payments that directly correlate to the taxes paid after meeting the criteria established in the development agreements. All agreements include recapture provisions through a Default and Remedies clause.

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Tax Abatements - Continued

For the year ended December 31, 2019, the City abated \$2,369,356 of property tax under agreements as follows:

Agreement Description	Calculation Method	Developer Commitment	Abatement
2003 - Voss Brothers Lofts	\$265,000 payment plus a rebate for a 15 year period of 100% of property tax in excess of a base (starting at \$19,712 and increases 4% per year), payable from increment.	Rock Island Economic Growth Corporation to redevelop property to create 35 rental dwelling units at a cost in excess of \$4.7 million.	\$ 2,660
2004 - Casino Rock Island	75% of the property tax increment for a 13 year period.	Rock Island Boatworks to develop \$150 million casino complex known as Jumers with casino, hotel, parking structure and conference/meeting/theatre center.	1,806,685
2010 - Jackson Square	\$640,000 payment plus a rebate for a 10 year period of 100% of property tax in excess of a base (ranges from \$27,300 to \$40,334), payable from increment.	Rock Island Economic Growth Corporation to redevelop property to create 30 rental dwelling units plus 3,500 square feet of commercial space at a cost in excess of \$8.5 million.	23,376
2012 - The Locks	\$2.1 million payment plus rebate for a 10 year period of 100% of property tax in excess of a base amount that ranges from \$40,000 in Year 1 to \$62,053 in Year 10 payable from increment.	Rock Island Economic Growth Corporation to develop a new multi-unit residential housing development with 34 units at a cost estimated to exceed \$6 million.	87,206
2013 - Blackhawk Commons	\$700,000 payment for infrastructure work, \$1,752,000 for building construction plus 90% of increment the first five years and 80% thereafter for a period no longer than twenty years to a maximum of \$2 million.	11th Street Development Partners to develop site construction and installation of new buildings, improvements to streets, sanitary sewer and water mains for an approximate total project cost of \$6.8 million.	91,100
2014 - Kinseth Hospitality	Four payments totaling \$500,000.	Rehabilitation and renovation of guest rooms, hallways, meeting rooms, exterior, HVAC, windows and restaurant at Holiday Inn at an approximate cost of \$2.4 million.	200,000
2015 - Jesse Mart	Rebate of 100% of the increase in property taxes over 2015 until 2023.	Developer to redevelop commercial building at 722 11th Street by adding gas pump, store and laundromat at a cost in excess of \$800,000.	6,891
2016/2017 - Friendship Manor	Three payments totaling \$125,000.	Developer to demolish a blighted structure and construct a new parking lot along with property beautification.	29,000
2018 - Koffee Break	An amount not to exceed \$140,000 over an eight year period. Paid from TIF funds, TIF increment and Sales Tax.	Renovation and expansion of first floor restaurant seating area and kitchen and improvement of basement storage.	100,000
2018 - McLaughlin Body Co	\$800,000 over a six year period.	Acquisition of property at 350 44th St and construction of visitor's entrance, exterior improvements, installation of three receiving docks, replacement of portions of roof and interior improvements for an approximate cost of \$7 million.	—
2019 - Small Hands Big Hearts LLC	An amount not to exceed \$40,000.	Reimbursement of facility expenses to include new doors, furnaces and condensation units along with replacement of portions of siding, roof and sidewalks.	15,638
2019 - The Clock Inc	Up to \$7,000 payment.	100% reimbursement of building of interior walls.	6,800
			<u>2,369,356</u>

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2019:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 93,051,290
Plus: Unspent Bond Proceeds	1,067,019
Less Capital Related Debt:	
General Obligation Bonds	(48,322,050)
Unamortized Premium	<u>(1,135,553)</u>
Net Investment in Capital Assets	<u>44,660,706</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	134,716,018
Plus: Unamortized Loss on Refunding	10,475
Less Capital Related Debt:	
General Obligation Bonds	(8,102,949)
Unamortized Premium	(689,081)
IEPA Loans Payable	<u>(73,775,202)</u>
Net Investment in Capital Assets	<u>51,966,905</u>

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Assigned Fund Balance. Consists of amounts that are constrained by the City Council intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the City Council itself or by 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.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The City's fund balance policy for the General Fund requires unassigned fund balance to be maintained at a minimum of 25% current year expenditures, effective for the fiscal year 2013 budget, with the minimum increasing 1% annually until the minimum reaches 35%. Any fund balance in the General Fund in excess of the minimum can be assigned for other purposes.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	Special Revenue								Totals
	General	Tax			Community/ Economic Development	Debt Service	Capital Projects	Nonmajor	
Public Library		Increment Financing District	Riverboat Gaming						
Fund Balances									
Nonspendable									
Prepays									
Assets Held for Resale	\$ 28,935	—	—	—	—	—	—	—	28,935
Restricted									
Police Services	322,531	—	—	—	—	—	—	—	322,531
Public Library	—	1,271,793	—	—	—	—	—	—	1,271,793
Capital Improvements	—	—	4,056,357	—	—	—	—	—	4,056,357
Debt Service	—	—	—	—	—	7,636	—	—	7,636
Motor Fuel Taxes	—	—	—	—	—	—	—	888,429	888,429
Fire Services	2,898	—	—	—	—	—	—	139,112	142,010
Community Development	—	—	—	—	—	—	—	5,679	5,679
Drug Prevention	—	—	—	—	—	—	—	255,487	255,487
	325,429	1,271,793	4,056,357	—	—	7,636	—	1,288,707	6,949,922
Committed									
Riverboat Gaming	—	—	—	3,676,801	—	—	—	—	3,676,801
Community/Economic Development	—	—	—	—	6,142,140	—	—	—	6,142,140
	—	—	—	3,676,801	6,142,140	—	—	—	9,818,941
Unassigned	9,067,499	—	—	—	—	—	(632,534)	(229,386)	8,205,579
Total Fund Balances	9,421,863	1,271,793	4,056,357	3,676,801	6,142,140	7,636	(632,534)	1,059,321	25,003,377

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The City has established two internal service funds for self-insurance to meet potential losses from general liability, workers' compensation, property and casualty claims, and medical and other risks. The City carries stop-loss insurance as well. There have been no significant changes in insurance coverage purchased compared to the prior year. For those exposures covered by insurance policies, settled claims have not exceeded the insurance coverage purchased for each of the past three fiscal periods. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are estimated by considering the effects of inflation, recent claim settlement trends, including frequency and number of payouts, and other economic and social factors. Changes in the balances of claims payable are as follows:

	<u>Self Insurance</u>		<u>Employee Health Benefit</u>	
	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Claims Payable - Beginning	\$ 2,378,574	937,340	292,893	443,358
Incurred Claims	334,452	1,723,808	2,774,757	3,096,661
Claims Paid	<u>(1,463,667)</u>	<u>(282,574)</u>	<u>(2,816,225)</u>	<u>(3,247,126)</u>
Claims Payable - Ending	<u>1,249,359</u>	<u>2,378,574</u>	<u>251,425</u>	<u>292,893</u>

CONTINGENT LIABILITIES

Litigation

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

Grants

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

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is also a single-employer pension plan. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. The Police and Firefighters' Pension Plans also issue separate reports that may be obtained by writing the City at 1528 Third Avenue, Rock Island, Illinois 61201. The benefits, benefit levels, employee contributions and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amounts recognized for the pension plans are:

	Expenses	Net Pension Liabilities	Deferred Outflows	Deferred Inflows
IMRF				
City	\$ 1,217,241	3,750,991	1,817,791	(5,454,344)
MLK Center	143,289	143,856	69,716	(209,184)
Police Pension	10,866,467	73,987,240	17,788,551	(1,900,629)
Firefighters' Pension	8,369,663	66,620,588	14,761,563	(2,046,566)
	<u>20,596,660</u>	<u>144,502,675</u>	<u>34,437,621</u>	<u>(9,610,723)</u>

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit 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 consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit 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 on January 1 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.

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	311
Inactive Plan Members Entitled to but not yet Receiving Benefits	160
Active Plan Members	<u>220</u>
Total	<u><u>691</u></u>

A detailed breakdown of IMRF membership for inactive members for the City and the MLK Center is unavailable. The above numbers include all members.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Contributions. As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2019, the City's and MLK Center's contribution was 9.03% of covered payroll.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued. For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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 of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior year. 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments 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 pension liability/(asset) of the City calculated using the discount rate as well as what the City's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City	\$ 16,382,081	3,750,991	(6,753,123)
MKL Center	628,284	143,856	(258,995)
Net Pension Liability/(Asset)	<u>17,010,365</u>	<u>3,894,847</u>	<u>(7,012,118)</u>

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability

	City	MLK Center	Totals
Total Pension Liability			
Service Cost	\$ 1,305,608	50,073	1,355,681
Interest	7,382,450	283,131	7,665,581
Differences Between Expected and Actual Experience	504,372	201,285	705,657
Change of Assumptions	—	—	—
Benefit Payments, Including Refunds of Member Contributions	(5,829,878)	(223,587)	(6,053,465)
Net Change in Total Pension Liability	3,362,552	310,902	3,673,454
Total Pension Liability - Beginning	105,504,142	2,576,904	108,081,046
Total Pension Liability - Ending	<u>108,866,694</u>	<u>2,887,806</u>	<u>111,754,500</u>
Plan Fiduciary Net Position			
Contributions - Employer	1,168,763	44,824	1,213,587
Contributions - Members	630,731	24,190	654,921
Net Investment Income	17,440,331	668,870	18,109,201
Benefit Payments, Including Refunds of Member Contributions	(5,829,878)	(223,587)	(6,053,465)
Other (Net Transfer)	23,497	901	24,398
Net Change in Plan Fiduciary Net Position	13,433,444	515,198	13,948,642
Plan Net Position - Beginning	91,682,259	2,228,752	93,911,011
Plan Net Position - Ending	<u>105,115,703</u>	<u>2,743,950</u>	<u>107,859,653</u>
Employer's Net Pension Liability	<u>3,750,991</u>	<u>143,856</u>	<u>3,894,847</u>

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended December 31, 2019, the City recognized pension expense of \$1,217,241, and the MLK Center recognized pension expense of \$143,289, for a total expense of \$1,360,530. At December 31, 2019, the City and the MLK Center reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	City		MLK Center		Totals
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	
Difference Between Expected and Actual Experience	\$ 660,352	(190,026)	25,326	(7,288)	488,364
Change in Assumptions	1,157,439	(511,982)	44,390	(19,635)	670,212
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(4,752,336)	—	(182,261)	(4,934,597)
Total Deferred Amounts Related to IMRF	<u>1,817,791</u>	<u>(5,454,344)</u>	<u>69,716</u>	<u>(209,184)</u>	<u>(3,776,021)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources		
	City	MLK Center	Totals
2020	\$ (1,005,368)	(38,558)	(1,043,926)
2021	(898,873)	(34,474)	(933,347)
2022	473,390	18,155	491,545
2023	(2,205,702)	(84,591)	(2,290,293)
2024	—	—	—
Thereafter	—	—	—
Totals	<u>(3,636,553)</u>	<u>(139,468)</u>	<u>(3,776,021)</u>

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At December 31, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	98
Inactive Plan Members Entitled to but not yet Receiving Benefits	15
Active Plan Members	<u>78</u>
Total	<u><u>191</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the preceding calendar year.

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 plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2019, the City's contribution was 56.84% of covered payroll.

Concentrations. At year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	6.05%
Salary Increases	2.75% - 5.00%
Cost of Living Adjustments	1.25% - 3.00%
Inflation	2.70%

Mortality rates are based on the RP-2006 Mortality Table with generational projection from 2013 using the MP-2016 improvement scale.

Discount Rate

A Single Discount Rate of 6.05% was used to measure the total pension liability and prior year this discount rate was 7.00%. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' 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 rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.20%, the municipal bond rate is 2.74%, and the resulting single discount rate is 6.05%.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.05%)	Current Discount Rate (6.05%)	1% Increase (7.05%)
Net Pension Liability \$	91,514,867	73,987,240	59,929,998

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 95,429,297	34,832,255	60,597,042
Changes for the Year:			
Service Cost	1,210,315	—	1,210,315
Interest on the Total Pension Liability	6,592,318	—	6,592,318
Changes of Benefit Terms	94,788	—	94,788
Difference Between Expected and Actual Experience of the Total Pension Liability	1,648,346	—	1,648,346
Changes of Assumptions	13,403,012	—	13,403,012
Contributions - Employer	—	3,543,398	(3,543,398)
Contributions - Employees	—	596,362	(596,362)
Net Investment Income	—	5,500,676	(5,500,676)
Benefit Payments, Including Refunds of Employee Contributions	(4,927,269)	(4,927,269)	—
Other (Net Transfer)	—	(81,855)	81,855
Net Changes	18,021,510	4,631,312	13,390,198
Balances at December 31, 2019	113,450,807	39,463,567	73,987,240

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

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

For the year ended December 31, 2019, the City recognized pension expense of \$10,866,467. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,459,672	(1,034,884)	424,788
Change in Assumptions	16,328,879	(363,584)	15,965,295
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(502,161)	(502,161)
Total Deferred Amounts Related to Police Pension	<u>17,788,551</u>	<u>(1,900,629)</u>	<u>15,887,922</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2020	\$ 5,359,454
2021	5,255,471
2022	5,891,567
2023	(618,570)
2024	—
Thereafter	—
Total	<u>15,887,922</u>

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan

Plan Descriptions

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At December 31, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	92
Inactive Plan Members Entitled to but not yet Receiving Benefits	9
Active Plan Members	<u>60</u>
Total	<u><u>161</u></u>

Benefits Provided. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit 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 be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3percent compounded annually thereafter.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2019, the City's contribution was 68.21% of covered payroll.

Concentrations. At year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.20%
Salary Increases	3.50% - 5.50%
Cost of Living Adjustments	1.25% - 3.00%
Inflation	2.70%

Mortality rates are based on the RP-2006 Blue Collar Mortality Table with generational projection from 2013 using the MP-2016 improvement scale.

Discount Rate

A Single Discount Rate of 5.78% was used to measure the total pension liability and prior year this rate was 6.90%. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' 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 rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.20%, the municipal bond rate is 2.74%, and the resulting single discount rate is 5.78%.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (4.78%)	Current Discount Rate (5.78%)	1% Increase (6.78%)
Net Pension Liability	\$ 79,706,374	66,620,588	56,009,691

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 77,857,544	22,304,983	55,552,561
Changes for the Year:			
Service Cost	1,001,745	—	1,001,745
Interest on the Total Pension Liability	5,284,117	—	5,284,117
Changes of Benefit Terms	73,191	—	73,191
Difference Between Expected and Actual Experience of the Total Pension Liability	371,969	—	371,969
Changes of Assumptions	11,728,123	—	11,728,123
Contributions - Employer	—	3,290,679	(3,290,679)
Contributions - Employees	—	415,425	(415,425)
Net Investment Income	—	3,739,896	(3,739,896)
Benefit Payments, Including Refunds of Employee Contributions	(4,555,689)	(4,555,689)	—
Other (Net Transfer)	—	(54,882)	54,882
Net Changes	13,903,456	2,835,429	11,068,027
Balances at December 31, 2019	91,761,000	25,140,412	66,620,588

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

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

For the year ended December 31, 2019, the City recognized pension expense of \$8,369,663. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 297,575	(1,060,392)	(762,817)
Change in Assumptions	14,463,988	(257,207)	14,206,781
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(728,967)	(728,967)
Total Deferred Amounts Related to Firefighters' Pension	<u>14,761,563</u>	<u>(2,046,566)</u>	<u>12,714,997</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2020	\$ 3,413,150
2021	3,438,753
2022	3,889,489
2023	1,973,605
2024	—
Thereafter	—
Total	<u>12,714,997</u>

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare insurance benefits for retirees and their dependents. The benefit terms provide for payment of 100 percent of health insurance premiums for non-Medicare-and Medicare-eligible retirees.

Plan Membership. As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	198
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>357</u>
Total	<u><u>555</u></u>

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2018, and was determined by an actuarial valuation as of December 31, 2019.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial assumptions and other inputs - Continued.

Inflation	3.00%
Salary Increases	4.00%
Discount Rate	3.26%
Healthcare Cost Trend Rates	6.00% for 2018, decreasing 0.125% per year to an ultimate rate of 5.00% for 2028 and later years.
Retirees' Share of Benefit-Related Costs	45% of projected health insurance premiums for retirees.

The discount rate was based on S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

Mortality rates were based on the December 31, 2017 IMRF Actuarial Valuation Report for IMRF employees and retirees. Police and Firefighters' employees and retiree rates were based on the Police and Firefighters' Pension Funds Actuarial Valuation Reports as of January 1, 2018.

Change in the Total OPEB Liability

	City	MLK Center	Totals
Balance at December 31, 2018	\$ 22,515,541	136,235	22,651,776
Changes for the Year:			
Service Cost	888,987	6,021	895,008
Interest on the Total OPEB Liability	786,257	21,579	807,836
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience	—	—	—
Changes of Assumptions or Other Inputs	943,822	6,392	950,214
Benefit Payments	(910,834)	(6,169)	(917,003)
Other Changes	(5,652)	(38)	(5,690)
Net Changes	1,702,580	27,785	1,730,365
Balance at December 31, 2019	24,218,121	164,020	24,382,141

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

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

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.26%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
City	\$ 26,985,353	24,218,121	21,845,797
MLK Center	182,762	164,020	147,953
Total OPEB	<u>27,168,115</u>	<u>24,382,141</u>	<u>21,993,750</u>

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

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
City	\$ 22,266,186	24,218,121	26,561,411
MLK Center	150,801	164,020	179,890
Total OPEB	<u>22,416,987</u>	<u>24,382,141</u>	<u>26,741,301</u>

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

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

For the year ended December 31, 2019, the City recognized OPEB expense of \$1,868,959, and the MLK Center recognized pension expense of \$35,684, for a total expense of \$1,904,643. At December 31, 2019, the City and the MLK Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	City		MLK Center		Totals
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	
Difference Between Expected and Actual Experience	\$ —	—	—	—	—
Change in Assumptions	1,505,974	(477,664)	10,199	(3,235)	1,035,274
Net Difference Between Projected and Actual Earnings	—	—	—	—	—
Total Deferred Amounts Related to OPEB	<u>1,505,974</u>	<u>(477,664)</u>	<u>10,199</u>	<u>(3,235)</u>	<u>1,035,274</u>

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources		
	City	MLK Center	Totals
2020	\$ 193,512	1,311	194,823
2021	193,512	1,311	194,823
2022	193,512	1,311	194,823
2023	193,512	1,311	194,823
2024	172,154	1,166	173,320
Thereafter	82,108	554	82,662
Totals	<u>1,028,310</u>	<u>6,964</u>	<u>1,035,274</u>

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

SUBSEQUENT EVENT

Subsequent to the date of the financial statements and prior to the audit opinion date, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the City's operations and financial position cannot be determined.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund

- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund

- Schedule of Changes in the Employer's Total OPEB Liability
 - Retiree Benefit Plan

- Budgetary Comparison Schedules
 - General Fund
 - Public Library - Special Revenue Fund
 - TIF - Special Revenue Fund
 - Riverboat Gaming - Special Revenue Fund
 - Community/Economic Development - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary information - budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF ROCK ISLAND, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
December 31, 2019**

Calendar Year		Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	Totals	\$ 1,566,015	\$ 1,565,936	\$ (79)	\$ 13,773,220	11.37%
12/31/16	Totals	1,535,820	1,535,820	—	13,315,779	11.53%
12/31/17	Totals	1,493,817	1,493,817	—	13,325,749	11.21%
12/31/18	Totals	1,591,625	2,065,221	473,596	13,375,003	15.44%
12/31/19	City	1,163,858	1,168,763	4,905	12,946,134	9.03%
	MLK Center	44,636	44,824	188	496,509	9.03%
	Totals	1,208,494	1,213,587	5,093	13,442,643	9.03%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF ROCK ISLAND, ILLINOIS

**Police Pension Fund
Schedule of Employer Contributions
December 31, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/14	\$ 1,815,432	\$ 2,421,323	\$ 605,891	\$ 5,906,654	40.99%
12/31/15	2,687,850	2,687,850	—	6,106,347	44.02%
12/31/16	2,893,079	2,893,929	850	6,225,778	46.48%
12/31/17	3,210,078	3,210,742	664	6,088,056	52.74%
12/31/18	3,384,157	3,384,517	360	6,216,240	54.45%
12/31/19	3,543,398	3,543,398	—	6,234,010	56.84%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.70%
Salary Increases	2.75% - 5.00%
Investment Rate of Return	7.20%
Retirement Age	50-62
Mortality	RP-2006 Blue Collar Mortality Table with Generational Projection from 2013 using the MP-2016 Improvement Scale

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF ROCK ISLAND, ILLINOIS

**Firefighters' Pension Fund
Schedule of Employer Contributions
December 31, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/14	\$ 1,639,307	\$ 2,186,165	\$ 546,858	\$ 4,192,671	52.14%
12/31/15	2,676,324	2,676,324	—	4,338,290	61.69%
12/31/16	2,803,150	2,803,551	401	4,455,246	62.93%
12/31/17	3,059,212	3,059,559	347	4,455,406	68.67%
12/31/18	3,280,309	3,280,309	—	4,540,219	72.25%
12/31/19	3,290,679	3,290,679	—	4,824,068	68.21%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.70%
Salary Increases	3.50% - 5.50%
Investment Rate of Return	7.20%
Retirement Age	50-69
Mortality	RP-2006 Blue Collar Mortality Table with Generational Projection from 2013 using the MP-2016 Improvement Scale

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF ROCK ISLAND, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2019**

	<u>12/31/2015</u>
	<u>Total</u>
Total Pension Liability	
Service Cost	\$ 1,446,195
Interest	7,012,972
Changes in Benefit Terms	0
Differences Between Expected and Actual Experience	928,010
Change of Assumptions	230,551
Benefit Payments, Including Refunds of Member Contributions	<u>(4,840,911)</u>
Net Change in Total Pension Liability	4,776,817
Total Pension Liability - Beginning	<u>95,203,656</u>
 Total Pension Liability - Ending	 <u><u>99,980,473</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,565,936
Contributions - Members	659,458
Net Investment Income	450,101
Benefit Payments, Including Refunds of Member Contributions	<u>(4,840,911)</u>
Other (Net Transfer)	215,976
Net Change in Plan Fiduciary Net Position	<u>(1,949,440)</u>
Plan Net Position - Beginning	<u>91,328,014</u>
 Plan Net Position - Ending	 <u><u>89,378,574</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 10,601,899</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 89.40%
 Covered Payroll	 \$ 13,773,220
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 76.97%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/16	12/31/17	12/31/18	12/31/19		
Total	Total	Total	City	MLK Center	Totals
1,444,884	1,360,413	1,299,642	1,305,608	50,073	1,355,681
7,330,485	7,543,312	7,469,703	7,382,450	283,131	7,665,581
—	—	—	—	—	—
(494,373)	(1,134,673)	450,570	504,372	201,285	705,657
(232,038)	(3,057,119)	2,849,299	—	—	—
(5,403,551)	(5,457,197)	(5,868,784)	(5,829,878)	(223,587)	(6,053,465)
2,645,407	(745,264)	6,200,430	3,362,552	310,902	3,673,454
99,980,473	102,625,880	101,880,616	105,504,142	2,576,904	108,081,046
102,625,880	101,880,616	108,081,046	108,866,694	2,887,806	111,754,500
1,529,941	1,493,817	2,065,221	1,168,763	44,824	1,213,587
598,667	617,966	612,684	630,731	24,190	654,921
6,050,403	16,613,180	(5,972,516)	17,440,331	668,870	18,109,201
(5,403,551)	(5,457,197)	(5,868,784)	(5,829,878)	(223,587)	(6,053,465)
(505,957)	(3,230,575)	1,389,138	23,497	901	24,398
2,269,503	10,037,191	(7,774,257)	13,433,444	515,198	13,948,642
89,378,574	91,648,077	101,685,268	91,682,259	2,228,752	93,911,011
91,648,077	101,685,268	93,911,011	105,115,703	2,743,950	107,859,653
10,977,803	195,348	14,170,035	3,750,991	143,856	3,894,847
89.30%	99.81%	86.89%	96.55%	95.02%	96.51%
13,773,220	13,325,749	13,375,003	12,946,134	496,509	13,442,643
79.70%	1.47%	105.94%	28.97%	28.97%	28.97%

CITY OF ROCK ISLAND, ILLINOIS

**Police Pension Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2019**

	<u>12/31/14</u>
Total Pension Liability	
Service Cost	\$ 844,175
Interest	3,974,594
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	2,003,976
Change of Assumptions	—
Benefit Payments, Including Refunds of Member Contributions	<u>(3,238,767)</u>
Net Change in Total Pension Liability	3,583,978
Total Pension Liability - Beginning	<u>71,434,656</u>
 Total Pension Liability - Ending	 <u><u>75,018,634</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 2,421,323
Contributions - Members	419,739
Net Investment Income	1,323,105
Benefit Payments, Including Refunds of Member Contributions	<u>(3,238,767)</u>
Administrative Expenses	<u>(37,119)</u>
Net Change in Plan Fiduciary Net Position	888,281
Plan Net Position - Beginning	<u>31,409,496</u>
 Plan Net Position - Ending	 <u><u>32,297,777</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 42,720,857</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 43.05%
 Covered Payroll	 \$ 5,906,654
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 723.27%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/15	12/31/16	12/31/17	12/31/18	12/31/19
1,178,679	1,206,843	1,213,206	1,011,991	1,210,315
5,565,928	5,871,796	6,084,923	6,081,748	6,592,318
—	—	—	—	94,788
1,340,483	(132,394)	(855,387)	(1,080,996)	1,648,346
—	—	(908,960)	10,461,032	13,403,012
(3,969,874)	(4,100,163)	(4,121,665)	(4,436,527)	(4,927,269)
4,115,216	2,846,082	1,412,117	12,037,248	18,021,510
75,018,634	79,133,850	81,979,932	83,392,049	95,429,297
79,133,850	81,979,932	83,392,049	95,429,297	113,450,807
2,687,850	2,893,929	3,210,742	3,384,517	3,543,398
590,127	580,374	592,709	585,519	596,362
(265,731)	2,918,794	3,805,284	(1,646,130)	5,500,676
(3,969,874)	(4,100,163)	(4,121,665)	(4,436,527)	(4,927,269)
(65,821)	(12,357)	(39,446)	(57,653)	(81,855)
(1,023,449)	2,280,577	3,447,624	(2,170,274)	4,631,312
32,297,777	31,274,328	33,554,905	37,002,529	34,832,255
31,274,328	33,554,905	37,002,529	34,832,255	39,463,567
47,859,522	48,425,027	46,389,520	60,597,042	73,987,240
39.52%	40.93%	44.37%	36.50%	34.78%
6,106,347	6,225,778	6,088,056	6,216,240	6,234,010
783.77%	777.81%	761.98%	974.82%	1186.83%

CITY OF ROCK ISLAND, ILLINOIS

**Firefighter's Pension Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2019**

	<u>12/31/14</u>
Total Pension Liability	
Service Cost	\$ 713,494
Interest	3,461,630
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	808,506
Change of Assumptions	—
Benefit Payments, Including Refunds of Member Contributions	<u>(3,187,896)</u>
Net Change in Total Pension Liability	1,795,734
Total Pension Liability - Beginning	<u>62,420,544</u>
 Total Pension Liability - Ending	 <u><u>64,216,278</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 2,186,165
Contributions - Members	288,706
Net Investment Income	790,678
Benefit Payments, Including Refunds of Member Contributions	<u>(3,187,896)</u>
Administrative Expenses	<u>(42,342)</u>
Net Change in Plan Fiduciary Net Position	35,311
Plan Net Position - Beginning	<u>21,830,591</u>
 Plan Net Position - Ending	 <u><u>21,865,902</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 42,350,376</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 34.05%
 Covered Payroll	 \$ 4,192,671
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 1010.10%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/15	12/31/16	12/31/17	12/31/18	12/31/19
970,425	967,532	966,428	825,555	1,001,745
4,741,653	4,926,474	5,056,265	5,039,828	5,284,117
—	—	—	—	73,191
615,903	(143,146)	(238,698)	(1,560,472)	371,969
—	—	(643,016)	8,469,150	11,728,123
(3,867,666)	(3,924,449)	(4,166,966)	(4,393,534)	(4,555,689)
2,460,315	1,826,411	974,013	8,380,527	13,903,456
64,216,278	66,676,593	68,503,004	69,477,017	77,857,544
66,676,593	68,503,004	69,477,017	77,857,544	91,761,000
2,676,324	2,803,551	3,059,559	3,280,309	3,290,679
416,580	429,505	400,288	412,943	415,425
(107,316)	1,526,910	2,972,495	(914,907)	3,739,896
(3,867,666)	(3,924,449)	(4,166,966)	(4,393,534)	(4,555,689)
(68,883)	(25,951)	(23,649)	(46,062)	(54,882)
(950,961)	809,566	2,241,727	(1,661,251)	2,835,429
21,865,902	20,914,941	21,724,507	23,966,234	22,304,983
20,914,941	21,724,507	23,966,234	22,304,983	25,140,412
45,761,652	46,778,497	45,510,783	55,552,561	66,620,588
31.37%	31.71%	34.50%	28.65%	27.40%
4,338,290	4,455,246	4,455,406	4,540,219	4,824,068
1054.83%	1049.96%	1021.47%	1223.57%	1381.00%

CITY OF ROCK ISLAND, ILLINOIS

**Police Pension Fund
Schedule of Investment Returns
December 31, 2019**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	4.36%
2015	(0.28%)
2016	10.20%
2017	11.45%
2018	(4.14%)
2019	16.00%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF ROCK ISLAND, ILLINOIS

**Firefighters' Pension Fund
Schedule of Investment Returns
December 31, 2019**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	3.53%
2015	(0.55%)
2016	7.70%
2017	14.36%
2018	(4.31%)
2019	16.71%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF ROCK ISLAND, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2019

	12/31/18	12/31/19		Totals
	Totals	City	MLK Center	
Total OPEB Liability				
Service Cost	\$ 824,016	888,987	6,021	895,008
Interest	712,854	786,257	21,579	807,836
Changes in Benefit Terms	—	—	—	—
Differences Between Expected and Actual Experience	—	—	—	—
Change of Assumptions or Other Inputs	(499,227)	943,822	6,392	950,214
Benefit Payments	(1,002,134)	(910,834)	(6,169)	(917,003)
Other Changes	835,979	(5,652)	(38)	(5,690)
Net Change in Total OPEB Liability	871,488	1,702,580	27,785	1,730,365
Total OPEB Liability - Beginning	21,780,288	22,515,541	136,235	22,651,776
Total OPEB Liability - Ending	22,651,776	24,218,121	164,020	24,382,141
Covered Payroll	20,693,418	20,568,960	124,458	20,693,418
Total OPEB Liability as a Percentage of Covered Payroll	109.46%	117.74%	131.79%	117.83%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Benefit Term. There was no change in the retirees' share of health insurance premiums.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	Medical
2020	6.00%
2021	5.88%
2022	5.75%
2023	5.63%
2024	5.50%
2025	5.38%
2026	5.25%
2027	5.13%
2028	5.00%
Ultimate	5.00%

In 2019, there was no change in the healthcare trend rates from the prior year.

CITY OF ROCK ISLAND, ILLINOIS

General Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Revenues				
Taxes	\$ 13,804,214	13,804,214	13,419,251	13,332,440
Intergovernmental	12,385,300	12,623,039	13,689,362	13,314,939
Licenses and Permits	961,425	961,425	1,016,025	855,342
Charges for Services	7,835,285	7,961,488	8,589,522	7,996,581
Fines and Forfeitures	839,000	839,000	562,672	656,265
Interest	46,135	46,219	128,176	88,638
Miscellaneous	68,200	69,160	43,671	98,706
Total Revenues	35,939,559	36,304,545	37,448,679	36,342,911
Expenditures				
Current				
General Government	6,967,668	7,398,175	6,673,658	6,661,619
Police and Fire	27,867,836	28,111,800	29,118,200	27,581,297
Electrical Maintenance	677,937	777,753	641,991	617,287
Municipal Vehicle Parking System	21,215	14,043	11,773	16,188
Highways and Streets	3,408,763	3,408,763	3,418,159	3,538,242
Total Expenditures	38,943,419	39,710,534	39,863,781	38,414,633
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,003,860)	(3,405,989)	(2,415,102)	(2,071,722)
Other Financing Sources (Uses)				
Disposal of Capital Assets	6,500	6,500	590	1,676
Transfers In	2,537,527	2,757,504	2,417,969	3,728,757
Transfers Out	(259,904)	(334,890)	(379,416)	(423,861)
	2,284,123	2,429,114	2,039,143	3,306,572
Net Change in Fund Balance	(719,737)	(976,875)	(375,959)	1,234,850
Fund Balance - Beginning			9,797,822	8,562,972
Fund Balance - Ending			9,421,863	9,797,822

CITY OF ROCK ISLAND, ILLINOIS

Public Library - Special Revenue Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Revenues				
Taxes				
Property Taxes	\$ 2,131,032	2,131,032	2,117,069	2,116,137
Intergovernmental	61,100	61,100	61,348	98,970
Charges for Services	247,455	247,454	255,932	248,794
Fines and Forfeitures	41,500	41,500	25,759	32,078
Interest	5,000	5,000	18,585	12,909
Miscellaneous	93,500	94,315	158,263	61,473
Total Revenues	<u>2,579,587</u>	<u>2,580,401</u>	<u>2,636,956</u>	<u>2,570,361</u>
Expenditures				
Current				
Libraries	<u>2,621,447</u>	<u>2,715,647</u>	<u>2,525,200</u>	<u>2,463,908</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(41,860)</u>	<u>(135,246)</u>	<u>111,756</u>	<u>106,453</u>
Other Financing Sources (Uses)				
Transfers In	40,000	40,000	40,000	40,000
Transfers Out	—	(166,524)	(166,524)	(6,635)
	<u>40,000</u>	<u>(126,524)</u>	<u>(126,524)</u>	<u>33,365</u>
Net Change in Fund Balance	<u>(1,860)</u>	<u>(261,770)</u>	<u>(14,768)</u>	<u>139,818</u>
Fund Balance - Beginning			<u>1,286,561</u>	<u>1,146,743</u>
Fund Balance - Ending			<u>1,271,793</u>	<u>1,286,561</u>

CITY OF ROCK ISLAND, ILLINOIS

Tax Increment Financing District - Special Revenue Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Revenues				
Taxes				
Property Taxes	\$ 5,681,484	5,681,484	5,756,358	5,676,806
Interest	14,000	14,000	91,570	52,224
Miscellaneous	—	—	5,201	9,176
Total Revenues	<u>5,695,484</u>	<u>5,695,484</u>	<u>5,853,129</u>	<u>5,738,206</u>
Expenditures				
Current				
General Government	4,818,451	5,320,713	3,209,192	3,614,603
Capital Outlay	191,000	200,300	67,318	42,107
Total Expenditures	<u>5,009,451</u>	<u>5,521,013</u>	<u>3,276,510</u>	<u>3,656,710</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>686,033</u>	<u>174,471</u>	<u>2,576,619</u>	<u>2,081,496</u>
Other Financing Sources (Uses)				
Disposal of Capital Assets	—	—	(1,296)	(44,453)
Transfers In	—	—	—	13,056
Transfers Out	(1,329,031)	(1,387,970)	(1,380,877)	(1,254,243)
	<u>(1,329,031)</u>	<u>(1,387,970)</u>	<u>(1,382,173)</u>	<u>(1,285,640)</u>
Net Change in Fund Balance	<u>(642,998)</u>	<u>(1,213,499)</u>	1,194,446	795,856
Fund Balance - Beginning			<u>2,861,911</u>	<u>2,066,055</u>
Fund Balance - Ending			<u>4,056,357</u>	<u>2,861,911</u>

CITY OF ROCK ISLAND, ILLINOIS

Riverboat Gaming - Special Revenue Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Revenues				
Taxes				
Gaming Taxes	\$ 4,400,000	4,400,000	4,164,535	4,310,910
Interest	25,000	25,000	79,167	46,500
Miscellaneous	—	—	—	(2,297)
Total Revenues	4,425,000	4,425,000	4,243,702	4,355,113
Expenditures				
Current				
General Government	—	—	—	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,425,000	4,425,000	4,243,702	4,355,113
Other Financing Sources (Uses)				
Transfers In	—	—	893,957	731,637
Transfers Out	(5,299,956)	(5,299,956)	(5,628,775)	(5,859,641)
	(5,299,956)	(5,299,956)	(4,734,818)	(5,128,004)
Net Change in Fund Balance	(874,956)	(874,956)	(491,116)	(772,891)
Fund Balance - Beginning			4,167,917	4,940,808
Fund Balance - Ending			3,676,801	4,167,917

CITY OF ROCK ISLAND, ILLINOIS

Community/Economic Development - Special Revenue Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Revenues				
Intergovernmental	\$ —	11,812	17,713	36,100
Interest	800	800	4,731	2,838
Miscellaneous	—	—	169	189
Total Revenues	800	12,612	22,613	39,127
Expenditures				
Current				
General Government	579,383	526,983	468,648	640,402
Excess (Deficiency) of Revenues Over (Under) Expenditures	(578,583)	(514,371)	(446,035)	(601,275)
Other Financing Sources (Uses)				
Disposal of Capital Assets	—	—	(138,322)	(1,543)
Transfers In	579,383	1,089,132	1,089,132	1,143,617
Transfers Out	—	(697,353)	(697,353)	(569,712)
	579,383	391,779	253,457	572,362
Net Change in Fund Balance	800	(122,592)	(192,578)	(28,913)
Fund Balance - Beginning			6,334,718	6,363,631
Fund Balance - Ending			6,142,140	6,334,718

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Major Enterprise Funds
- Combining Statements - Nonmajor Enterprise Funds
- Budgetary Comparison Schedules - Nonmajor Enterprise Funds
- Combining Statements - Internal Service Funds
- Budgetary Comparison Schedules - Internal Service Funds
- Combining Statements - Pension Trust Funds
- Budgetary Comparison Schedules - Pension Trust Funds
- Budgetary Comparison Schedule - Custodial Fund
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Public Library Fund

The Public Library Fund is used to account for monies from contributions, grants, and a tax levy restricted to services related to the operation of the City Library.

The Tax Increment Financing District (TIF) Fund

The TIF Fund is used to account for monies from the State of Illinois to be applied to specific areas for rehabilitation of property.

The Riverboat Gaming Fund

The Riverboat Gaming Fund is used to account for revenue and expenditures from riverboat gaming.

The Community/Economic Development Fund

The Community/Economic Development Fund is used to account for contributions and grants which support outside agencies and special economic development activities.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for expenditures related to approved motor fuel tax projects and revenue from the state gasoline tax as collected and distributed by the State of Illinois.

Housing and Community Development Fund

The Housing and Community Development Fund is used to account for costs related to the operations of the Community Development Block Grant.

Martin Luther King Community Center Operations Fund

The Martin Luther King Community Center Operations Fund is used to account for costs related to the operations of the Martin Luther King Community Center.

INDIVIDUAL FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS – Continued

Foreign Fire Insurance Fund

The Foreign Fire Insurance Fund is used to account for foreign fire insurance tax monies expended for Fire Department supplies and equipment approved by the Foreign Fire Insurance Committee.

Federal Programs Fund

The Federal Programs Fund is used to account for revenue and expenditures from selected federal grant programs.

Drug Prevention Fund

The Drug Prevention Fund is used to account for revenues and expenditures of funds received under state and federal drug forfeiture laws.

Martin Luther King Facility Improvement Fund

The Martin Luther King Facility Improvement Fund is used to account for the costs related to the renovation and expansion of the Martin Luther King Community Center.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for all financial resources used for the acquisition or construction of major capital facilities, equipment and capital asset replacement, except those financed by Proprietary Funds.

INDIVIDUAL FUND DESCRIPTION

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Waterworks Fund

The Waterworks Fund is used to account for the revenue and expenses of the department responsible for providing a safe potable water supply and an adequate water supply for fire protection, domestic usage, and industrial usage.

Wastewater Treatment Fund

The Wastewater Treatment Fund is used to account for the revenue and expenses of the department responsible for maintaining a dependable system for collecting and treating the wastewater of the City.

Park and Recreation Fund

The Park and Recreation Fund is used to account for revenue and expenses associated with operating the recreation programs, park programs, fitness center, and golf courses of the City.

Stormwater Fund

The Stormwater Fund is used to account for the operating revenue and expenses for maintaining a dependable system for collecting and treating the stormwaters of the City.

Solid Waste Fund

The Solid Waste Fund is used to account for the revenue and expenses associated with the operation and maintenance of Solid Waste services.

Sunset Marina Fund

The Sunset marina Fund is used to account for the revenue and expenses associated with the operation and maintenance of Sunset Marina.

INDIVIDUAL FUND DESCRIPTIONS

ENTERPRISE FUNDS - Continued

Housing and Community Development Loan Fund

The Housing and Community Development Loan Fund is used to account for revenue and expenses associated with the issuance and collection of housing rehabilitation loans to homeowners who fall into an established neighborhood strategy area.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

Equipment Maintenance Fund

The Equipment Maintenance Fund is used to account for the maintenance, repair and purchase of vehicles used in the operation of City services. Revenue is from rental charges to user departments. Expenses include cost of labor, materials, supplies, and services. Replacement of equipment is part of the rental rate for equipment.

Engineering Fund

The Engineering Fund is used to account for the engineering services for all capital and major infrastructure maintenance projects.

Self Insurance Fund

The Self Insurance Fund is used to account for premiums and claim payments for workers' compensation, general liability, and property insurance for most of the City. Stop-loss insurance is also purchased.

Employee Health Benefit Fund

The Employee Health Benefit Fund is used to account for premium and claim payments for the self-insured group health insurance plan for City employees. Stop-loss insurance is also purchased.

Hydro-Electric Plant Fund

The Hydro-Electric Plant Fund is used to account for charges and expenses of the Hydro-Electric Plant to the City's departments.

INDIVIDUAL FUND DESCRIPTIONS

TRUST AND CUSTODIAL FUNDS

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement pensions for the City's sworn police personnel. Most rules and regulations of the fund are established by the Pension Division of the Illinois Department of Insurance. Resources are contributed by sworn police personnel at rates fixed by state statutes and by the City through an annual property tax levy.

Firefighter's Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement pensions for the City's sworn firefighter/paramedic personnel. Most rules and regulations of the fund are established by the Pension Division of the Illinois Department of Insurance. Resources are contributed by sworn firefighter/paramedic personnel at rates fixed by state statutes and by the City through an annual property tax levy.

CUSTODIAL FUND

Section 125 Cafeteria Plan Fund

The Section 125 Cafeteria Plan Fund is used to account for the employees' tax-exempt payments for health insurance and health expenditures.

CITY OF ROCK ISLAND, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Taxes				
Property Taxes	\$ 8,565,614	8,565,614	8,510,217	8,326,867
Municipal Utility Taxes	1,875,000	1,875,000	1,793,966	1,920,433
Hotel/Motel Tax	380,000	380,000	290,590	351,596
Gasoline Taxes	636,000	636,000	530,431	376,122
Other Taxes	2,347,600	2,347,600	2,294,047	2,357,422
Total Taxes	13,804,214	13,804,214	13,419,251	13,332,440
Intergovernmental				
State Income Tax	3,700,000	3,700,000	3,796,910	4,449,798
Sales Tax	5,255,875	5,255,875	5,216,340	5,190,415
Local Use Tax	1,095,000	1,095,000	1,296,360	1,130,023
Replacement Tax	2,330,000	2,330,000	3,072,974	2,479,049
Federal Grants	3,925	239,471	303,231	61,724
State Grants	500	2,693	3,547	3,930
Total Intergovernmental	12,385,300	12,623,039	13,689,362	13,314,939
Licenses and Permits	961,425	961,425	1,016,025	855,342
Charges for Services				
Public Safety	312,848	312,848	375,027	299,800
Public Works	148,214	163,641	188,950	155,480
Ambulance Service	4,620,000	4,620,000	5,152,657	4,815,220
Waterworks Department	984,581	1,065,545	1,065,545	967,722
Sunset Marina	87,904	87,904	87,904	87,904
Equipment Maintenance Department	302,732	302,732	302,732	302,732
Engineering Department	216,680	216,680	216,680	209,475
Sewer Department	502,135	531,947	531,947	492,500
Stormwater Department	296,300	296,300	296,300	296,300
Other Departments	363,891	363,891	371,780	369,448
Total Charges for Services	7,835,285	7,961,488	8,589,522	7,996,581

CITY OF ROCK ISLAND, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Fines and Forfeitures	\$ 839,000	839,000	562,672	656,265
Interest	46,135	46,219	128,176	88,638
Miscellaneous				
Contributions	7,550	8,350	9,550	11,597
Miscellaneous	60,650	60,810	34,121	87,109
Total Miscellaneous	68,200	69,160	43,671	98,706
Total Revenues	35,939,559	36,304,545	37,448,679	36,342,911

CITY OF ROCK ISLAND, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
General Government				
Mayor and City Council	\$ 166,447	159,137	150,793	160,017
General Administration	413,223	423,137	424,549	422,585
Personnel	378,992	412,038	420,124	375,896
Legal	240,096	270,481	270,481	279,493
Finance and Accounting	1,497,645	1,410,380	1,209,046	1,252,047
Information Technology	1,180,595	1,423,908	1,229,878	1,278,132
Community Development	344,057	364,057	290,129	311,658
Planning	395,330	364,549	332,933	362,584
Inspection	705,933	821,761	773,096	752,832
Public Works Administration	768,662	884,597	850,947	746,011
Refuse Disposal	100,000	100,000	99,953	82,834
Building	771,688	763,413	621,460	630,595
Other	5,000	717	269	6,935
Total General Government	6,967,668	7,398,175	6,673,658	6,661,619
Police and Fire				
Police	14,720,170	14,715,328	14,873,116	14,138,842
Fire and EMS Services	13,133,816	13,382,622	14,240,325	13,429,809
Police and Fire Commission	13,850	13,850	4,759	12,646
Total Police and Fire	27,867,836	28,111,800	29,118,200	27,581,297
Electrical Maintenance	677,937	777,753	641,991	617,287
Minicipal Vehicle Parking System	21,215	14,043	11,773	16,188
Highways and Streets	3,408,763	3,408,763	3,418,159	3,538,242
Total Expenditures	38,943,419	39,710,534	39,863,781	38,414,633

CITY OF ROCK ISLAND, ILLINOIS

Debt Service Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Revenues				
Taxes				
Property Taxes	\$ 153,173	153,173	152,513	154,795
Interest	14,000	14,000	2,791	10,891
Miscellaneous	40,000	40,000	21,167	27,349
Total Revenues	<u>207,173</u>	<u>207,173</u>	<u>176,471</u>	<u>193,035</u>
Expenditures				
Current				
General Government	67,192	67,192	18,101	19,075
Debt Service				
Principal Retirement	2,968,650	2,778,650	2,768,650	2,867,750
Interest and Fiscal Charges	1,750,299	1,684,046	1,769,368	1,826,274
Total Expenditures	<u>4,786,141</u>	<u>4,529,888</u>	<u>4,556,119</u>	<u>4,713,099</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,578,968)</u>	<u>(4,322,715)</u>	<u>(4,379,648)</u>	<u>(4,520,064)</u>
Other Financing Sources (Uses)				
Debt Issuance	—	—	5,205,000	—
Payment to Escrow Agent	—	—	(5,239,245)	—
Transfers In	4,718,949	4,718,949	4,462,678	3,239,156
Transfers Out	—	(256,253)	(67,036)	(5)
	<u>4,718,949</u>	<u>4,462,696</u>	<u>4,361,397</u>	<u>3,239,151</u>
Net Change in Fund Balance	<u>139,981</u>	<u>139,981</u>	(18,251)	(1,280,913)
Fund Balance - Beginning			<u>25,887</u>	<u>1,306,800</u>
Fund Balance - Ending			<u>7,636</u>	<u>25,887</u>

CITY OF ROCK ISLAND, ILLINOIS

Capital Projects Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Revenues				
Interest	\$ —	—	4,999	(655)
Expenditures				
Capital Outlay	120,000	1,141,102	932,980	910,926
Debt Service				
Interest and Fiscal Charges	—	—	44,153	—
Total Expenditures	120,000	1,141,102	977,133	910,926
Excess (Deficiency) of Revenues Over (Under) Expenditures	(120,000)	(1,141,102)	(972,134)	(911,581)
Other Financing Sources				
Debt Issuance	—	—	1,980,000	—
Premium on Debt Issuance	—	—	64,153	—
Transfers In	—	—	—	150,000
	—	—	2,044,153	150,000
Net Change in Fund Balance	<u>(120,000)</u>	<u>(1,141,102)</u>	1,072,019	(761,581)
Fund Balance - Beginning			<u>(1,704,553)</u>	<u>(942,972)</u>
Fund Balance - Ending			<u>(632,534)</u>	<u>(1,704,553)</u>

CITY OF ROCK ISLAND, ILLINOIS

**Nonmajor Governmental - Special Revenue Funds
Combining Balance Sheet
December 31, 2019**

	Motor Fuel Tax	Housing and Community Development	Martin Luther King Community Center Operations
ASSETS			
Cash and Investments	\$ 712,977	—	—
Receivables - Net of Allowances			
Accounts	—	—	533
Accrued Interest	4,175	324	—
Due from Other Governments	171,277	235,841	—
Total Assets	888,429	236,165	533
LIABILITIES			
Accounts Payable	—	142,986	18,458
Accrued Payroll	—	16,582	4,798
Deposits Payable	—	—	—
Other Payables	—	—	—
Due to Other Funds	—	70,918	102,060
Total Liabilities	—	230,486	125,316
FUND BALANCES			
Restricted	888,429	5,679	—
Unassigned	—	—	(124,783)
Total Fund Balances	888,429	5,679	(124,783)
Total Liabilities and Fund Balances	888,429	236,165	533

Foreign Fire Insurance	Federal Programs	Drug Prevention	Martin Luther King Facility Improvement	Totals
110,110	—	288,137	—	1,111,224
—	11,497	—	—	12,030
—	—	904	—	5,403
29,299	—	—	—	436,417
139,409	11,497	289,041	—	1,565,074
297	—	28,880	—	190,621
—	—	2,303	—	23,683
—	—	2,371	—	2,371
—	11,497	—	—	11,497
—	14,105	—	90,498	277,581
297	25,602	33,554	90,498	505,753
139,112	—	255,487	—	1,288,707
—	(14,105)	—	(90,498)	(229,386)
139,112	(14,105)	255,487	(90,498)	1,059,321
139,409	11,497	289,041	—	1,565,074

CITY OF ROCK ISLAND, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 2019

	Motor Fuel Tax	Housing and Community Development	Martin Luther King Community Center Operations
Revenues			
Taxes	\$ —	—	—
Intergovernmental	1,280,021	1,213,393	—
Charges for Services	—	—	33,521
Interest	19,288	1,159	—
Miscellaneous	—	356	10,272
Total Revenues	<u>1,299,309</u>	<u>1,214,908</u>	<u>43,793</u>
Expenditures			
Current			
General Government	—	1,205,304	219,597
Capital Outlay	—	—	—
Total Expenditures	<u>—</u>	<u>1,205,304</u>	<u>219,597</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,299,309</u>	<u>9,604</u>	<u>(175,804)</u>
Other Financing Sources (Uses)			
Transfers In	—	—	191,091
Transfers Out	(711,467)	—	(4,582)
	<u>(711,467)</u>	<u>—</u>	<u>186,509</u>
Net Change in Fund Balances	587,842	9,604	10,705
Fund Balances - Beginning	<u>300,587</u>	<u>(3,925)</u>	<u>(135,488)</u>
Fund Balances - Ending	<u><u>888,429</u></u>	<u><u>5,679</u></u>	<u><u>(124,783)</u></u>

Foreign Fire Insurance	Federal Programs	Drug Prevention	Martin Luther King Facility Improvement	Totals
62,005	—	—	—	62,005
—	(54)	—	—	2,493,360
—	—	73,300	—	106,821
380	—	5,579	—	26,406
—	—	—	—	10,628
62,385	(54)	78,879	—	2,699,220
71,958	24,146	115,953	—	1,636,958
—	—	19,106	—	19,106
71,958	24,146	135,059	—	1,656,064
(9,573)	(24,200)	(56,180)	—	1,043,156
—	—	—	—	191,091
—	—	—	—	(716,049)
—	—	—	—	(524,958)
(9,573)	(24,200)	(56,180)	—	518,198
148,685	10,095	311,667	(90,498)	541,123
139,112	(14,105)	255,487	(90,498)	1,059,321

CITY OF ROCK ISLAND, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Revenues				
Intergovernmental				
Allotments	\$ 984,000	984,000	1,280,021	998,692
Interest	2,500	2,500	19,288	12,522
Total Revenues	986,500	986,500	1,299,309	1,011,214
Expenditures				
Current				
Highways and Streets	—	—	—	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	986,500	986,500	1,299,309	1,011,214
Other Financing (Uses)				
Transfers Out	(984,000)	(984,000)	(711,467)	(1,215,914)
Net Change in Fund Balance	2,500	2,500	587,842	(204,700)
Fund Balance - Beginning			300,587	505,287
Fund Balance - Ending			888,429	300,587

CITY OF ROCK ISLAND, ILLINOIS

Housing and Development - Special Revenue Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Revenues				
Intergovernmental	\$ 971,424	1,051,868	1,213,393	1,075,213
Interest	—	—	1,159	2,948
Miscellaneous	—	—	356	5,632
Total Revenues	971,424	1,051,868	1,214,908	1,083,793
Expenditures				
Current				
General Government	984,922	1,634,518	1,205,304	1,297,051
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,498)	(582,650)	9,604	(213,258)
Other Financing Sources				
Transfers In	—	—	—	188,389
Net Change in Fund Balance	<u>(13,498)</u>	<u>(582,650)</u>	9,604	(24,869)
Fund Balance - Beginning			<u>(3,925)</u>	<u>20,944</u>
Fund Balance - Ending			<u>5,679</u>	<u>(3,925)</u>

CITY OF ROCK ISLAND, ILLINOIS

Martin Luther King Community Center Operations - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2019
(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Revenues				
Charges for Services	\$ 31,400	31,400	33,521	31,558
Interest	—	—	—	611
Miscellaneous	22,636	22,636	10,272	57,852
Total Revenues	54,036	54,036	43,793	90,021
Expenditures				
Current				
General Government	256,327	255,396	219,597	256,978
Excess (Deficiency) of Revenues Over (Under) Expenditures	(202,291)	(201,360)	(175,804)	(166,957)
Other Financing Sources (Uses)				
Transfers In	187,440	191,091	191,091	207,440
Transfers Out	—	(4,582)	(4,582)	(3,651)
	187,440	186,509	186,509	203,789
Net Change in Fund Balance	(14,851)	(14,851)	10,705	36,832
Fund Balance - Beginning			(135,488)	(172,320)
Fund Balance - Ending			(124,783)	(135,488)

CITY OF ROCK ISLAND, ILLINOIS

Foreign Fire - Special Revenue Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Revenues				
Taxes				
Other Taxes	\$ 53,500	53,500	62,005	57,018
Interest	400	400	380	1,457
Total Revenues	<u>53,900</u>	<u>53,900</u>	<u>62,385</u>	<u>58,475</u>
Expenditures				
Current				
General Government	<u>53,500</u>	<u>53,500</u>	<u>71,958</u>	<u>43,049</u>
Net Change in Fund Balance	<u>400</u>	<u>400</u>	(9,573)	15,426
Fund Balance - Beginning			<u>148,685</u>	<u>133,259</u>
Fund Balance - Ending			<u>139,112</u>	<u>148,685</u>

CITY OF ROCK ISLAND, ILLINOIS

Federal Programs - Special Revenue Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Revenues				
Intergovernmental	\$ 11,640	11,640	(54)	12,978
Interest	50	50	—	(93)
Total Revenues	11,690	11,690	(54)	12,885
Expenditures				
Current				
General Government	11,339	11,339	24,146	12,979
Net Change in Fund Balance	351	351	(24,200)	(94)
Fund Balance - Beginning			10,095	10,189
Fund Balance - Ending			(14,105)	10,095

CITY OF ROCK ISLAND, ILLINOIS

Drug Prevention - Special Revenue Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Revenues				
Charges for Services	\$ 151,000	151,000	73,300	216,909
Interest	1,600	1,600	5,579	3,987
Total Revenues	152,600	152,600	78,879	220,896
Expenditures				
Current				
General Government	141,359	142,281	115,953	84,938
Capital Outlay	81,073	80,151	19,106	18,574
Total Expenditures	222,432	222,432	135,059	103,512
Net Change in Fund Balance	<u>(69,832)</u>	<u>(69,832)</u>	(56,180)	117,384
Fund Balance - Beginning			311,667	194,283
Fund Balance - Ending			<u>255,487</u>	<u>311,667</u>

CITY OF ROCK ISLAND, ILLINOIS

Waterworks - Enterprise Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Operating Revenues				
Charges for Services	\$ 7,071,427	7,071,427	7,107,095	6,891,419
Other	225,498	225,498	215,915	207,523
Total Operating Revenues	<u>7,296,925</u>	<u>7,296,925</u>	<u>7,323,010</u>	<u>7,098,942</u>
Operating Expenses				
Operations				
Personnel	1,906,395	1,807,114	1,959,539	1,520,498
Supplies	1,034,035	1,142,344	1,020,108	909,758
Services	2,223,134	15,341,513	2,246,989	1,651,493
Provision for Uncollectible Accounts	85,000	85,000	29,548	16,181
Other	1,515,884	1,475,884	897,742	897,334
Depreciation and Amortization	596,248	596,248	669,049	586,679
Total Operating Expenses	<u>7,360,696</u>	<u>20,448,103</u>	<u>6,822,975</u>	<u>5,581,943</u>
Operating Income (Loss)	<u>(63,771)</u>	<u>(13,151,178)</u>	<u>500,035</u>	<u>1,516,999</u>
Nonoperating Revenues (Expenses)				
Interest Income	5,000	5,000	62,797	46,168
Other Income	7,500	7,500	8,307	7,822
Interest Expense	(247,406)	(247,410)	(289,809)	(74,002)
	<u>(234,906)</u>	<u>(234,910)</u>	<u>(218,705)</u>	<u>(20,012)</u>
Change in Net Position	<u>(298,677)</u>	<u>(13,386,088)</u>	281,330	1,496,987
Net Position - Beginning			<u>11,060,784</u>	<u>9,563,797</u>
Net Position - Ending			<u>11,342,114</u>	<u>11,060,784</u>

CITY OF ROCK ISLAND, ILLINOIS

Wastewater Treatment - Enterprise Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Operating Revenues				
Charges for Services	\$ 8,625,987	8,625,987	8,852,937	8,432,643
Other	53,311	53,311	54,069	55,658
Total Operating Revenues	<u>8,679,298</u>	<u>8,679,298</u>	<u>8,907,006</u>	<u>8,488,301</u>
Operating Expenses				
Operations				
Personnel	1,723,490	1,725,344	1,701,792	1,472,192
Supplies	424,370	499,531	385,322	325,431
Services	2,595,427	3,731,307	2,120,428	2,364,616
Provision for Uncollectible Accounts	80,000	80,000	34,340	12,736
Other	4,454,992	4,405,170	698,082	669,958
Depreciation and Amortization	2,245,534	2,245,534	2,305,475	1,916,271
Total Operating Expenses	<u>11,523,813</u>	<u>12,686,886</u>	<u>7,245,439</u>	<u>6,761,204</u>
Operating Income (Loss)	<u>(2,844,515)</u>	<u>(4,007,588)</u>	<u>1,661,567</u>	<u>1,727,097</u>
Nonoperating Revenues (Expenses)				
Interest Income	15,000	15,000	15,657	16,822
Other Income	500	500	—	733
Disposal of Capital Assets	—	—	50	—
Interest Expense	(1,229,392)	(1,229,392)	(1,073,343)	(1,290,943)
	<u>(1,213,892)</u>	<u>(1,213,892)</u>	<u>(1,057,636)</u>	<u>(1,273,388)</u>
Income (Loss) before Transfers	<u>(4,058,407)</u>	<u>(5,221,480)</u>	<u>603,931</u>	<u>453,709</u>
Transfers In	104,366	154,366	147,273	103,632
Transfers Out	—	(7,297)	(7,878)	—
Change in Net Position	<u>(3,954,041)</u>	<u>(5,074,411)</u>	<u>743,326</u>	<u>557,341</u>
Net Position - Beginning			<u>28,448,814</u>	<u>27,891,473</u>
Net Position - Ending			<u>29,192,140</u>	<u>28,448,814</u>

CITY OF ROCK ISLAND, ILLINOIS

Park and Recreation - Enterprise Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Operating Revenues				
Charges for Services	\$ 2,914,250	2,929,541	2,684,534	2,628,789
Sales of Merchandise	472,450	474,616	419,121	405,422
Other	21,350	21,350	18,157	24,972
Total Operating Revenues	<u>3,408,050</u>	<u>3,425,507</u>	<u>3,121,812</u>	<u>3,059,183</u>
Operating Expenses				
Operations				
Personnel	2,252,542	2,146,952	590,590	3,689,421
Cost of Sales	214,035	206,949	189,591	190,596
Supplies	650,542	732,026	653,347	631,036
Services	1,598,201	2,089,950	1,429,658	1,455,312
Other	292,510	312,495	331,972	186,304
Depreciation and Amortization	469,944	469,945	504,642	457,576
Total Operating Expenses	<u>5,477,774</u>	<u>5,958,317</u>	<u>3,699,800</u>	<u>6,610,245</u>
Operating (Loss)	<u>(2,069,724)</u>	<u>(2,532,810)</u>	<u>(577,988)</u>	<u>(3,551,062)</u>
Nonoperating Revenues (Expenses)				
Intergovernmental	—	400,000	260,273	—
Property Taxes	1,895,222	1,895,222	2,037,052	1,815,310
Contributions	39,500	74,008	360,418	52,467
Interest Income	3,000	3,000	10,290	6,973
Other Income	8,900	6,400	35,416	83,717
Interest Expense	(218,750)	(221,217)	(40,927)	(41,968)
	<u>1,727,872</u>	<u>2,157,413</u>	<u>2,662,522</u>	<u>1,916,499</u>
Income (Loss) before Contributions and Transfers	(341,852)	(375,397)	2,084,534	(1,634,563)
Capital Contributions	—	100,000	180,202	—
Transfers In	157,464	172,121	353,933	126,923
Transfers Out	(531,972)	(617,884)	(548,785)	(161,373)
Change in Net Position	<u>(716,360)</u>	<u>(721,160)</u>	2,069,884	(1,669,013)
Net Position - Beginning			<u>8,986,227</u>	<u>10,655,240</u>
Net Position - Ending			<u>11,056,111</u>	<u>8,986,227</u>

CITY OF ROCK ISLAND, ILLINOIS

**Nonmajor Enterprise Funds
Combining Statement of Net Position
For the Fiscal Year Ended December 31, 2019**

	Stormwater	Solid Waste	Sunset Marina	Housing and Community Development Loan	Totals
ASSETS					
Current Assets					
Cash and Investments	\$ 1,237,343	—	41,428	387,777	1,666,548
Receivables - Net of Allowances					
Accounts	1,907	192,705	67,978	—	262,590
Estimated Unbilled Usage	247,161	324,465	—	—	571,626
Accrued Interest	4,295	—	—	26,443	30,738
Current Portion of Notes Receivable	—	—	—	242,338	242,338
Inventory	—	—	26,981	—	26,981
Total Current Assets	1,490,706	517,170	136,387	656,558	2,800,821
Noncurrent Assets					
Capital Assets					
Nondepreciable	—	125,550	—	—	125,550
Depreciable	3,730,094	339,450	3,221,118	—	7,290,662
Accumulated Depreciation	(2,278,627)	(90,850)	(2,629,235)	—	(4,998,712)
	1,451,467	374,150	591,883	—	2,417,500
Other Assets					
Long-Term Notes Receivable - Net of Allowance	—	—	—	1,821,959	1,821,959
Total Noncurrent Assets	1,451,467	374,150	591,883	1,821,959	4,239,459
Total Assets	2,942,173	891,320	728,270	2,478,517	7,040,280
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Items - IMRF	54,902	78,411	10,269	—	143,582
Deferred Items - RBP	23,454	39,639	5,685	—	68,778
Total Deferred Outflows of Resources	78,356	118,050	15,954	—	212,360
Total Assets and Deferred Outflows of Resources	3,020,529	1,009,370	744,224	2,478,517	7,252,640
LIABILITIES					
Current Liabilities					
Accounts Payable	54,841	51,405	16,650	893	123,789
Accrued Payroll	21,499	34,120	3,409	—	59,028
Accrued Interest Payable	—	—	439	—	439
Due to Other Funds	—	694,987	—	—	694,987
Other Payables	—	—	44,972	—	44,972
Current Portion of Long-Term Debt	41,776	39,877	46,821	—	128,474
Total Current Liabilities	118,116	820,389	112,291	893	1,051,689
Noncurrent Liabilities					
Compensated Absences Payable	29,959	28,598	4,891	—	63,448
Net Pension Liability - IMRF	113,290	161,801	21,190	—	296,281
Total OPEB Liability - RBP	377,178	637,453	91,428	—	1,106,059
General Obligation Bonds - Net	—	—	384,642	—	384,642
Total Noncurrent Liabilities	520,427	827,852	502,151	—	1,850,430
Total Liabilities	638,543	1,648,241	614,442	893	2,902,119
DEFERRED INFLOWS OF RESOURCES					
Deferred Items - IMRF	164,736	235,276	30,812	—	430,824
Deferred Items - RBP	7,439	12,573	1,803	—	21,815
Total Deferred Inflow of Resources	172,175	247,849	32,615	—	452,639
Total Liabilities and Deferred Inflow of Resources	810,718	1,896,090	647,057	893	3,354,758
NET POSITION					
Net Investment in Capital Assets	1,451,467	374,150	167,241	—	1,992,858
Unrestricted (Deficit)	758,344	(1,260,870)	(70,074)	2,477,624	1,905,024
Total Net Position	2,209,811	(886,720)	97,167	2,477,624	3,897,882
Total Liabilities, Deferred Inflows of Resources, and Net Position	3,020,529	1,009,370	744,224	2,478,517	7,252,640

CITY OF ROCK ISLAND, ILLINOIS

Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended December 31, 2019

	Stormwater	Solid Waste	Sunset Marina	Housing and Community Development Loan	Totals
Operating Revenues					
Charges for Services	\$ 1,697,936	2,270,573	606,713	—	4,575,222
Sales of Merchandise	—	—	2,992	—	2,992
Other	—	—	8,674	—	8,674
Total Operating Revenues	1,697,936	2,270,573	618,379	—	4,586,888
Operating Expenses					
Operations	1,659,227	2,385,218	623,219	(354,270)	4,313,394
Depreciation and Amortization	95,604	6,719	36,990	—	139,313
Total Operating Expenses	1,754,831	2,391,937	660,209	(354,270)	4,452,707
Operating Income (Loss)	(56,895)	(121,364)	(41,830)	354,270	134,181
Nonoperating Revenues (Expenses)					
Intergovernmental	—	29,264	—	(320)	28,944
Interest Income	27,246	—	734	39,237	67,217
Other Income	—	14,424	—	—	14,424
Interest Expense	—	—	(10,966)	—	(10,966)
	27,246	43,688	(10,232)	38,917	99,619
Income (Loss) before Transfers	(29,649)	(77,676)	(52,062)	393,187	233,800
Transfers Out	(96,702)	—	—	(319,266)	(415,968)
Change in Net Position	(126,351)	(77,676)	(52,062)	73,921	(182,168)
Net Position - Beginning	2,336,162	(809,044)	149,229	2,403,703	4,080,050
Net Position - Ending	2,209,811	(886,720)	97,167	2,477,624	3,897,882

CITY OF ROCK ISLAND, ILLINOIS

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2019

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

**Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended December 31, 2019**

	<u>Stormwater</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 1,843,332
Interfund Services Provided (Used)	(255,643)
Payments to Employees	(1,251,188)
Payments to Suppliers	(378,351)
	<u>(41,850)</u>
Cash Flows from Capital and Related Financing Activities	
Principal Retirement	—
Interest Expense	—
	<u>—</u>
Cash Flows from Noncapital Financing Activities	
Transfers Out	(96,702)
Cash Flows from Investing Activities	
Interest Income	27,246
Net Change in Cash and Cash Equivalents	(111,306)
Cash and Cash Equivalents - Beginning	1,348,649
Cash and Cash Equivalents - Ending	<u>1,237,343</u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	(56,895)
Adjustments to Reconcile Operating Income to Net Income to Net Cash	
Provided by (Used in) Operating Activities	
Depreciation and Amortization Expense	95,604
Other Income (Expense)	—
(Increase) Decrease in Current Assets	145,396
Increase (Decrease) in Current Liabilities	(225,955)
Net Cash Provided by Operating Activities	<u>(41,850)</u>
Noncash Capital and Related Financing Activities	
Transfer of Capital Assets to Governmental Activities	<u>—</u>

Solid Waste	Sunset Marina	Housing and Community Development Loan	Totals
2,486,701	581,487	(105,134)	4,806,386
(913,585)	(113,791)	—	(1,283,019)
(1,028,210)	(513,965)	353,231	(2,440,132)
(544,906)	(58,293)	—	(981,550)
—	(104,562)	248,097	101,685
—	(40,000)	—	(40,000)
—	(10,966)	—	(10,966)
—	(50,966)	—	(50,966)
—	—	—	(96,702)
—	734	39,237	67,217
—	(154,794)	287,334	21,234
—	196,222	100,443	1,645,314
—	41,428	387,777	1,666,548
(121,364)	(41,830)	354,270	134,181
6,719	36,990	—	139,313
43,688	—	(320)	43,368
172,440	(36,892)	(104,814)	176,130
(101,483)	(62,830)	(1,039)	(391,307)
—	(104,562)	248,097	101,685
—	—	(319,266)	(319,266)

CITY OF ROCK ISLAND, ILLINOIS

Stormwater - Enterprise Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Operating Revenues				
Charges for Services	\$ 1,803,050	1,803,050	1,697,936	1,689,701
Operating Expenses				
Operations				
Personnel	556,035	522,456	464,407	576,884
Supplies	100,403	75,634	62,128	106,407
Services	1,296,873	1,390,199	758,047	615,095
Programs	36,000	14,849	10,865	36,019
Provision for Uncollectible Accounts	110,000	49,604	27,480	3,575
Other	386,300	337,688	336,300	336,300
Depreciation	94,558	94,558	95,604	94,558
Total Operating Expenses	2,580,169	2,484,988	1,754,831	1,768,838
Operating (Loss)	(777,119)	(681,938)	(56,895)	(79,137)
Nonoperating Revenues				
Interest Income	8,250	8,250	27,246	16,681
Disposal of Capital Assets	—	—	—	410
	8,250	8,250	27,246	17,091
(Loss) before Transfers	(768,869)	(673,688)	(29,649)	(62,046)
Transfers Out	—	(110,797)	(96,702)	—
Change in Net Position	(768,869)	(784,485)	(126,351)	(62,046)
Net Position - Beginning			2,336,162	2,398,208
Net Position - Ending			2,209,811	2,336,162

CITY OF ROCK ISLAND, ILLINOIS

Solid Waste - Enterprise Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Operating Revenues				
Charges for Services	\$ 2,254,876	2,254,876	2,270,573	2,283,752
Operating Expenses				
Operations				
Personnel	796,241	776,476	858,729	705,090
Supplies	96,000	94,569	84,813	80,900
Services	1,301,575	1,337,771	1,291,623	1,195,630
Provision for Uncollectible Accounts	23,500	8,500	7,344	18,154
Other	142,709	142,709	142,709	125,850
Depreciation	6,718	6,719	6,719	6,719
Total Operating Expenses	2,366,743	2,366,744	2,391,937	2,132,343
Operating Income (Loss)	(111,867)	(111,868)	(121,364)	151,409
Nonoperating Revenues				
Intergovernmental	29,264	29,264	29,264	29,264
Interest Income	—	—	—	1,652
Other Income	—	—	14,424	—
	29,264	29,264	43,688	30,916
Change in Net Position	<u>(82,603)</u>	<u>(82,604)</u>	(77,676)	182,325
Net Position - Beginning			<u>(809,044)</u>	<u>(991,369)</u>
Net Position - Ending			<u>(886,720)</u>	<u>(809,044)</u>

CITY OF ROCK ISLAND, ILLINOIS

Sunset Marina - Enterprise Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Operating Revenues				
Charges for Services	\$ 644,675	644,675	606,713	633,565
Sales of Merchandise	10,000	10,000	2,992	1,753
Other	11,391	11,391	8,674	11,544
Total Operating Revenues	666,066	666,066	618,379	646,862
Operating Expenses				
Operations				
Personnel	85,507	99,880	41,938	164,722
Cost of Sales	91,462	(8,008)	(8,008)	74,531
Supplies	17,125	45,747	42,663	13,202
Services	372,074	391,995	385,349	182,809
Programs	13,000	32,276	32,276	3,124
Provision for Uncollectible Accounts	—	36,829	41,097	74,887
Other	137,904	127,904	87,904	87,946
Depreciation and Amortization	37,954	37,954	36,990	36,991
Total Operating Expenses	755,026	764,577	660,209	638,212
Operating Income (Loss)	(88,960)	(98,511)	(41,830)	8,650
Nonoperating Revenues (Expenses)				
Interest Income	1,289	1,289	734	4,140
Interest Expense	(11,000)	(11,000)	(10,966)	(11,766)
	(9,711)	(9,711)	(10,232)	(7,626)
Change in Net Position	(98,671)	(108,222)	(52,062)	1,024
Net Position - Beginning			149,229	148,205
Net Position - Ending			97,167	149,229

CITY OF ROCK ISLAND, ILLINOIS

Housing and Community Development Loan - Enterprise Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Operating Revenues				
Other	\$ —	—	—	—
Operating Expenses				
Operations				
Services	449,599	449,599	11,440	784,127
Provision for Uncollectible Accounts	—	—	(370,000)	(578,070)
Other	4,290	4,290	4,290	4,290
Depreciation and Amortization	—	—	—	3,268
Total Operating Expenses	453,889	453,889	(354,270)	213,615
Operating Income (Loss)	(453,889)	(453,889)	354,270	(213,615)
Nonoperating Revenues (Expenses)				
Intergovernmental	—	—	(320)	20,576
Interest Income	57,200	57,200	39,237	55,907
	57,200	57,200	38,917	76,483
Income (Loss) before Transfers	(396,689)	(396,689)	393,187	(137,132)
Transfers Out	—	—	(319,266)	(188,389)
Change in Net Position	(396,689)	(396,689)	73,921	(325,521)
Net Position - Beginning			2,403,703	2,729,224
Net Position - Ending			2,477,624	2,403,703

CITY OF ROCK ISLAND, ILLINOIS

**Internal Service Funds
Combining Statement of Net Position
December 31, 2019**

	<u>Equipment Maintenance</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 555,518
Receivables - Net of Allowances	
Accrued Interest	6,511
Other	7,159
Due from Other Funds	1,514,018
Prepays - Assets Held for Resale	—
Prepays	—
Inventories	519,475
Total Current Assets	<u>2,602,681</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	304,906
Depreciable	10,458,900
Accumulated Depreciation	(6,551,505)
Total Noncurrent Assets	<u>4,212,301</u>
Total Assets	<u>6,814,982</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	114,043
Deferred Items - RBP	57,955
Total Deferred Outflows of Resources	<u>171,998</u>
Total Assets and Deferred Outflows of Resources	<u>6,986,980</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	60,807
Accrued Payroll	50,736
Accrued Interest Payable	—
Claims Payable	—
Due to Other Funds	—
Other Payables	—
Current Portion of Long-Term Debt	52,511
Total Current Liabilities	<u>164,054</u>
Noncurrent Liabilities	
Compensated Absences Payable	37,658
Net Pension Liability - IMRF	235,326
Total OPEB Liability - RBP	932,001
General Obligation Bonds - Net	—
Total Noncurrent Liabilities	<u>1,204,985</u>
Total Liabilities	<u>1,369,039</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	342,189
Deferred Items - RBP	18,382
Total Deferred Inflows of Resources	<u>360,571</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,729,610</u>
NET POSITION	
Net Investment in Capital Assets	4,212,301
Unrestricted	<u>1,045,069</u>
Total Net Position	<u>5,257,370</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>6,986,980</u>

Engineering	Self Insurance	Employee Health Benefit	Hydro-Electric Plant	Totals
100	1,423,147	2,853,706	—	4,832,471
—	3,292	8,868	—	18,671
3,745	—	149,651	—	160,555
—	—	—	—	1,514,018
—	6,234	—	14,007	20,241
—	98,705	1,800	—	100,505
—	—	—	—	519,475
3,845	1,531,378	3,014,025	14,007	7,165,936
—	—	—	—	304,906
—	—	—	2,356,899	12,815,799
—	—	—	(666,260)	(7,217,765)
—	—	—	1,690,639	5,902,940
3,845	1,531,378	3,014,025	1,704,646	13,068,876
98,515	—	—	—	212,558
41,631	—	—	—	99,586
140,146	—	—	—	312,144
143,991	1,531,378	3,014,025	1,704,646	13,381,020
4,165	135,042	489,956	423	690,393
39,995	2,692	2,915	2,153	98,491
—	—	—	1,451	1,451
—	1,249,359	251,425	—	1,500,784
1,514,018	—	—	—	1,514,018
—	—	71,081	—	71,081
97,905	1,589	7,828	147,191	307,024
1,656,083	1,388,682	823,205	151,218	4,183,242
70,212	1,140	5,614	3,961	118,585
203,285	—	—	—	438,611
669,476	—	—	—	1,601,477
—	—	—	916,643	916,643
942,973	1,140	5,614	920,604	3,075,316
2,599,056	1,389,822	828,819	1,071,822	7,258,558
295,598	—	—	—	637,787
13,204	—	—	—	31,586
308,802	—	—	—	669,373
2,907,858	1,389,822	828,819	1,071,822	7,927,931
—	—	—	632,329	4,844,630
(2,763,867)	141,556	2,185,206	495	608,459
(2,763,867)	141,556	2,185,206	632,824	5,453,089
143,991	1,531,378	3,014,025	1,704,646	13,381,020

CITY OF ROCK ISLAND, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended December 31, 2019

	<u>Equipment Maintenance</u>
Operating Revenues	
Interfund Services	\$ 3,466,866
Other	3,828
Total Operating Revenues	<u>3,470,694</u>
Operating Expenses	
Operations	3,219,058
Depreciation and Amortization	543,491
Total Operating Expenses	<u>3,762,549</u>
Operating Income (Loss)	<u>(291,855)</u>
Nonoperating Revenues (Expenses)	
Interest Income	39,168
Other Income	—
Interest Expense	—
	<u>39,168</u>
Income (Loss) before Transfers	(252,687)
Transfers In	<u>230,648</u>
Change in Net Position	(22,039)
Net Position - Beginning	<u>5,279,409</u>
Net Position - Ending	<u><u>5,257,370</u></u>

Engineering	Self Insurance	Employee Health Benefit	Hydro-Electric Plant	Totals
758,953	1,704,050	3,833,914	303,729	10,067,512
—	—	249,062	—	252,890
758,953	1,704,050	4,082,976	303,729	10,320,402
1,304,930	386,909	4,054,174	126,345	9,091,416
—	—	—	52,535	596,026
1,304,930	386,909	4,054,174	178,880	9,687,442
(545,977)	1,317,141	28,802	124,849	632,960
702	17,325	52,262	3	109,460
—	58,698	—	—	58,698
—	—	—	(36,011)	(36,011)
702	76,023	52,262	(36,008)	132,147
(545,275)	1,393,164	81,064	88,841	765,107
—	—	—	—	230,648
(545,275)	1,393,164	81,064	88,841	995,755
(2,218,592)	(1,251,608)	2,104,142	543,983	4,457,334
(2,763,867)	141,556	2,185,206	632,824	5,453,089

CITY OF ROCK ISLAND, ILLINOIS

Internal Service Funds

Combining Statements of Cash Flows

For the Fiscal Year Ended December 31, 2019

	<u>Equipment Maintenance</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 3,828
Interfund Services Provided	3,347,802
Payments to Suppliers	(2,381,543)
Payments to Employees	(866,766)
	<u>103,321</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(453,930)
Principal Retirement	—
Interest Expense	—
	<u>(453,930)</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	<u>230,648</u>
Cash Flows from Investing Activities	
Interest Income	<u>39,168</u>
Net Change in Cash and Cash Equivalents	(80,793)
Cash and Cash Equivalents - Beginning	<u>636,311</u>
Cash and Cash Equivalents - Ending	<u><u>555,518</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income	(291,855)
Adjustments to Reconcile Operating Income	
to Net Cash Provided by (Used in)	
Operating Activities	
Depreciation and Amortization	543,491
Other Income (Expense)	—
(Increase) Decrease in Current Assets	(119,064)
Increase (Decrease) in Current Liabilities	(29,251)
	<u>103,321</u>
Net Cash Provided by Operating Activities	<u><u>103,321</u></u>

Engineering	Self Insurance	Employee Health Benefit	Hydro-Electric Plant	Totals
—	58,698	249,062	—	311,588
999,621	1,700,961	3,869,617	303,726	10,221,727
(285,311)	(1,400,908)	(3,887,512)	(92,415)	(8,047,689)
(715,012)	(45,826)	(51,651)	(33,636)	(1,712,891)
(702)	312,925	179,516	177,675	772,735
—	—	—	—	(453,930)
—	—	—	(141,667)	(141,667)
—	—	—	(36,011)	(36,011)
—	—	—	(177,678)	(631,608)
—	—	—	—	230,648
702	17,325	52,262	3	109,460
—	330,250	231,778	—	481,235
100	1,092,897	2,621,928	—	4,351,236
100	1,423,147	2,853,706	—	4,832,471
(545,977)	1,317,141	28,802	124,849	632,960
—	—	—	52,535	596,026
—	58,698	—	—	58,698
240,668	(3,089)	35,703	(3)	154,215
304,607	(1,059,825)	115,011	294	(669,164)
(702)	312,925	179,516	177,675	772,735

CITY OF ROCK ISLAND, ILLINOIS

Equipment Maintenance - Internal Service Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Operating Revenues				
Interfund Services				
Charges for Services	\$ 3,769,758	3,769,758	3,466,866	3,380,205
Other	37,500	37,500	3,828	3,700
Total Operating Revenues	<u>3,807,258</u>	<u>3,807,258</u>	<u>3,470,694</u>	<u>3,383,905</u>
Operating Expenses				
Operations				
Personnel	1,228,058	1,214,839	1,398,495	932,681
Supplies	1,094,035	1,249,593	1,245,181	1,053,848
Services	229,894	1,006,900	262,192	252,157
Other	377,732	352,734	313,190	302,732
Depreciation	598,508	598,508	543,491	534,710
Total Operating Expenses	<u>3,528,227</u>	<u>4,422,574</u>	<u>3,762,549</u>	<u>3,076,128</u>
Operating Income (Loss)	279,031	(615,316)	(291,855)	307,777
Nonoperating Revenues				
Interest Income	7,000	7,000	39,168	24,065
Income (Loss) before Transfers	286,031	(608,316)	(252,687)	331,842
Transfers In	—	79,734	230,648	11,365
Change in Net Position	<u>286,031</u>	<u>(528,582)</u>	(22,039)	343,207
Net Position - Beginning			<u>5,279,409</u>	<u>4,936,202</u>
Net Position - Ending			<u>5,257,370</u>	<u>5,279,409</u>

CITY OF ROCK ISLAND, ILLINOIS

Engineering - Internal Service Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Operating Revenues				
Interfund Services				
Charges for Services	\$ 1,249,900	1,249,900	758,953	1,122,020
Operating Expenses				
Operations				
Personnel	1,106,515	1,119,597	1,031,891	800,766
Supplies	7,155	8,227	5,611	6,846
Services	76,278	78,562	50,748	51,712
Other	236,680	220,242	216,680	209,475
Total Operating Expenses	1,426,628	1,426,628	1,304,930	1,068,799
Operating Income (Loss)	(176,728)	(176,728)	(545,977)	53,221
Nonoperating Revenues				
Interest Income	—	—	702	6,052
Change in Net Position	<u>(176,728)</u>	<u>(176,728)</u>	(545,275)	59,273
Net Position - Beginning			<u>(2,218,592)</u>	<u>(2,277,865)</u>
Net Position - Ending			<u>(2,763,867)</u>	<u>(2,218,592)</u>

CITY OF ROCK ISLAND, ILLINOIS

Self Insurance - Internal Service Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Operating Revenues				
Interfund Services				
Charges for Services	\$ 1,763,765	1,763,765	1,704,050	1,824,746
Operating Expenses				
Operations				
Personnel	180,792	181,686	117,009	140,465
Services	1,421,961	1,421,067	269,900	2,649,658
Total Operating Expenses	1,602,753	1,602,753	386,909	2,790,123
Operating Income (Loss)	161,012	161,012	1,317,141	(965,377)
Nonoperating Revenues				
Interest Income	3,000	3,000	17,325	11,478
Other Income	54,557	54,557	58,698	24,627
	57,557	57,557	76,023	36,105
Change in Net Position	218,569	218,569	1,393,164	(929,272)
Net Position - Beginning			(1,251,608)	(322,336)
Net Position - Ending			141,556	(1,251,608)

CITY OF ROCK ISLAND, ILLINOIS

Employee Health Benefit - Internal Service Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Operating Revenues				
Interfund Services				
Charges for Services	\$ 6,012,696	6,012,696	3,833,914	3,644,879
Other	85,000	85,000	249,062	336,665
Total Operating Revenues	<u>6,097,696</u>	<u>6,097,696</u>	<u>4,082,976</u>	<u>3,981,544</u>
Operating Expenses				
Operations				
Personnel	74,031	73,737	67,400	75,300
Supplies	500	794	776	41
Services	6,199,622	6,199,622	3,979,670	4,224,017
Other	6,328	6,328	6,328	6,114
Total Operating Expenses	<u>6,280,481</u>	<u>6,280,481</u>	<u>4,054,174</u>	<u>4,305,472</u>
Operating Income (Loss)	(182,785)	(182,785)	28,802	(323,928)
Nonoperating Revenues				
Interest Income	<u>18,000</u>	<u>18,000</u>	<u>52,262</u>	<u>28,673</u>
Change in Net Position	<u>(164,785)</u>	<u>(164,785)</u>	81,064	(295,255)
Net Position - Beginning			<u>2,104,142</u>	<u>2,399,397</u>
Net Position - Ending			<u>2,185,206</u>	<u>2,104,142</u>

CITY OF ROCK ISLAND, ILLINOIS

Hydro-Electric Plant - Internal Service Fund

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

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19		Actual	12/31/18
	Original Budget	Final Budget		Actual
Operating Revenues				
Interfund Services				
Charges for Services	\$ 225,000	225,000	303,729	325,429
Operating Expenses				
Operations				
Personnel	52,685	52,756	42,905	47,145
Supplies	6,800	6,757	1,012	1,904
Services	131,811	131,854	82,428	125,418
Other	151,667	151,596	—	—
Depreciation and Amortization	58,866	58,866	52,535	52,535
Total Operating Expenses	401,829	401,829	178,880	227,002
Operating Income (Loss)	(176,829)	(176,829)	124,849	98,427
Nonoperating Revenues (Expenses)				
Interest Income	—	—	3	928
Interest Expense	(36,114)	(36,114)	(36,011)	(38,985)
	(36,114)	(36,114)	(36,008)	(38,057)
Change in Net Position	(212,943)	(212,943)	88,841	60,370
Net Position - Beginning			543,983	483,613
Net Position - Ending			632,824	543,983

CITY OF ROCK ISLAND, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position

December 31, 2019

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 3,917,915	999,233	4,917,148
Investments			
U.S. Government Obligations	6,973,854	3,102,325	10,076,179
U.S. Agency Obligations	2,452,937	932,952	3,385,889
State and Local Obligations	720,000	720,000	1,440,000
Corporate Bonds	6,149,445	3,358,850	9,508,295
Mutual Funds	19,018,524	14,549,251	33,567,775
Annuities	—	1,267,932	1,267,932
Receivables			
Accrued Interest	94,093	56,093	150,186
Due from Other Funds	176,382	168,202	344,584
Prepays	795	795	1,590
Total Assets	39,503,945	25,155,633	64,659,578
LIABILITIES			
Accounts Payable	40,378	15,221	55,599
NET POSITION			
Net Position Restricted for Pensions	39,463,567	25,140,412	64,603,979

CITY OF ROCK ISLAND, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended December 31, 2019

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 3,543,398	3,290,679	6,834,077
Contributions - Plan Members	596,362	415,425	1,011,787
Total Contributions	<u>4,139,760</u>	<u>3,706,104</u>	<u>7,845,864</u>
Investment Income			
Interest Earned	5,565,907	3,137,389	8,703,296
Net Change in Fair Value	2,252	648,964	651,216
	<u>5,568,159</u>	<u>3,786,353</u>	<u>9,354,512</u>
Less Investment Expenses	(67,483)	(46,457)	(113,940)
Net Investment Income	<u>5,500,676</u>	<u>3,739,896</u>	<u>9,240,572</u>
Total Additions	<u>9,640,436</u>	<u>7,446,000</u>	<u>17,086,436</u>
Deductions			
Administration	81,855	54,882	136,737
Benefits and Refunds	4,927,269	4,555,689	9,482,958
Total Deductions	<u>5,009,124</u>	<u>4,610,571</u>	<u>9,619,695</u>
Change in Fiduciary Net Position	4,631,312	2,835,429	7,466,741
Net Position Restricted for Pensions			
Beginning	<u>34,832,255</u>	<u>22,304,983</u>	<u>57,137,238</u>
Ending	<u>39,463,567</u>	<u>25,140,412</u>	<u>64,603,979</u>

CITY OF ROCK ISLAND, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in the Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Additions				
Contributions - Employer	\$ —	3,543,398	3,543,398	3,384,517
Contributions - Plan Members	—	625,000	596,362	585,519
Total Contributions	—	4,168,398	4,139,760	3,970,036
Investment Income				
Interest Earned	650,000	650,000	5,565,907	1,374,020
Net Change in Fair Value	650,000	650,000	2,252	(2,955,467)
	1,300,000	1,300,000	5,568,159	(1,581,447)
Less Investment Expenses	—	—	(67,483)	(64,683)
Net Investment Income	1,300,000	1,300,000	5,500,676	(1,646,130)
Total Additions	1,300,000	5,468,398	9,640,436	2,323,906
Deductions				
Administration	294,810	294,810	81,855	57,653
Benefits and Refunds	4,514,431	4,514,431	4,927,269	4,436,527
Total Deductions	4,809,241	4,809,241	5,009,124	4,494,180
Change in Fiduciary Net Position	<u>(3,509,241)</u>	<u>659,157</u>	4,631,312	(2,170,274)
Net Position Restricted for Pensions				
Beginning			34,832,255	37,002,529
Ending			<u>39,463,567</u>	<u>34,832,255</u>

CITY OF ROCK ISLAND, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in the Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Additions				
Contributions - Employer	\$ —	3,290,679	3,290,679	3,280,309
Contributions - Plan Members	—	435,000	415,425	412,943
Total Contributions	—	3,725,679	3,706,104	3,693,252
Investment Income				
Interest Earned	925,000	925,000	3,137,389	758,747
Net Change in Fair Value	—	—	648,964	(1,628,945)
	925,000	925,000	3,786,353	(870,198)
Less Investment Expenses	—	—	(46,457)	(44,709)
Net Investment Income	925,000	925,000	3,739,896	(914,907)
Total Additions	925,000	4,650,679	7,446,000	2,778,345
Deductions				
Administration	140,510	140,510	54,882	46,062
Benefits and Refunds	4,508,972	4,508,972	4,555,689	4,393,534
Total Deductions	4,649,482	4,649,482	4,610,571	4,439,596
Change in Fiduciary Net Position	<u>(3,724,482)</u>	<u>1,197</u>	2,835,429	(1,661,251)
Net Position Restricted for Pensions				
Beginning			<u>22,304,983</u>	<u>23,966,234</u>
Ending			<u>25,140,412</u>	<u>22,304,983</u>

CITY OF ROCK ISLAND, ILLINOIS

Section 125 Cafeteria Plan - Custodial Fund

Schedule of Changes in the Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2019

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2018)

	12/31/19			12/31/18
	Original Budget	Final Budget	Actual	Actual
Additions				
Contributions - Dependent Care	\$ —	—	9,988	9,577
Contributions - Medical Reimbursement	—	—	101,569	84,174
Total Contributions	—	—	111,557	93,751
Investment Income				
Interest Earned	—	—	74	98
Total Additions	—	—	111,631	93,849
Deductions				
Services	—	82,443	106,519	90,441
Change in Fiduciary Net Position	—	<u>(82,443)</u>	5,112	3,408
Net Position Restricted for Pensions				
Beginning			13,784	10,376
Ending			<u>18,896</u>	<u>13,784</u>

CITY OF ROCK ISLAND, ILLINOIS

**Consolidated Year-End Financial Report
December 31, 2019**

CSFA #	Program Name	State	Federal	Other	Total
418-00-1315	Family Advocacy Centers	\$ 181,282	27,841	—	209,123
422-11-0970	Open Space Land Acquisition & Development	75,000	—	131,906	206,906
422-50-1655	Historic Preservation Fund Grants-In-Aid	—	10,750	—	10,750
444-26-1552	Substance Use Prevention Services	16,165	99,487	42,156	157,808
444-26-1565	Tobacco Enforcement Program	3,668	—	—	3,668
444-80-0687	Teen Pregnancy Prevention Program- Personal Responsibility Education	—	59,328	1,138	60,466
444-80-1411	Teen REACH (Responsibility, Education, Achievement, Caring and Hope)	17,420	170,225	11,386	199,031
494-00-1488	Motor Fuel Tax Program	711,467	—	—	711,467
494-10-0343	State and Community Highway Safety/ National Priority Safety Program	—	78,769	44,114	122,883
532-60-0379	USEPA Capitalization Grants for Drinking Water State Revolving Funds	9,389,297	2,406,624	—	11,795,921
	Other Grant Programs and Activities	—	1,510,218	389,160	1,899,378
	All Other Costs Not Allocated	—	—	76,272,323	76,272,323
	Totals	10,394,299	4,363,242	76,892,183	91,649,724

SUPPLEMENTAL SCHEDULES

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

General Obligation Taxable Bond Series of 2008C

December 31, 2019

Date of Issue	July 29, 2008
Date of Maturity	December 15, 2022
Authorized Issue	\$700,000
Denomination of Bonds	\$5,000
Interest Rate	1.025%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Banc of America Leasing & Capital, LLC

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 15	Amount	Dec 15	Amount
2020	\$ 46,667	1,435	48,102	2020	718	2020	717
2021	46,667	956	47,623	2021	478	2021	478
2022	46,665	478	47,143	2022	239	2022	239
	<u>139,999</u>	<u>2,869</u>	<u>142,868</u>		<u>1,435</u>		<u>1,434</u>

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2010B
December 31, 2019**

Date of Issue	November 3, 2010
Date of Maturity	December 1, 2020
Authorized Issue	\$4,580,000
Denomination of Bonds	\$5,000
Interest Rate	3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank, N.A.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 110,000	3,300	113,300	2020	1,650	2020	1,650

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2011A
December 31, 2019**

Date of Issue	August 23, 2011
Date of Maturity	December 15, 2021
Authorized Issue	\$2,065,000
Denomination of Bonds	\$5,000
Interest Rate	2.00% - 3.50%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Wells Fargo Bank, N.A.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 15	Amount	Dec 15	Amount
2020	\$ 65,000	4,725	69,725	2020	2,363	2020	2,362
2021	70,000	2,450	72,450	2021	1,225	2021	1,225
	<u>135,000</u>	<u>7,175</u>	<u>142,175</u>		<u>3,588</u>		<u>3,587</u>

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2012A
December 31, 2019**

Date of Issue	December 26, 2012
Date of Maturity	December 15, 2032
Authorized Issue	\$3,890,000
Denomination of Bonds	\$5,000
Interest Rate	2.00% - 3.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Wells Fargo Bank, N.A.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 15	Amount	Dec 15	Amount
2020	\$ 175,000	42,588	217,588	2020	21,294	2020	21,294
2021	180,000	39,087	219,087	2021	19,544	2021	19,543
2022	190,000	34,812	224,812	2022	17,406	2022	17,406
2023	120,000	30,299	150,299	2023	15,150	2023	15,149
2024	120,000	27,450	147,450	2024	13,725	2024	13,725
2025	125,000	24,600	149,600	2025	12,301	2025	12,299
2026	130,000	21,475	151,475	2026	10,738	2026	10,737
2027	135,000	18,225	153,225	2027	9,113	2027	9,112
2028	135,000	14,512	149,512	2028	7,257	2028	7,255
2029	85,000	10,800	95,800	2029	5,400	2029	5,400
2030	90,000	8,250	98,250	2030	4,125	2030	4,125
2031	90,000	5,550	95,550	2031	2,775	2031	2,775
2032	95,000	2,850	97,850	2032	1,425	2032	1,425
	<u>1,670,000</u>	<u>280,498</u>	<u>1,950,498</u>		<u>140,253</u>		<u>140,245</u>
	1,255,000	Debt Service					
	<u>415,000</u>	Sunset Marina					
	<u><u>1,670,000</u></u>						

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2013A
December 31, 2019**

Date of Issue	December 18, 2013
Date of Maturity	December 1, 2033
Authorized Issue	\$9,625,000
Denomination of Bonds	\$5,000
Interest Rate	3.00% - 4.75%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank, N.A.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 445,000	295,318	740,318	2020	147,659	2020	147,659
2021	455,000	281,968	736,968	2021	140,984	2021	140,984
2022	470,000	268,318	738,318	2022	134,159	2022	134,159
2023	490,000	249,518	739,518	2023	124,759	2023	124,759
2024	440,000	229,918	669,918	2024	114,959	2024	114,959
2025	460,000	212,318	672,318	2025	106,159	2025	106,159
2026	480,000	193,918	673,918	2026	96,959	2026	96,959
2027	500,000	174,718	674,718	2027	87,359	2027	87,359
2028	520,000	154,718	674,718	2028	77,359	2028	77,359
2029	540,000	132,618	672,618	2029	66,309	2029	66,309
2030	560,000	109,668	669,668	2030	54,834	2030	54,834
2031	585,000	85,168	670,168	2031	42,584	2031	42,584
2032	615,000	58,844	673,844	2032	29,422	2032	29,422
2033	640,000	30,400	670,400	2033	15,200	2033	15,200
	<u>7,200,000</u>	<u>2,477,410</u>	<u>9,677,410</u>		<u>1,238,705</u>		<u>1,238,705</u>

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Taxable Bonds of 2013B
December 31, 2019**

Date of Issue	December 18, 2013
Date of Maturity	December 1, 2023
Authorized Issue	\$1,000,000
Denomination of Bonds	\$5,000
Interest Rate	1.250% - 4.125%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank, N.A.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 105,000	15,935	120,935	2020	7,968	2020	7,967
2021	105,000	12,654	117,654	2021	6,327	2021	6,327
2022	110,000	8,978	118,978	2022	4,489	2022	4,489
2023	115,000	4,744	119,744	2023	2,372	2023	2,372
	<u>435,000</u>	<u>42,311</u>	<u>477,311</u>		<u>21,156</u>		<u>21,155</u>

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2014A
December 31, 2019**

Date of Issue	December 23, 2014
Date of Maturity	December 1, 2034
Authorized Issue	\$9,585,000
Denomination of Bonds	\$5,000
Interest Rate	3.00% - 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank, N.A.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 410,000	258,962	668,962	2020	129,481	2020	129,481
2021	420,000	246,662	666,662	2021	123,331	2021	123,331
2022	435,000	234,062	669,062	2022	117,031	2022	117,031
2023	450,000	221,012	671,012	2023	110,506	2023	110,506
2024	460,000	207,512	667,512	2024	103,756	2024	103,756
2025	475,000	193,712	668,712	2025	96,856	2025	96,856
2026	490,000	179,462	669,462	2026	89,731	2026	89,731
2027	505,000	164,762	669,762	2027	82,381	2027	82,381
2028	520,000	149,612	669,612	2028	74,806	2028	74,806
2029	535,000	134,012	669,012	2029	67,006	2029	67,006
2030	555,000	116,626	671,626	2030	58,313	2030	58,313
2031	570,000	97,200	667,200	2031	48,600	2031	48,600
2032	595,000	74,400	669,400	2032	37,200	2032	37,200
2033	620,000	50,600	670,600	2033	25,300	2033	25,300
2034	645,000	25,800	670,800	2034	12,900	2034	12,900
	<u>7,685,000</u>	<u>2,354,396</u>	<u>10,039,396</u>		<u>1,177,198</u>		<u>1,177,198</u>

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Taxable Bonds of 2014B
December 31, 2019**

Date of Issue	December 23, 2014
Date of Maturity	December 1, 2034
Authorized Issue	\$15,865,000
Denomination of Bonds	\$5,000
Interest Rate	2.19% - 4.25%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank, N.A.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ —	486,352	486,352	2020	243,176	2020	243,176
2021	—	469,738	469,738	2021	234,869	2021	234,869
2022	—	450,164	450,164	2022	225,082	2022	225,082
2023	—	428,930	428,930	2023	214,465	2023	214,465
2024	785,000	406,440	1,191,440	2024	203,220	2024	203,220
2025	815,000	382,106	1,197,106	2025	191,053	2025	191,053
2026	840,000	355,210	1,195,210	2026	177,605	2026	177,605
2027	870,000	325,810	1,195,810	2027	162,905	2027	162,905
2028	895,000	293,620	1,188,620	2028	146,810	2028	146,810
2029	935,000	259,162	1,194,162	2029	129,581	2029	129,581
2030	970,000	221,762	1,191,762	2030	110,881	2030	110,881
2031	1,010,000	182,962	1,192,962	2031	91,481	2031	91,481
2032	1,055,000	140,038	1,195,038	2032	70,019	2032	70,019
2033	1,095,000	95,200	1,190,200	2033	47,600	2033	47,600
2034	1,145,000	48,662	1,193,662	2034	24,331	2034	24,331
	<u>10,415,000</u>	<u>4,546,156</u>	<u>14,961,156</u>		<u>2,273,078</u>		<u>2,273,078</u>

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2015A
December 31, 2019**

Date of Issue	September 10, 2015
Date of Maturity	December 1, 2035
Authorized Issue	\$6,075,000
Denomination of Bonds	\$5,000
Interest Rate	2.00% - 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank, N.A.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 410,000	126,612	536,612	2020	63,306	2020	63,306
2021	430,000	118,412	548,412	2021	59,206	2021	59,206
2022	430,000	109,812	539,812	2022	54,906	2022	54,906
2023	440,000	101,212	541,212	2023	50,606	2023	50,606
2024	445,000	92,412	537,412	2024	46,206	2024	46,206
2025	460,000	81,288	541,288	2025	40,644	2025	40,644
2026	165,000	69,788	234,788	2026	34,894	2026	34,894
2027	170,000	64,426	234,426	2027	32,213	2027	32,213
2028	175,000	58,900	233,900	2028	29,450	2028	29,450
2029	180,000	52,776	232,776	2029	26,388	2029	26,388
2030	190,000	46,476	236,476	2030	23,238	2030	23,238
2031	195,000	39,826	234,826	2031	19,913	2031	19,913
2032	200,000	33,000	233,000	2032	16,500	2032	16,500
2033	210,000	26,000	236,000	2033	13,000	2033	13,000
2034	215,000	17,600	232,600	2034	8,800	2034	8,800
2035	225,000	9,000	234,000	2035	4,500	2035	4,500
	<u>4,540,000</u>	<u>1,047,540</u>	<u>5,587,540</u>		<u>523,770</u>		<u>523,770</u>

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2015B
December 31, 2019**

Date of Issue	October 20, 2015
Date of Maturity	December 1, 2026
Authorized Issue	\$4,175,000
Denomination of Bonds	\$5,000
Interest Rate	2.00% - 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 465,000	80,800	545,800	2020	40,400	2020	40,400
2021	485,000	62,200	547,200	2021	31,100	2021	31,100
2022	200,000	42,800	242,800	2022	21,400	2022	21,400
2023	205,000	34,800	239,800	2023	17,400	2023	17,400
2024	215,000	26,600	241,600	2024	13,300	2024	13,300
2025	220,000	18,000	238,000	2025	9,000	2025	9,000
2026	230,000	9,200	239,200	2026	4,600	2026	4,600
	<u>2,020,000</u>	<u>274,400</u>	<u>2,294,400</u>		<u>137,200</u>		<u>137,200</u>
	625,000	Debt Service					
	<u>1,395,000</u>	Wastewater Treatment					
	<u><u>2,020,000</u></u>						

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Taxable Bonds of 2016A
December 31, 2019**

Date of Issue	November 29, 2016
Date of Maturity	December 1, 2036
Authorized Issue	\$3,505,000
Denomination of Bonds	\$5,000
Interest Rate	2.00% - 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 135,000	123,650	258,650	2020	61,825	2020	61,825
2021	135,000	119,600	254,600	2021	59,800	2021	59,800
2022	140,000	114,200	254,200	2022	57,100	2022	57,100
2023	150,000	108,600	258,600	2023	54,300	2023	54,300
2024	155,000	102,600	257,600	2024	51,300	2024	51,300
2025	160,000	96,400	256,400	2025	48,200	2025	48,200
2026	165,000	90,000	255,000	2026	45,000	2026	45,000
2027	175,000	83,400	258,400	2027	41,700	2027	41,700
2028	180,000	76,400	256,400	2028	38,200	2028	38,200
2029	190,000	69,200	259,200	2029	34,600	2029	34,600
2030	195,000	61,600	256,600	2030	30,800	2030	30,800
2031	205,000	53,800	258,800	2031	26,900	2031	26,900
2032	210,000	45,600	255,600	2032	22,800	2032	22,800
2033	220,000	37,200	257,200	2033	18,600	2033	18,600
2034	230,000	28,400	258,400	2034	14,200	2034	14,200
2035	235,000	19,200	254,200	2035	9,600	2035	9,600
2036	245,000	9,800	254,800	2036	4,900	2036	4,900
	<u>3,125,000</u>	<u>1,239,650</u>	<u>4,364,650</u>		<u>619,825</u>		<u>619,825</u>

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

General Obligation Taxable Refunding Bonds of 2016C

December 31, 2019

Date of Issue	November 29, 2016
Date of Maturity	December 1, 2035
Authorized Issue	\$1,885,000
Denomination of Bonds	\$5,000
Interest Rate	4.375%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ —	82,468	82,468	2020	41,234	2020	41,234
2021	—	82,468	82,468	2021	41,234	2021	41,234
2022	—	82,469	82,469	2022	41,234	2022	41,235
2023	—	82,469	82,469	2023	41,234	2023	41,235
2024	—	82,469	82,469	2024	41,234	2024	41,235
2025	—	82,469	82,469	2025	41,234	2025	41,235
2026	—	82,469	82,469	2026	41,234	2026	41,235
2027	—	82,469	82,469	2027	41,234	2027	41,235
2028	—	82,469	82,469	2028	41,234	2028	41,235
2029	—	82,469	82,469	2029	41,234	2029	41,235
2030	—	82,469	82,469	2030	41,234	2030	41,235
2031	—	82,469	82,469	2031	41,234	2031	41,235
2032	—	82,469	82,469	2032	41,234	2032	41,235
2033	—	82,469	82,469	2033	41,234	2033	41,235
2034	—	82,469	82,469	2034	41,234	2034	41,235
2035	1,885,000	82,469	1,967,469	2035	41,234	2035	41,235
	<u>1,885,000</u>	<u>1,319,502</u>	<u>3,204,502</u>		<u>659,744</u>		<u>659,758</u>

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2017A
December 31, 2019**

Date of Issue	September 20, 2017
Date of Maturity	December 1, 2036
Authorized Issue	\$4,840,000
Denomination of Bonds	\$5,000
Interest Rate	2.00% - 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 275,000	152,981	427,981	2020	76,491	2020	76,490
2021	390,000	144,731	534,731	2021	72,366	2021	72,365
2022	405,000	133,031	538,031	2022	66,516	2022	66,515
2023	415,000	116,831	531,831	2023	58,416	2023	58,415
2024	425,000	100,231	525,231	2024	50,116	2024	50,115
2025	220,000	83,231	303,231	2025	41,616	2025	41,615
2026	225,000	74,431	299,431	2026	37,216	2026	37,215
2027	230,000	65,431	295,431	2027	32,716	2027	32,715
2028	240,000	56,232	296,232	2028	28,116	2028	28,116
2029	150,000	46,632	196,632	2029	23,316	2029	23,316
2030	155,000	40,632	195,632	2030	20,316	2030	20,316
2031	160,000	34,432	194,432	2031	17,216	2031	17,216
2032	165,000	29,232	194,232	2032	14,616	2032	14,616
2033	170,000	23,868	193,868	2033	11,934	2033	11,934
2034	175,000	18,344	193,344	2034	9,172	2034	9,172
2035	185,000	12,656	197,656	2035	6,328	2035	6,328
2036	190,000	6,412	196,412	2036	3,206	2036	3,206
	<u>4,175,000</u>	<u>1,139,338</u>	<u>5,314,338</u>		<u>569,673</u>		<u>569,665</u>
	2,350,000	Debt Service					
	970,000	Parks and Recreation					
	<u>855,000</u>	Hydro-Electric Plant					
	<u>4,175,000</u>						

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2017B
December 31, 2019**

Date of Issue	September 20, 2017
Date of Maturity	December 1, 2021
Authorized Issue	\$2,845,000
Denomination of Bonds	\$5,000
Interest Rate	2.00% - 3.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 780,000	47,400	827,400	2020	23,700	2020	23,700
2021	800,000	24,000	824,000	2021	12,000	2021	12,000
	<u>1,580,000</u>	<u>71,400</u>	<u>1,651,400</u>		<u>35,700</u>		<u>35,700</u>
	1,377,050	Debt Service					
	<u>202,950</u>	Wastewater Treatment					
	<u>1,580,000</u>						

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2019A
December 31, 2019**

Date of Issue	October 8, 2019
Date of Maturity	December 1, 2030
Authorized Issue	\$4,125,000
Denomination of Bonds	\$5,000
Interest Rate	4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 285,000	189,262	474,262	2020	106,762	2020	82,500
2021	320,000	153,600	473,600	2021	76,800	2021	76,800
2022	335,000	140,800	475,800	2022	70,400	2022	70,400
2023	345,000	127,400	472,400	2023	63,700	2023	63,700
2024	360,000	113,600	473,600	2024	56,800	2024	56,800
2025	370,000	99,200	469,200	2025	49,600	2025	49,600
2026	385,000	84,400	469,400	2026	42,200	2026	42,200
2027	410,000	69,000	479,000	2027	34,500	2027	34,500
2028	425,000	52,600	477,600	2028	26,300	2028	26,300
2029	440,000	35,600	475,600	2029	17,800	2029	17,800
2030	450,000	18,000	468,000	2030	9,000	2030	9,000
	<u>4,125,000</u>	<u>1,083,462</u>	<u>5,208,462</u>		<u>553,862</u>		<u>529,600</u>
	1,237,500	Waterworks					
	<u>2,887,500</u>	Wastewater Treatment					
	<u>4,125,000</u>						

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Taxable Bonds of 2019B
December 31, 2019**

Date of Issue	October 8, 2019
Date of Maturity	December 1, 2024
Authorized Issue	\$1,360,000
Denomination of Bonds	\$5,000
Interest Rate	2.10% - 2.35%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ 255,000	34,689	289,689	2020	19,570	2020	15,119
2021	270,000	24,882	294,882	2021	12,441	2021	12,441
2022	270,000	19,078	289,078	2022	9,539	2022	9,539
2023	280,000	13,138	293,138	2023	6,569	2023	6,569
2024	285,000	6,698	291,698	2024	3,349	2024	3,349
	<u>1,360,000</u>	<u>98,485</u>	<u>1,458,485</u>		<u>51,468</u>		<u>47,017</u>

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2019C
December 31, 2019**

Date of Issue	October 8, 2019
Date of Maturity	December 1, 2037
Authorized Issue	\$3,845,000
Denomination of Bonds	\$5,000
Interest Rate	3.70% - 3.75%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ —	164,331	164,331	2020	92,710	2020	71,621
2021	—	143,242	143,242	2021	71,621	2021	71,621
2022	—	143,242	143,242	2022	71,621	2022	71,621
2023	—	143,242	143,242	2023	71,621	2023	71,621
2024	—	143,242	143,242	2024	71,621	2024	71,621
2025	—	143,242	143,242	2025	71,621	2025	71,621
2026	—	143,242	143,242	2026	71,621	2026	71,621
2027	—	143,242	143,242	2027	71,621	2027	71,621
2028	—	143,242	143,242	2028	71,621	2028	71,621
2029	—	143,242	143,242	2029	71,621	2029	71,621
2030	—	143,242	143,242	2030	71,621	2030	71,621
2031	—	143,242	143,242	2031	71,621	2031	71,621
2032	—	143,242	143,242	2032	71,621	2032	71,621
2033	—	143,242	143,242	2033	71,621	2033	71,621
2034	—	143,242	143,242	2034	71,621	2034	71,621
2035	—	143,242	143,242	2035	71,621	2035	71,621
2036	1,890,000	143,242	2,033,242	2036	71,621	2036	71,621
2037	1,955,000	73,312	2,028,312	2037	36,656	2037	36,656
	<u>3,845,000</u>	<u>2,529,515</u>	<u>6,374,515</u>		<u>1,275,302</u>		<u>1,254,213</u>

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2019C
December 31, 2019**

Date of Issue	October 8, 2019
Date of Maturity	December 1, 2037
Authorized Issue	\$1,980,000
Denomination of Bonds	\$5,000
Interest Rate	2.625% - 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun 1	Amount	Dec 1	Amount
2020	\$ —	70,002	70,002	2020	39,493	2020	30,509
2021	—	61,018	61,018	2021	30,509	2021	30,509
2022	—	61,018	61,018	2022	30,509	2022	30,509
2023	—	61,018	61,018	2023	30,509	2023	30,509
2024	—	61,018	61,018	2024	30,509	2024	30,509
2025	125,000	61,018	186,018	2025	30,509	2025	30,509
2026	130,000	57,268	187,268	2026	28,634	2026	28,634
2027	135,000	53,368	188,368	2027	26,684	2027	26,684
2028	135,000	49,318	184,318	2028	24,659	2028	24,659
2029	145,000	43,918	188,918	2029	21,959	2029	21,959
2030	150,000	38,118	188,118	2030	19,059	2030	19,059
2031	155,000	33,618	188,618	2031	16,809	2031	16,809
2032	155,000	28,968	183,968	2032	14,484	2032	14,484
2033	160,000	24,900	184,900	2033	12,450	2033	12,450
2034	165,000	20,700	185,700	2034	10,350	2034	10,350
2035	170,000	15,750	185,750	2035	7,875	2035	7,875
2036	175,000	10,650	185,650	2036	5,325	2036	5,325
2037	180,000	5,400	185,400	2037	2,700	2037	2,700
	<u>1,980,000</u>	<u>757,068</u>	<u>2,737,068</u>		<u>383,026</u>		<u>374,042</u>

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2011 - Store/Treat Basins Modification

December 31, 2019

Date of Issue	October 24, 2011
Date of Maturity	December 6, 2030
Authorized Issue	\$532,456
Interest Rate	1.25%
Interest Dates	June 6 and December 6
Payable at	June 6 and December 6
Loan Number	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	\$ 20,989	3,008	23,997
2021	21,252	2,745	23,997
2022	21,519	2,478	23,997
2023	21,788	2,209	23,997
2024	22,061	1,936	23,997
2025	22,338	1,659	23,997
2026	22,618	1,379	23,997
2027	22,902	1,095	23,997
2028	23,189	808	23,997
2029	23,479	518	23,997
2030	23,712	285	23,997
	<u>245,847</u>	<u>18,120</u>	<u>263,967</u>

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2011 - Mill Street Wastewater Treatment Plant Expansion

December 31, 2019

Date of Issue	July 25, 2011
Date of Maturity	January 1, 2033
Authorized Issue	\$20,000,000
Interest Rate	1.25%
Interest Dates	January 1 and July 1
Payable at	January 1 and July 1
Loan Number	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	\$ 876,916	150,997	1,027,913
2021	887,912	140,001	1,027,913
2022	899,045	128,868	1,027,913
2023	910,318	117,595	1,027,913
2024	921,733	106,180	1,027,913
2025	933,291	94,622	1,027,913
2026	944,994	82,918	1,027,912
2027	956,843	71,070	1,027,913
2028	968,841	59,072	1,027,913
2029	980,990	46,923	1,027,913
2030	993,290	34,623	1,027,913
2031	1,005,745	22,168	1,027,913
2032	1,018,356	9,557	1,027,913
	12,298,274	1,064,594	13,362,868

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2012 - Mill Street Wastewater Treatment Plant Expansion Phase 2

December 31, 2019

Date of Issue	August 1, 2012
Date of Maturity	July 14, 2033
Authorized Issue	\$15,000,000
Interest Rate	2.295%
Interest Dates	January 14 and July 14
Payable at	January 14 and July 14
Loan Number	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	\$ 700,366	258,118	958,484
2021	716,532	241,952	958,484
2022	733,070	225,414	958,484
2023	749,991	208,493	958,484
2024	767,303	191,181	958,484
2025	785,013	173,471	958,484
2026	803,132	155,352	958,484
2027	821,670	136,814	958,484
2028	840,636	117,848	958,484
2029	860,039	98,445	958,484
2030	879,890	78,594	958,484
2031	900,199	58,285	958,484
2032	920,978	37,506	958,484
2033	942,236	16,248	958,484
	11,421,055	1,997,721	13,418,776

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2013 - Mill Street Wastewater Treatment Plant Expansion Phase 3

December 31, 2019

Date of Issue	September 30, 2013
Date of Maturity	August 6, 2034
Authorized Issue	\$10,034,628
Interest Rate	1.93%
Interest Dates	February 6 and August 6
Payable at	February 6 and August 6
Loan Number	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	\$ 518,394	169,775	688,169
2021	528,448	159,721	688,169
2022	538,696	149,473	688,169
2023	549,143	139,026	688,169
2024	559,792	128,377	688,169
2025	570,648	117,521	688,169
2026	581,715	106,454	688,169
2027	592,997	95,172	688,169
2028	604,497	83,672	688,169
2029	616,219	71,950	688,169
2030	628,170	59,999	688,169
2031	640,353	47,816	688,169
2032	652,771	35,398	688,169
2033	665,430	22,739	688,169
2034	678,335	9,834	688,169
	<u>8,925,608</u>	<u>1,396,927</u>	<u>10,322,535</u>

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2014 - Wastewater Project

December 31, 2019

Date of Issue	September 30, 2014
Date of Maturity	July 21, 2035
Authorized Issue	\$10,941,066
Interest Rate	1.995%
Interest Dates	January 21 and July 21
Payable at	January 21 and July 21
Loan Number	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	\$ 494,922	181,654	676,576
2021	504,845	171,731	676,576
2022	514,967	161,609	676,576
2023	525,292	151,284	676,576
2024	535,824	140,752	676,576
2025	546,567	130,009	676,576
2026	557,525	119,051	676,576
2027	568,703	107,873	676,576
2028	580,105	96,471	676,576
2029	591,736	84,840	676,576
2030	603,600	72,976	676,576
2031	615,702	60,874	676,576
2032	628,047	48,529	676,576
2033	640,639	35,937	676,576
2034	653,483	23,093	676,576
2035	666,367	9,990	676,357
	<u>9,228,324</u>	<u>1,596,673</u>	<u>10,824,997</u>

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2016 - Farmall Storage Tank Wastewater Project

December 31, 2019

Date of Issue	October 6, 2016
Date of Maturity	January 1, 2036
Authorized Issue	\$4,506,250
Interest Rate	2.21%
Interest Dates	January 1 and July 1
Payable at	January 1 and July 1
Loan Number	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	\$ 193,181	79,903	273,084
2021	197,473	75,611	273,084
2022	201,862	71,222	273,084
2023	206,348	66,736	273,084
2024	210,933	62,151	273,084
2025	215,621	57,463	273,084
2026	220,413	52,671	273,084
2027	225,310	47,774	273,084
2028	230,317	42,767	273,084
2029	235,435	37,649	273,084
2030	240,667	32,417	273,084
2031	246,015	27,069	273,084
2032	251,482	21,602	273,084
2033	257,071	16,013	273,084
2034	262,784	10,300	273,084
2035	268,622	4,462	273,084
	<u>3,663,534</u>	<u>705,810</u>	<u>4,369,344</u>

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2018 - Wastewater Project

December 31, 2019

Date of Issue	June 15, 2018
Date of Maturity	June 15, 2038
Authorized Issue	\$8,368,016
Interest Rate	1.75%
Interest Dates	June 15 and December 15
Payable at	June 15 and December 15
Loan Number	Illinois Environmental Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2020	\$ 366,517	137,203	503,720
2021	372,959	130,761	503,720
2022	379,515	124,205	503,720
2023	386,184	117,536	503,720
2024	392,973	110,747	503,720
2025	399,880	103,840	503,720
2026	406,908	96,812	503,720
2027	414,060	89,660	503,720
2028	421,338	82,382	503,720
2029	428,744	74,976	503,720
2030	436,278	67,442	503,720
2031	443,948	59,772	503,720
2032	451,750	51,970	503,720
2033	459,691	44,029	503,720
2034	467,771	35,949	503,720
2035	475,992	27,728	503,720
2036	484,358	19,362	503,720
2037	492,873	10,847	503,720
2038	249,675	2,185	251,860
	<u>7,931,414</u>	<u>1,387,406</u>	<u>9,318,820</u>

STATISTICAL SECTION (Unaudited)

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

Financial Trends

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

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

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

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF ROCK ISLAND, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
December 31, 2019 (Unaudited)

	3/31/2011	3/31/2012	3/31/2013
Governmental Activities			
Net Investment in Capital Assets	\$ 43,490,571	51,178,766	52,918,208
Restricted	7,719,598	6,738,901	6,913,550
Unrestricted	25,027,339	27,625,864	27,309,246
Total Governmental Activities Net Position	<u>76,237,508</u>	<u>85,543,531</u>	<u>87,141,004</u>
Business-Type Activities			
Net Investment in Capital Assets	34,209,461	33,220,808	38,472,481
Unrestricted	9,289,668	11,189,073	8,674,173
Total Business-Type Activities Net Position	<u>43,499,129</u>	<u>44,409,881</u>	<u>47,146,654</u>
Primary Government			
Net Investment in Capital Assets	77,700,032	84,399,574	91,390,689
Restricted	7,719,598	6,738,901	6,913,550
Unrestricted	34,317,007	38,814,937	35,983,419
Total Primary Government Net Position	<u>119,736,637</u>	<u>129,953,412</u>	<u>134,287,658</u>

Data Source: City Records

* Accrual Basis of Accounting

** Beginning in the 2015 audit, unrestricted net position now includes the net pension liability due to GASB 68.

3/31/2014	12/31/2014	12/31/2015**	12/31/2016	12/31/2017	12/31/2018	12/31/2019
57,092,829	44,250,721	46,596,870	37,724,801	41,446,830	40,933,326	44,660,706
3,981,884	5,767,261	4,486,649	4,023,727	5,191,493	4,937,844	6,942,286
19,444,812	21,823,839	(69,598,723)	(71,036,833)	(86,193,701)	(104,175,193)	(119,005,145)
80,519,525	71,841,821	(18,515,204)	(29,288,305)	(39,555,378)	(58,304,023)	(67,402,153)
35,448,346	39,741,555	45,773,478	45,438,646	47,931,549	52,569,874	51,966,905
13,832,655	10,078,816	7,395,445	9,219,438	8,152,119	549,984	4,154,166
49,281,001	49,820,371	53,168,923	54,658,084	56,083,668	53,119,858	56,121,071
92,541,175	83,992,276	92,370,348	83,163,447	89,378,379	93,503,200	96,627,611
3,981,884	5,767,261	4,486,649	4,023,727	5,191,493	4,937,844	6,942,286
33,277,467	31,902,655	(62,203,278)	(61,817,395)	(78,041,582)	(103,625,209)	(114,850,979)
129,800,526	121,662,192	34,653,719	25,369,779	16,528,290	(5,184,165)	(11,281,082)

CITY OF ROCK ISLAND, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years*
December 31, 2019 (Unaudited)**

	3/31/2011	3/31/2012	3/31/2013	3/31/2014	12/31/2014**	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
Expenses										
Governmental Activities										
General Government	\$ 16,417,739	12,657,949	13,943,857	24,861,534	8,735,475	11,687,280	14,808,912	15,390,262	13,440,977	14,152,421
Police and Fire	19,976,357	20,830,554	20,847,960	21,771,346	18,078,614	25,541,117	28,616,235	28,915,352	33,842,945	42,147,938
Electrical Maintenance	597,462	602,202	595,066	613,300	406,529	610,131	620,045	606,440	617,287	641,991
Municipal Vehicle Parking System	328,550	281,012	274,917	265,338	180,795	102,961	21,146	16,407	16,188	11,773
Highways and Streets	7,879,571	7,267,676	8,585,805	5,601,354	3,656,603	10,288,905	8,955,820	5,669,073	4,866,750	4,979,420
Refuse Disposal	1,602,467	1,457,974	1,440,900	1,581,240	1,364,209	1,923,146	—	—	—	—
Libraries	1,966,454	2,559,060	2,400,381	2,516,131	1,961,467	2,087,051	2,821,006	2,626,515	2,590,184	2,651,951
Interest on Long-Term Debt	615,878	596,127	557,361	822,915	1,068,080	1,578,506	1,956,622	2,008,587	1,728,807	1,967,070
Total Governmental Activities Expenses	49,384,478	46,252,554	48,646,247	58,033,158	35,451,772	53,819,097	57,799,786	55,232,636	57,103,138	66,552,564
Business-Type Activities										
Waterworks	5,159,034	6,074,685	6,232,948	5,636,469	4,359,962	6,392,711	6,281,090	6,104,700	5,655,945	7,112,784
Wastewater	4,305,904	4,530,716	4,732,170	6,763,891	4,029,394	5,665,557	6,499,963	7,602,343	8,052,147	8,318,782
Park and Recreation	5,169,656	6,133,119	6,294,865	5,778,743	4,884,791	5,869,086	5,748,258	5,909,527	6,652,213	3,740,727
Stormwater	1,530,430	1,546,392	1,409,651	1,643,294	1,106,523	1,468,921	1,754,785	2,002,444	1,768,428	1,754,831
Solid Waste	—	—	—	—	—	—	2,739,113	2,356,160	2,132,343	2,391,937
Sunset Marina	658,526	716,337	757,879	709,573	600,408	639,037	635,920	630,093	649,978	671,175
Housing/Community Development Loans	296,616	309,965	235,295	19,238	174,677	1,613	94,566	229,822	213,615	(354,270)
Hydro-Electric Plant	—	—	—	—	—	—	—	234,911	265,987	214,891
Total Business-Type Activities Expenses	17,120,166	19,311,214	19,662,808	20,551,208	15,155,755	20,036,925	23,753,695	25,070,000	25,390,656	23,850,857
Total Primary Government Expenses	66,504,644	65,563,768	68,309,055	78,584,366	50,607,527	73,856,022	81,553,481	80,302,636	82,493,794	90,403,421
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	3,335,724	3,678,321	3,634,169	3,940,813	2,731,745	3,553,328	3,508,018	3,922,176	3,985,979	4,111,384
Police and Fire	3,633,014	3,994,407	4,025,783	4,029,954	3,142,297	4,352,267	4,266,155	4,365,384	5,770,676	6,163,656
Electrical Maintenance	23,611	30,788	17,597	18,331	16,797	21,739	14,121	—	—	—
Municipal Vehicle Parking System	204,369	173,721	169,272	141,122	147,837	143,545	84,137	—	—	—
Highways and Streets	185,692	144,680	211,332	178,801	151,484	132,028	140,010	167,892	—	—
Refuse Disposal	505,964	492,807	781,637	885,723	651,207	1,274,572	—	—	—	—
Libraries	224,432	227,054	222,090	222,087	201,926	232,007	254,387	274,701	280,872	281,691
Operating Grants/Contributions										
General Government	4,891,932	2,096,150	2,399,271	2,977,297	1,415,454	779,715	1,038,181	—	36,100	17,713
Police and Fire	255,264	302,105	99,192	155,522	47,565	30,121	67,499	44,988	7,325	152
Highways and Streets	—	1,056,163	43,850	114,714	—	—	—	970,115	1,057,021	1,586,647
Libraries	101,045	52,108	179,626	132,009	152,698	121,332	77,767	40	98,970	61,348
Capital Grants/Contributions - General Government										
General Government	400,000	91,770	507,112	7,000	407,000	—	—	1,655,750	1,088,191	1,213,339
Highways and Streets	837,814	—	—	—	—	—	—	—	—	3,970,333
Total Governmental Activities Program Revenues	14,598,861	12,340,074	12,290,931	12,803,373	9,066,010	10,640,654	9,450,275	11,401,046	12,325,134	17,406,263

	3/31/2011	3/31/2012	3/31/2013	3/31/2014	12/31/2014**	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
Business-Type Activities										
Charges for Services										
Waterworks	\$ 5,821,792	6,152,049	6,362,762	6,271,366	4,482,630	6,268,181	6,592,252	6,949,455	7,106,764	7,331,317
Wastewater	7,395,538	7,995,233	7,834,599	7,833,530	5,910,695	8,141,460	8,028,082	8,225,529	8,489,034	8,907,006
Park and Recreation	3,300,041	3,445,286	3,492,199	3,249,990	2,765,565	3,193,190	3,157,753	3,222,589	3,142,900	3,517,646
Stormwater	1,589,808	1,645,864	1,539,720	1,619,310	1,212,238	1,688,477	1,678,363	1,688,428	1,689,701	1,697,936
Solid Waste	—	—	—	—	—	—	1,697,287	2,674,988	2,283,752	2,284,997
Sunset Marina	800,474	769,993	712,057	669,717	636,754	662,263	666,454	663,401	646,862	618,379
Housing/Community Development Loans	72,036	63,064	49,871	100,721	32,611	69,373	67,465	—	—	—
Hydro-Electric Plant	—	—	—	—	—	—	—	278,482	325,429	303,729
Operating Grants and Contributions										
Park and Recreation	42,177	34,144	281,233	445,164	61,816	53,345	95,490	2,000	—	260,273
Stormwater	—	—	—	34,880	—	—	—	—	—	—
Other Programs	13,538	—	—	—	—	—	—	—	—	—
Solid Waste	—	—	—	—	—	—	29,264	29,263	29,264	29,264
Sunset Marina	—	—	—	2,237	—	—	—	—	—	—
Housing/Community Development Loans	100,000	223,240	11,859	—	—	—	100,000	214,070	20,576	(320)
Wastewater Treatment	—	—	48,883	268,877	192,571	213,098	—	—	—	—
Capital Grants/Contributions										
Wastewater	—	2,628,879	—	—	—	—	354,281	—	—	180,202
Total Business-Type Activities Program Revenues	19,135,404	22,957,752	20,333,183	20,495,792	15,294,880	20,289,387	22,466,691	23,948,205	23,734,282	25,130,429
Total Primary Government Program Revenues	33,734,265	35,297,826	32,624,114	33,299,165	24,360,890	30,930,041	31,916,966	35,349,251	36,059,416	42,536,692
Net (Expense) Revenue										
Governmental Activities	(34,785,617)	(33,912,480)	(36,355,316)	(45,229,785)	(26,385,762)	(43,178,443)	(48,349,511)	(43,831,590)	(44,778,004)	(49,146,301)
Business-Type Activities	2,015,238	3,646,538	670,375	(55,416)	139,125	252,462	(1,287,004)	(1,121,795)	(1,656,374)	1,279,572
Total Primary Government Net (Expense) Revenue	(32,770,379)	(30,265,942)	(35,684,941)	(45,285,201)	(26,246,637)	(42,925,981)	(49,636,515)	(44,953,385)	(46,434,378)	(47,866,729)

CITY OF ROCK ISLAND, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years* - Continued
December 31, 2019 (Unaudited)

	3/31/2011	3/31/2012	3/31/2013	3/31/2014	12/31/2014**	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	\$ 14,886,144	14,931,405	14,138,304	13,870,933	128,534	13,528,878	14,425,385	14,753,208	15,654,951	16,353,606
Gaming	5,441,339	5,712,621	5,576,018	5,115,322	3,738,747	4,872,918	4,803,366	4,474,535	4,310,910	4,164,535
Sales	4,689,611	4,978,042	5,008,704	—	—	—	—	5,032,374	5,190,415	5,216,340
Utility	2,090,368	2,010,828	2,089,790	2,244,178	1,427,556	1,872,737	1,770,537	1,769,384	1,920,433	1,793,966
Income	3,094,030	3,184,753	3,516,323	—	—	—	—	3,583,771	4,449,798	3,796,910
Other	7,503,529	7,504,239	7,657,440	8,407,329	5,727,344	7,474,643	7,678,787	3,011,293	3,142,158	3,177,073
Intergovernmental	—	—	—	8,843,026	6,699,854	9,501,573	9,191,190	3,922,384	3,609,072	4,369,334
Interest	266,892	121,859	121,958	94,752	100,644	244,380	234,197	245,759	305,474	465,882
Miscellaneous	213,972	86,444	129,781	418,279	265,720	60,364	389,146	189,038	258,080	239,099
Transfers	(264,318)	4,688,312	(285,529)	(385,513)	(379,341)	(602,304)	(916,198)	(437,975)	119,207	471,425
Total Governmental Activities General Revenues	37,921,567	43,218,503	37,952,789	38,608,306	17,709,058	36,953,189	37,576,410	36,543,771	38,960,498	40,048,170
Business-Type Activities										
Property Taxes	1,700,328	1,751,391	1,752,884	1,753,400	8,767	1,753,644	1,820,598	1,920,041	1,815,310	2,037,052
Interest	97,349	201,135	27,985	50,850	12,125	24,395	39,369	107,960	149,271	155,964
Miscellaneous	—	—	—	—	12	142,228	—	34,535	52,467	50
Transfers	264,318	(4,688,312)	285,529	385,513	379,341	602,304	916,198	437,975	(119,207)	(471,425)
Total Business-Type Activities General Revenues	2,061,995	(2,735,786)	2,066,398	2,189,763	400,245	2,522,571	2,776,165	2,500,511	1,897,841	1,721,641
Total Primary Government General Revenues	39,983,562	40,482,717	40,019,187	40,798,069	18,109,303	39,475,760	40,352,575	39,044,282	40,858,339	41,769,811
Changes in Net Position										
Governmental Activities	3,135,950	9,306,023	1,597,473	(6,621,479)	(8,676,704)	(6,225,254)	(10,773,101)	(7,287,819)	(5,817,506)	(9,098,131)
Business-Type Activities	4,077,233	910,752	2,736,773	2,134,347	539,370	2,775,033	1,489,161	1,378,716	241,467	3,001,213
Total Primary Government Changes in Net Position	7,213,183	10,216,775	4,334,246	(4,487,132)	(8,137,334)	(3,450,221)	(9,283,940)	(5,909,103)	(5,576,039)	(6,096,918)

Data Source: City Records

* Accrual Basis of Accounting

** 12/31/14 reporting represents 9 months of activity

CITY OF ROCK ISLAND, ILLINOIS

**Program Revenue by Function/Program - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

**Program Revenue by Function/Program - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

	3/31/2011	3/31/2012	3/31/2013
Governmental Activities:			
General Government	\$ 8,627,656	5,866,241	6,540,552
Police and Fire	3,888,278	4,296,512	4,124,975
Electrical Maintenance	23,611	30,788	17,597
Municipal Vehicle Parking System	204,369	173,721	169,272
Highways and Streets	1,023,506	1,200,843	255,182
Refuse Disposal	505,964	492,807	781,637
Libraries	325,477	279,162	401,716
Total Governmental Activities	<u>14,598,861</u>	<u>12,340,074</u>	<u>12,290,931</u>
Business-Type Activities:			
Water	5,821,792	6,152,049	6,362,762
Wastewater Treatment	7,395,538	10,624,112	7,883,482
Park and Recreation	3,342,218	3,479,430	3,773,432
Stormwater	1,603,346	1,645,864	1,539,720
Solid Waste	—	—	—
Sunset Marina	800,474	769,993	712,057
Housing and Community Development Loan	172,036	286,304	61,730
Hydro-Electric Plant	—	—	—
Total Business-Type Activities	<u>19,135,404</u>	<u>22,957,752</u>	<u>20,333,183</u>
Total Government	<u><u>33,734,265</u></u>	<u><u>35,297,826</u></u>	<u><u>32,624,114</u></u>

Data Source: City Records

* 12/31/2014 reporting represents 9 months of activity

3/31/2014	12/31/2014*	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
6,925,110	4,554,199	4,333,043	4,446,359	5,577,926	5,110,270	5,342,436
4,185,476	3,189,862	4,382,388	4,333,654	4,410,372	5,778,001	6,163,808
18,331	16,797	21,739	14,121	—	—	—
141,122	147,837	143,545	84,137	—	—	—
293,515	151,484	132,028	140,010	1,138,007	1,057,021	5,556,980
885,723	651,207	1,274,572	—	—	—	—
354,096	354,624	353,339	291,731	274,741	379,842	343,039
12,803,373	9,066,010	10,640,654	9,310,012	11,401,046	12,325,134	17,406,263
6,271,366	4,482,630	6,268,181	6,579,537	6,949,455	7,106,764	7,331,317
8,102,407	6,103,266	8,354,558	8,382,363	8,225,529	8,489,034	8,907,006
3,695,154	2,827,381	3,246,535	3,235,696	3,224,589	3,142,900	3,958,121
1,654,190	1,212,238	1,688,477	1,678,363	1,688,428	1,689,701	1,697,936
—	—	—	1,774,859	2,704,251	2,313,016	2,314,261
671,954	636,754	662,263	666,454	663,401	646,862	618,379
100,721	32,611	69,373	149,925	214,070	20,576	(320)
—	—	—	—	278,482	325,429	303,729
20,495,792	15,294,880	20,289,387	22,467,197	23,948,205	23,734,282	25,130,429
33,299,165	24,360,890	30,930,041	31,777,209	35,349,251	36,059,416	42,536,692

CITY OF ROCK ISLAND, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

	3/31/2011	3/31/2012	3/31/2013
General Fund			
Nonspendable	\$ 1,336	1,336	—
Restricted	128,455	157,611	273,308
Committed	640	—	—
Assigned	238,643	378,509	—
Unassigned	9,443,347	10,375,695	11,145,921
Total General Fund	<u>9,812,421</u>	<u>10,913,151</u>	<u>11,419,229</u>
All Other Governmental Funds			
Nonspendable	—	—	—
Restricted	7,591,142	6,626,079	10,253,731
Committed	9,699,484	11,762,242	13,668,164
Assigned	335,451	64,748	118,646
Unassigned	(1,908,876)	(2,801,588)	(2,447,709)
Total All Other Governmental Funds	<u>15,717,201</u>	<u>15,651,481</u>	<u>21,592,832</u>
Total Governmental Funds	<u><u>25,529,622</u></u>	<u><u>26,564,632</u></u>	<u><u>33,012,061</u></u>

Data Source: City Records

* Modified Accrual Basis of Accounting

3/31/2014	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
—	—	—	—	7,703	21,367	28,935
279,058	319,444	173,019	205,945	236,973	284,802	325,429
—	—	—	—	—	—	—
—	—	—	—	—	—	—
12,106,153	11,764,247	9,926,916	9,959,210	8,598,358	9,491,653	9,067,499
12,385,211	12,083,691	10,099,935	10,165,155	8,843,034	9,797,822	9,421,863
—	—	—	—	296,232	266,464	—
14,214,384	21,717,973	8,979,039	4,492,665	5,100,304	4,678,929	6,624,493
14,688,538	13,402,986	12,312,660	12,516,168	11,304,438	10,502,634	9,818,941
60,554	24,462	—	—	—	—	—
(671,307)	(112,079)	(304,077)	(488,640)	(1,218,648)	(1,934,464.00)	(861,920)
28,292,169	35,033,342	20,987,622	16,520,193	15,482,326	13,513,563	15,581,514
40,677,380	47,117,033	31,087,557	26,685,348	24,325,360	23,311,385	25,003,377

CITY OF ROCK ISLAND, ILLINOIS

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
December 31, 2019 (Unaudited)**

	3/31/2011	3/31/2012	3/31/2013
Revenues			
Property Taxes	\$ 14,569,113	14,814,509	14,926,606
Other Taxes	22,910,039	23,591,116	24,051,197
Fines and Fees	426,868	504,812	440,067
Intergovernmental	4,355,646	3,163,924	2,478,842
Charges for Services	6,657,901	6,971,289	7,132,888
Licenses and Permits	863,006	901,395	1,125,729
Contributions	533,194	760,863	659,198
Miscellaneous	267,101	65,848	90,368
Interest	374,704	186,852	349,556
Total Revenues	50,957,572	50,960,608	51,254,451
Expenditures			
Current			
General Government	13,911,083	12,871,649	12,432,804
Police and Fire	20,255,984	20,704,873	20,788,783
Electrical Maintenance	592,644	580,692	604,893
Motor Vehicle Parking System	181,243	185,157	190,179
Highways and Streets	4,065,960	3,959,920	4,503,406
Refuse Disposal	1,704,845	1,553,325	1,541,430
Libraries	2,268,601	2,336,234	2,296,800
Capital Outlay	9,973,140	5,501,375	5,083,118
Debt Service			
Principal Retirement	1,440,300	1,728,250	1,666,965
Interest and Fiscal Charges	824,430	584,816	566,000
Total Expenditures	55,218,230	50,006,291	49,674,378
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,260,658)	954,317	1,580,073
Other Financing Sources (Uses)			
Debt Issuance	960,000	585,000	5,542,538
Bond Discounts	—	(16,492)	(60,934)
Bond Premium	29,477	40,887	60,765
Payment to Bond Escrow Agent	—	—	(391,606)
Disposal of Capital Assets	—	—	—
Transfers In	8,001,391	9,376,020	9,350,372
Transfers Out	(8,287,863)	(9,904,721)	(9,633,779)
	703,005	80,694	4,867,356
Net Change in Fund Balances	(3,557,653)	1,035,011	6,447,429
Debt Service as a Percentage of Noncapital Expenditures	4.65%	5.05%	4.83%

Data Source: City Records

* Modified Accrual Basis of Accounting

3/31/2014	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
14,237,213	13,789,066	13,528,878	14,425,385	14,753,208	15,654,951	16,353,606
24,100,438	17,635,801	23,659,171	23,634,458	9,393,023	9,993,155	9,318,125
396,131	254,340	304,103	252,975	589,627	688,343	588,431
3,337,053	1,319,764	1,115,498	1,274,567	15,209,422	15,536,892	16,261,783
7,393,462	5,717,948	7,991,480	7,011,919	7,206,097	8,493,842	8,952,275
1,172,228	820,117	918,624	811,535	934,429	855,342	1,016,025
181,653	828,497	71,650	84,156	—	—	—
87,257	57,443	126,367	312,404	212,631	235,206	239,099
204,542	93,411	226,161	193,701	189,038	258,080	356,425
51,109,977	40,516,387	47,941,932	48,001,100	48,487,475	51,715,811	53,085,769
21,513,727	12,800,419	12,694,856	12,616,091	11,823,905	12,630,693	12,006,557
21,343,536	17,199,496	23,722,239	24,220,914	26,177,110	27,581,297	29,118,200
621,642	406,574	610,131	581,775	606,440	617,287	641,991
194,694	127,269	31,843	23,491	16,407	16,188	11,773
4,270,551	3,556,320	5,146,089	4,949,812	2,953,155	3,538,242	3,418,159
1,684,440	1,450,803	2,009,527	69,984	—	—	—
2,401,209	1,901,690	2,742,615	2,536,922	2,498,046	2,463,908	2,525,200
8,585,290	6,571,014	18,659,555	5,957,920	4,165,415	971,607	1,019,404
1,759,150	17,032,100	2,289,823	2,668,950	2,835,000	2,867,750	2,768,650
827,665	1,265,574	1,611,557	1,951,936	1,967,099	1,826,274	1,813,521
63,201,904	62,311,259	69,518,235	55,577,795	53,042,577	52,513,246	53,323,455
(12,091,927)	(21,794,872)	(21,576,303)	(7,576,695)	(4,555,102)	(797,435)	(237,686)
19,718,064	28,334,398	7,343,000	5,390,000	5,110,700	—	7,185,000
—	(28,013)	—	—	—	—	—
370,408	414,683	187,331	183,807	179,154	—	64,153
—	—	(1,374,410)	(1,853,867)	(2,608,198)	—	(5,239,245)
—	—	—	—	(2,217)	(44,320)	(139,028)
10,805,792	10,345,690	17,117,892	11,716,188	9,503,157	9,454,560	9,094,827
(11,137,018)	(10,832,233)	(17,726,986)	(12,261,642)	(9,987,482)	(9,346,718)	(9,036,030)
19,757,246	28,234,525	5,546,827	3,174,486	2,195,114	63,522	1,929,677
7,665,319	6,439,653	(16,029,476)	(4,402,209)	(2,359,988)	(733,913)	1,691,991
4.70%	32.87%	7.85%	8.94%	9.68%	9.28%	9.45%

CITY OF ROCK ISLAND, ILLINOIS

**General Governmental Tax Revenues by Source - Last Ten Fiscal Years*
December 31, 2019 (Unaudited)**

Fiscal Year	Property Tax	Replacement Tax	Sales Tax	Use Tax	Income Tax
3/31/2011	\$ 14,569,113	\$ 2,725,111	\$ 4,582,230	\$ 566,748	\$ 3,395,729
3/31/2012	14,814,509	2,466,745	4,970,577	569,066	3,423,316
3/31/2013	14,926,606	2,444,370	5,027,347	619,887	3,711,030
3/31/2014	14,237,213	3,800,493	5,071,240	672,361	3,782,583
12/31/2014	13,789,066	1,923,984	3,896,747	569,064	2,779,496
12/31/2015	13,528,878	2,554,822	5,309,060	861,631	4,151,610
12/31/2016	14,425,385	2,626,781	5,513,009	931,146	3,798,200
12/31/2017	14,753,208	2,914,365	5,032,374	1,008,019	3,583,771
12/31/2018	15,654,951	2,479,049	5,190,415	1,130,023	4,449,798
12/31/2019	16,353,606	3,072,974	5,216,340	1,296,360	3,796,910
Change 3/31/11-12/31/19	12%	13%	14%	129%	12%

Data Source: City Records

*Other Taxes include Franchise Tax, Gas Use Tax, Telecom Infrastructure Tax, Food and Beverage Tax, Local Sales Tax Admin Fee, Auto Rental Tax, Pull Tab Tax, Video Gaming Tax, and Utility Penalties

Utility Tax	Gasoline Tax	Other Tax*	Wagering Tax	Motor Fuel Tax	Hotel/Motel Tax	Total
\$ 2,032,070	\$ 252,970	\$ 2,393,807	\$ 5,441,339	\$ 1,176,269	\$ 343,766	\$ 37,479,152
1,957,597	257,220	2,732,926	5,712,621	1,138,203	362,845	38,405,625
2,044,178	216,733	2,944,713	5,576,018	1,101,454	365,467	38,977,803
2,173,089	209,290	2,631,209	5,115,322	1,264,855	379,996	39,337,651
1,426,617	166,268	1,919,670	3,738,747	888,666	326,542	31,424,867
1,792,065	220,749	2,507,087	4,872,918	1,032,768	356,461	37,188,049
1,776,480	242,931	2,572,763	4,803,366	996,359	373,423	38,059,843
1,769,384	265,233	2,383,988	4,474,535	907,226	362,072	37,454,175
1,920,433	376,122	2,414,439	4,310,911	998,692	351,596	39,276,429
1,793,966	530,431	2,356,052	4,164,535	1,280,021	290,590	40,151,785
(12%)	110%	(2%)	(23%)	9%	(15%)	7%

CITY OF ROCK ISLAND, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
December 31, 2019 (Unaudited)**

Fiscal Year	Residential Property	Farm	Commercial Property	Industrial Property
3/31/2011	\$ 336,600,874	\$ 364,329	\$ 85,399,438	\$ 51,483,914
3/31/2012	338,533,938	379,853	86,157,278	51,038,902
3/31/2013	324,124,044	398,366	80,313,679	50,786,603
3/31/2014	310,848,722	487,151	77,148,017	55,034,580
12/31/2014	310,067,178	489,050	78,706,665	54,964,548
12/31/2015	314,914,792	503,200	84,140,915	56,757,213
12/31/2016	323,251,031	555,593	89,538,538	54,970,861
12/31/2017	327,803,750	551,884	88,220,048	54,576,317
12/31/2018	331,949,119	576,823	87,516,665	55,014,696
12/31/2019	336,982,228	599,283	88,866,772	55,061,918

Data Source: Office of the County Clerk

Note: There is no personal property tax (on cars or jewelry); only real property is taxed. The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year. The farmland value is based upon productivity instead of actual market value.

Railway Property	Enterprise	Total Taxable Assessed Value	Total Direct Tax Rate	Taxable Value	Percentage of Actual Value
\$ 1,220,693	\$ —	\$ 475,069,248	2.4092	\$ 1,425,207,744	33.33%
1,512,339	—	477,622,310	2.4084	1,432,866,921	33.33%
3,007,939	—	458,630,631	2.4002	1,367,004,776	33.33%
3,549,995	—	447,068,465	2.3978	1,335,253,423	33.33%
3,816,687	—	448,044,128	2.3852	1,344,266,811	33.33%
3,850,056	(3,710,480)	456,455,696	2.4002	1,369,504,038	33.33%
4,129,830	—	472,445,853	2.3882	1,417,479,307	33.33%
4,541,728	—	475,693,727	2.6038	1,427,223,903	33.33%
4,697,929	—	479,755,232	2.6570	1,439,409,637	33.33%
4,987,205	—	486,497,406	2.7497	1,459,492,218	33.33%

CITY OF ROCK ISLAND, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2019 (Unaudited)**

	3/31/2011	3/31/2012	3/31/2013
City Direct Rates			
General	0.6892	0.7044	0.5938
Fire Pension	0.4250	0.4158	0.4428
Police Pension	0.4560	0.4562	0.5018
Public Benefit	0.0506	0.0500	0.0500
Public Library	0.4172	0.4138	0.4296
Park	0.3712	0.3682	0.3822
Total City Direct Rates	2.4092	2.4084	2.4002
Overlapping Rates			
Special Service	—	—	—
Rock Island District	5.1148	5.1200	5.2590
Rock Island County	0.8574	0.8684	0.8872
Township (1)	0.4148	0.4108	0.4296
Airport Authority	0.0734	0.0750	0.0750
Transit	0.1822	0.1872	0.1948
Blackhawk Community College	0.5324	0.5369	0.5403
Total Overlapping Rates	7.1750	7.1983	7.3859

(1) Data reported for Rock Island Township

Data Source: City and Office of the County Clerk

Note: 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, although the County property tax rates apply to all City property owners; the Airport Authority rates apply to the property owners within that Authority's geographic boundaries.

3/31/2014	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
0.4842	0.3066	0.2650	0.1908	0.3406	0.3610	0.3903
0.4890	0.5974	0.6142	0.6476	0.6896	0.6860	0.7078
0.5416	0.6000	0.6340	0.6796	0.7116	0.7386	0.7755
0.0500	0.0498	0.0504	0.0498	0.0322	0.0320	0.0316
0.4408	0.4400	0.4428	0.4342	0.4392	0.4442	0.4469
0.3922	0.3914	0.3938	0.3862	0.3906	0.3952	0.3976
2.3978	2.3852	2.4002	2.3882	2.6038	2.6570	2.7497
5.8216	5.9210	—	—	—	—	—
5.3066	5.2982	5.4610	5.3782	5.3398	5.3732	5.3897
1.0184	1.0596	1.2480	1.2466	1.2436	1.3674	1.4602
0.4454	0.4388	0.4334	0.4014	0.3950	0.3876	0.3815
0.0750	0.0750	0.0750	0.0750	0.0756	0.0748	0.0733
0.2054	0.2082	0.2086	0.2056	0.2120	0.1952	0.1958
0.5427	0.5485	0.5598	0.5718	0.5676	0.5632	0.5714
13.4151	13.5493	7.9858	7.8786	7.8336	7.9614	8.0719

CITY OF ROCK ISLAND, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2019 (Unaudited)**

Taxpayer	2019			2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
DNC Gaming & Entertainment	\$ 20,241,850	1	4.22%			
Modern Woodmen of America	8,845,529	2	1.84%	\$ 9,543,326	2	2.05%
Piret USA	5,455,917	3	1.14%			
Friendship Manor Properties LLC	4,963,337	4	1.03%	3,097,671	5	0.66%
MidAmerican Energy Co	3,199,231	5	0.67%	3,074,699	6	0.66%
PFG Thoms Proestler Co	3,063,682	6	0.64%			
LRC HV LLC	2,998,604	7	0.63%			
GTI Rock Island Partners	2,920,961	8	0.61%			
Deere & Co/Tax Dept	2,489,575	9	0.52%			
MidAmerican Energy Co	2,366,667	10	0.49%	2,106,094	9	0.45%
Rock Island Boardworks Inc				22,077,890	1	4.74%
Thoms-Proestler Co.				5,532,763	3	1.19%
Barjan Products LLC				3,182,263	4	0.68%
First Equity Management				2,615,660	7	0.56%
Illinois Housing Development				2,140,549	8	0.46%
Eye Surgons Facilities				1,649,666	10	0.35%
	<u>56,545,353</u>		<u>11.79%</u>	<u>55,020,581</u>		<u>11.80%</u>

Data Source: Office of the County Clerk

CITY OF ROCK ISLAND, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
3/31/2011	2010	\$ 11,368,745	\$ 11,285,730	99.27%	—	\$ 11,285,730	99.27%
3/31/2012	2011	11,460,972	11,348,093	99.02%	7,225	11,355,318	99.08%
3/31/2013	2012	11,005,492	11,004,896	99.99%	—	11,004,896	99.99%
3/31/2014	2013	10,716,640	10,797,090	100.75%	—	10,797,090	100.75%
12/31/2014	2013	10,716,640	10,797,090	100.75%	—	10,797,090	100.75%
12/31/2015	2014	10,684,685	10,766,880	100.77%	—	10,766,880	100.77%
12/31/2016	2015	10,953,363	10,955,850	100.02%	—	10,955,850	100.02%
12/31/2017	2016	11,280,143	11,264,676	99.86%	—	11,264,676	99.86%
12/31/2018	2017	12,747,096	12,772,344	100.20%	—	12,772,344	100.20%
12/31/2019	2018	13,375,456	—	0.00%	—	—	0.00%

Data Source: City Records

Note: There is no personal property tax (on cars or jewelry); only real property is taxed. The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year. The City changed fiscal years in 2014.

CITY OF ROCK ISLAND, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Line of Credit	Loan Payable	General Obligation Bonds			
3/31/2011	\$ 15,872,900	\$ —	\$ —	\$ 23,727,100	\$ 39,600,000	N/A	\$ 1,014.92
3/31/2012	14,727,021	—	4,100,381	21,896,315	40,723,717	N/A	1,043.72
3/31/2013	15,188,450	3,022,538	18,892,687	20,108,217	57,211,892	N/A	1,466.29
3/31/2014	24,054,300	12,115,602	41,240,029	18,330,700	95,740,631	N/A	2,453.76
12/31/2014	48,294,478	—	41,594,833	16,732,420	106,621,731	N/A	2,732.63
12/31/2015	52,209,311	—	47,094,293	15,008,419	114,312,023	N/A	2,929.73
12/31/2016	53,262,110	—	53,333,439	13,180,794	119,776,343	N/A	3,069.77
12/31/2017	53,152,326	—	57,958,002	11,389,911	122,500,239	N/A	3,139.58
12/31/2018	50,100,719	—	64,822,495	9,988,009	124,911,223	N/A	3,201.37
12/31/2019	49,457,603	—	73,775,202	8,792,030	132,024,835	N/A	3,504.03

Data Source: City Records

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements. As a "Home Rule" entity, under the State of Illinois Constitution, the City has no statutory debt limit.

CITY OF ROCK ISLAND, ILLINOIS

**Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year	Governmental	Business-Type	Less: Amounts Available for Debt Service	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
	Activities General Obligation Bonds	Activities General Obligation Bonds				
3/31/2011	\$ 15,872,900	\$ 23,727,100	\$ 1,221,189	\$ 38,378,811	8.08%	\$ 983.62
3/31/2012	14,727,021	21,896,315	1,029,992	35,593,344	7.45%	912.23
3/31/2013	15,188,450	20,108,217	1,213,732	34,082,935	7.43%	873.52
3/31/2014	24,054,300	18,330,700	997,676	41,387,324	9.26%	1,060.72
12/31/2014	48,294,478	16,732,420	1,387,110	63,639,788	14.20%	1,631.04
12/31/2015	52,209,311	15,008,419	1,623,000	65,594,730	14.37%	1,681.14
12/31/2016	53,262,110	13,180,794	1,048,523	65,394,381	13.84%	1,676.01
12/31/2017	53,152,326	11,389,911	1,161,016	63,381,221	13.32%	1,624.41
12/31/2018	50,100,719	9,988,009	—	60,088,728	12.52%	1,540.03
12/31/2019	49,457,603	8,792,030	—	58,249,633	11.97%	1,545.99

Data Source: City Records

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements. As a "Home Rule" entity, under the State of Illinois Constitution, the City has no statutory debt limit.

CITY OF ROCK ISLAND, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
December 31, 2019 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to City (1)	City's Share of Debt
City	\$ 49,457,603	100.000%	\$ 49,457,603
Overlapping Debt			
Schools			
Rock Island School District No. 41	31,295,000	80.570%	25,214,382
Rockridge School District No. 300	8,515,000	16.510%	1,405,827
Blackhawk College	50,170,000	11.920%	5,980,264
Other Than Schools			
Rock Island County (1)	30,670,000	18.110%	5,554,337
Rock Island County Forest Preserve District	4,140,000	18.110%	749,754
Rock Island County Nursing Home	13,945,000	18.110%	2,525,440
Metropolitan Airport Authority	<u>19,660,000</u>	24.360%	<u>4,789,176</u>
Total Overlapping Debt	<u>158,395,000</u>		<u>46,219,179</u>
Total Direct and Overlapping Debt	<u><u>207,852,603</u></u>		<u><u>95,676,782</u></u>

Data Source: City and County Records (1)

Assessed value data used to estimate applicable provided by Rock Island County Auditor. Debt outstanding data was provided by each governmental unit.

(1) Determined by ratio of assessed valuation of property subject to taxation in the City to valuation of property subject to taxation in overlapping unit.

CITY OF ROCK ISLAND, ILLINOIS

Legal Debt Margin

December 31, 2019 (Unaudited)

The City is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois constitution governs computation of legal debt margin.

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by some home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.

To date the General Assembly has set no limits for home rule municipalities.

CITY OF ROCK ISLAND, ILLINOIS

**Demographic and Economic Statistics - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
3/31/2011	39,018	\$ N/A	\$ 43,558	37.0	6,979	8.70%
3/31/2012	39,018	N/A	43,558	37.0	6,979	8.70%
3/31/2013	39,018	N/A	43,558	37.0	6,269	8.30%
3/31/2014	39,018	N/A	43,558	37.0	6,334	7.90%
12/31/2014	39,018	N/A	43,558	37.0	6,334	6.60%
12/31/2015	39,018	N/A	43,558	37.0	6,258	7.40%
12/31/2016	39,018	N/A	43,558	37.0	6,258	6.30%
12/31/2017	39,018	N/A	43,558	37.0	6,767	4.70%
12/31/2018	39,018	N/A	43,558	37.0	6,364	5.20%
12/31/2019	37,678	N/A	43,558	36.6	6,337	5.20%

Data Source: City and Bi-State Regional Planning Commission records

N/A - Not Available

CITY OF ROCK ISLAND, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2019 (Unaudited)**

Employer	2019			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Rock Island Arsenal	6,167	1	36.44%			
Unity Point Health - Trinity (Rock Island Only)	2,070	2	12.23%			
Rock Island School District	898	3	5.31%			
Rock Island County	496	4	2.93%	510	3	2.88%
Jumer's Casino & Hotel	550	5	3.25%	450	6	2.54%
Augustana College	550	6	3.25%	500	4	2.83%
Pfg Tpc Roma Foods	530	7	3.13%			
City of Rock Island	437	8	2.58%	450	5	2.54%
Modern Woodmen Of America	435	9	2.57%	440	8	2.49%
US Post Office	300	10	1.77%			
Trinity Medical Center				1,500	1	8.48%
Rock Island-Milan School District				900	2	5.09%
Performance Food Group (Thoms Proestler Co.)				450	7	2.54%
Yrc Inc. (Roadway Express)				400	9	2.26%
Dohn Transfer Company				300	10	1.70%
	<u>12,433</u>		<u>73.46%</u>	<u>5,900</u>		<u>33.34%</u>
Total City Employment	<u>16,922</u>			<u>17,695</u>		

Data Source: City and Bi-State Regional Planning Commission records

CITY OF ROCK ISLAND, ILLINOIS

**Full-time Equivalent City Government Employees by Function - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function	3/31/2011	3/31/2012	3/31/2013	3/31/2014	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
General Government										
Mayor and Council	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
City Clerk	1.50	1.45	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
General Administration	2.00	2.00	3.00	3.00	3.00	3.00	3.00	2.50	2.00	2.00
	<u>11.50</u>	<u>11.45</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>11.50</u>	<u>11.00</u>	<u>11.00</u>
Administrative Services										
Administration	3.00	3.10	3.40	—	—	—	—	—	—	—
Personnel Services	1.00	0.70	0.40	—	—	—	—	—	—	—
Insurance	1.00	1.60	1.60	—	—	—	—	—	—	—
IT Services	6.00	5.35	5.35	—	—	—	—	—	—	—
GIS	—	0.25	0.25	—	—	—	—	—	—	—
	<u>11.00</u>	<u>11.00</u>	<u>11.00</u>	<u>—</u>						
Human Resources										
Administration	—	—	—	2.20	2.20	2.20	2.20	2.00	2.00	2.00
Personnel Services	—	—	—	0.40	0.40	0.40	0.40	0.35	0.35	0.35
Insurance	—	—	—	1.40	1.40	1.40	1.40	1.65	1.65	1.65
	<u>—</u>	<u>—</u>	<u>—</u>	<u>4.00</u>						
Finance										
Administration	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Customer Service	4.00	4.00	4.00	4.00	4.31	5.23	5.23	5.00	5.15	5.35
Accounting	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.35	4.65
	<u>10.25</u>	<u>10.25</u>	<u>10.00</u>	<u>10.00</u>	<u>10.31</u>	<u>11.23</u>	<u>11.23</u>	<u>11.00</u>	<u>10.50</u>	<u>11.00</u>
Information Technology										
Administration	—	—	—	2.00	2.00	2.00	2.00	1.85	1.80	1.80
Services	—	—	—	4.80	4.50	4.50	4.50	4.20	3.80	3.80
GIS	—	—	—	0.20	0.50	0.50	0.50	0.45	0.40	0.40
	<u>—</u>	<u>—</u>	<u>—</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>7.00</u>	<u>6.50</u>	<u>6.00</u>	<u>6.00</u>
Community/Economic Development										
Administration	0.50	0.50	0.50	0.75	0.86	0.94	0.95	0.82	1.30	2.30
Economic Development	2.80	2.70	1.88	2.50	3.23	3.06	3.05	3.38	4.28	3.23
Planning/Zoning/Historic Preservation	6.52	6.62	5.72	4.85	3.77	3.89	3.74	2.99	2.87	3.69
Neighborhood Redevelopment	1.90	1.90	1.90	1.90	2.25	2.26	2.26	3.01	2.57	1.97
Inspection	5.85	4.85	4.95	4.92	6.07	6.12	5.94	6.00	5.75	5.85
Rental Inspection	5.15	5.15	5.05	5.08	4.05	4.03	4.06	4.00	4.25	4.15
	<u>22.72</u>	<u>21.72</u>	<u>20.00</u>	<u>20.00</u>	<u>20.23</u>	<u>20.30</u>	<u>20.00</u>	<u>20.20</u>	<u>21.02</u>	<u>21.19</u>
Martin Luther King Jr. Center										
Administration	1.15	2.00	2.20	3.75	3.05	3.00	3.00	2.87	3.01	3.64
Sponsored Programs	6.68	9.58	7.56	10.27	11.62	12.04	9.34	11.98	12.32	13.11
	<u>7.83</u>	<u>11.58</u>	<u>9.76</u>	<u>14.02</u>	<u>14.67</u>	<u>15.04</u>	<u>12.34</u>	<u>14.85</u>	<u>15.33</u>	<u>16.75</u>
Police										
Administration	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Patrol	56.00	56.00	56.00	57.00	58.35	58.30	51.30	51.45	49.45	50.45
Community Services	3.45	2.45	2.45	2.45	2.45	2.45	2.45	2.41	2.41	2.41
Resource Services	2.53	2.53	2.53	2.53	2.53	2.53	2.53	2.50	2.49	2.49
Communication	13.16	13.16	13.16	13.16	13.16	13.16	13.16	13.14	13.15	13.15
Technical Services	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.34	2.34	2.34
Records	5.48	5.48	5.48	5.48	5.48	5.48	5.48	5.46	5.46	5.46
Major Crime	10.40	10.10	10.20	10.20	9.90	9.90	10.20	10.20	9.25	9.40
Narcotics/Vice	7.30	7.30	7.30	7.30	5.30	5.30	12.15	12.15	12.15	—
Tactical Operations	—	—	—	—	—	—	—	—	—	10.90
Juvenile	7.30	6.60	6.50	6.50	6.50	6.50	6.35	6.35	7.30	7.40
	<u>112.00</u>	<u>110.00</u>	<u>110.00</u>	<u>111.00</u>	<u>110.05</u>	<u>110.00</u>	<u>110.00</u>	<u>110.00</u>	<u>108.00</u>	<u>108.00</u>

	3/31/2011	3/31/2012	3/31/2013	3/31/2014	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
Fire										
Administration	9.16	8.98	8.94	8.94	8.94	8.94	8.94	8.94	8.94	9.32
Fire Prevention	7.16	6.98	6.94	6.94	6.94	6.94	6.94	6.94	6.94	7.34
Emergency/Disaster Services	21.28	20.65	20.52	20.52	20.52	20.52	20.52	20.52	20.52	20.63
Ambulance	23.40	22.74	22.60	22.60	22.60	22.60	22.60	22.60	22.60	22.71
	61.00	59.35	59.00	59.00	59.00	59.00	59.00	59.00	59.00	60.00
Public Works										
Administration	19.98	21.11	20.46	20.50	19.74	18.84	18.84	17.23	17.34	17.39
Street Maintenance & Repair	7.57	7.69	8.32	8.32	8.88	7.54	8.67	7.67	7.12	7.61
Snow & Ice Control	0.64	0.64	0.64	0.64	0.34	0.66	0.65	0.59	0.55	0.65
Refuse Collection	8.02	8.02	8.02	8.02	8.09	7.80	7.90	7.95	7.95	7.95
Levee/ROW Maintenance	6.01	5.92	5.92	5.92	6.66	5.72	5.83	5.19	4.78	5.50
Water Distribution	14.28	13.68	13.75	13.75	12.78	13.75	12.35	8.45	7.95	8.00
Wastewater Collection	2.87	3.67	3.02	2.97	2.85	2.97	2.97	6.45	6.95	6.95
Motor Vehicle Parking	1.53	1.38	1.88	1.88	1.88	0.18	0.05	0.05	0.05	—
Water Treatment	10.98	10.68	10.63	10.28	10.27	10.25	10.25	10.38	10.38	10.75
Wastewater Treatment	9.08	9.68	9.68	9.68	9.52	9.50	9.50	10.35	10.35	11.65
Fleet Services	9.15	9.15	9.15	9.15	10.00	10.00	10.00	10.00	10.00	10.00
Electrical Maintenance	2.45	2.55	3.00	2.00	2.00	1.80	1.80	1.80	1.80	1.80
Engineering Services	10.55	10.28	10.62	10.28	9.91	10.61	10.61	10.16	9.46	9.41
Building Maintenance	2.10	2.00	1.70	1.70	1.28	2.45	2.20	2.20	2.20	2.20
Park Maintenance	—	—	—	—	—	—	—	—	—	5.29
Sunset Marina	1.24	1.24	1.24	1.24	1.84	1.40	0.95	0.95	0.80	—
Hydroelectric	0.15	0.15	—	—	0.05	0.25	0.25	0.25	0.25	0.25
Stormwater	7.13	5.95	5.75	5.95	5.06	5.03	4.93	4.83	4.97	5.00
	113.73	113.79	113.78	112.28	111.15	108.75	107.75	104.50	102.90	110.40
Parks & Recreation										
Administration	2.25	2.20	2.45	2.45	2.50	2.50	2.50	2.50	2.50	2.50
Park Maintenance	15.17	16.08	14.77	14.73	16.64	15.28	15.28	12.08	12.08	5.49
Recreation Programs	11.23	14.02	12.17	9.59	11.27	8.71	9.25	9.24	8.48	9.50
Highland Springs golf	14.18	13.98	14.12	14.10	16.90	13.38	13.38	13.07	12.64	11.40
Saukie Golf	9.66	9.64	8.73	8.74	10.87	8.76	8.76	7.76	7.95	7.71
Golf Pro Shop	0.14	0.14	0.14	0.14	0.19	0.03	0.03	0.03	0.03	0.03
Whitewater Junction	7.09	7.09	7.09	7.06	9.37	7.21	7.75	7.21	7.19	7.19
RI Fitness Center	17.01	15.66	14.92	16.28	18.10	13.47	13.93	14.63	14.60	16.44
Riverfront Park	1.77	2.17	2.27	2.31	2.38	2.40	2.40	1.77	1.72	1.15
	78.50	80.98	76.66	75.40	88.22	71.74	73.28	68.29	67.19	61.41
Library										
Administration	2.00	1.91	2.00	2.00	4.00	3.00	3.00	3.00	3.00	3.00
Main Library	22.36	21.28	21.98	21.80	20.17	20.15	19.76	18.40	18.26	18.18
30/31 Library	4.00	3.82	4.00	4.00	4.00	4.77	3.81	2.85	2.85	2.85
Southwest Library	3.25	3.10	3.25	3.25	3.25	3.73	3.23	2.76	2.76	2.76
	31.61	30.11	31.23	31.05	31.42	31.65	29.80	27.01	26.87	26.79
Totals	460.14	460.23	453.43	455.75	468.05	450.71	446.40	436.85	431.81	436.54

Data Source: City Records

CITY OF ROCK ISLAND, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function/Program	3/31/2011	3/31/2012	3/31/2013
Police			
Calls for Service	28,032	28,227	29,826
Adult Arrest	2,903	3,978	3,716
Juvenile Arrest	617	678	403
Speeding Citations Only	849	919	1,079
Traffic Citations	5,990	6,190	5,726
Fire			
Total Fire Runs	1,482	1,525	1,543
Total Rescue Runs	4,562	4,666	4,516
Property Loss	1,652,466	1,298,231	791,177
Public Works			
Garbage Collected (Ton)	15,778	14,858	15,085
Other Collected (Ton)	2,200	2,207	2,250
Water Average Daily Treatment (Millions of Gallons)	5.50	5.69	5.30
Wastewater Average Daily Treatment (Millions of Gallons)	11.14	9.72	7.47
Library, Volumes in Collection	249,218	250,014	243,412
Parks and Recreation			
RIFAC Memberships	2,717	2,641	2,830
Aquatics Program Attendance	29,451	32,177	32,000
Golf Rounds Played	52,196	51,527	54,305
Recreation Programs Offered	395	281	276
RIFAC and Whitewater Members	*	5,048	5,178
Registration for Programs	*	8,448	7,487
Rentals at Facilities	*	733	775

Data Source: City Records

* The City changed its budget format for the fiscal year ended March 31, 2014. Tracking of operating indicators has been revised to the new format resulting in some prior indicator information being unavailable.

3/31/2014	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
54,157	35,396	45,601	42,431	41,173	38,573	41,368
2,696	1,829	2,469	2,306	2,367	2,172	2,122
413	453	550	476	537	512	401
861	811	752	518	1,157	994	1,540
4,495	3,754	4,735	3,944	4,989	4,404	3,618
1,570	1,194	1,249	1,638	1,610	1,694	1,791
4,600	3,569	4,250	4,992	5,375	5,586	6,015
1,130,000	2,902,933	532,584	548,275	1,600,405	1,547,830	2,475,580
14,220	12,908	14,500	16,140	14,666	14,622	15,058
*	*	*	*	*	*	1,735
5.25	5.37	5.18	4.65	4.81	5.00	6.00
8.69	7.75	6.55	7.88	6.56	7.86	7.00
238,904	233,228	224,139	221,000	206,969	202,468	182,044
*	*	*	*	*	*	2,956
*	*	*	*	*	*	33,158
46,633	44,533	46,404	48,000	47,363	45,075	48,530
*	*	*	*	*	*	652
4,869	4,784	4,862	5,100	5,205	5,054	5,126
7,865	7,378	7,007	7,000	7,100	10,431	10,519
759	764	776	775	721	849	842

CITY OF ROCK ISLAND, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function/Program	3/31/2011	3/31/2012	3/31/2013
Police and Fire			
Police Stations	1	1	1
Fire Stations	4	4	4
Electrical Maintenance			
Traffic Signaled Intersections	64	64	64
Warning Lights	16	18	18
Street Lights	1,204	1,204	1,204
Mobile Radios	214	214	120
Municipal Vehicle Parking System			
Parking Lot/Ramp Spaces	1,352	1,352	1,352
On-Street Parking	1,375	1,375	1,375
Parking Meters	92	92	104
Highways and Streets			
Miles of streets	171	171	171
Refuse Disposal			
Refuse Trucks	6	6	6
Libraries			
Facilities	3	3	3
Volumes	249,218	250,014	243,412
Waterworks			
Storage Capacity (MGPD)	10.85	10.85	10.85
Average Water Treated (MGPD)	5.50	5.69	5.30
Miles of Water Main	228	228	228
Fire Hydrants	1,928	1,929	1,929
Control Valves	4,315	4,322	4,330
Wastewater Treatment			
Storage Capacity (MGPD)	18.00	17.50	17.50
Average Wastewater Treated (MGPD)	11.14	9.72	7.75
Sanitary Sewers (Miles)	185	185	185
Storm Sewers (Miles)	95	95	95
Stormwater Catch Basin	3,667	3,667	3,667
Stormwater			
Stormsewer Mains (Miles)	115	115	115
Stormwater Catch Basins	4,947	4,947	5,011
Total Raingardens	210	231	244
Total Raingardens (Sq Ft)	73,510	80,812	83,995
Parks and Recreation			
Acreage	900	900	860
Playgrounds	24	25	25
Golf Course	2	2	2
Swimming Pools	2	2	2
Sunset Marina			
Summer Slips Available	473	473	473
Winter Storage Available	250	250	250
Housing and Community Development Loans			
CIRLF Loans	11	8	10
TIF District Projects	17	50	50
Agencies Receiving Funding	9	9	9

Data Source: City Records

3/31/2014	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
1	1	1	1	1	1	1
4	4	4	4	4	4	4
64	64	64	63	63	63	63
18	18	18	15	15	15	15
1,204	1,204	1,204	1,261	1,258	1,258	1,258
120	120	120	120	120	120	120
1,352	1,352	1,352	1,352	1,352	1,352	1,352
1,375	1,375	1,375	1,375	1,375	1,375	1,375
104	96	96	—	—	—	—
171	171	171	171	171	171	171
6	6	6	6	6	6	6
3	3	3	3	3	3	4
238,904	233,228	224,139	218,616	206,969	202,468	182,044
10.85	11.00	11.00	11.00	11.00	11.00	11.00
5.30	5.28	5.18	5.00	5.00	5.00	7.00
228	229	229	229	229	229	229
1,929	1,935	1,935	2,135	2,135	2,135	2,135
4,330	4,340	4,340	4,340	4,340	4,340	4,340
17.50	18.00	18.00	25.00	25.00	25.00	25.00
7.84	7.14	6.55	7.00	7.31	7.31	7.00
185	185	185	188	192	192	192.00
95	95	95	95	116	116	116
3,667	3,667	3,667	3,667	5,016	5,016	5,016
115	115	115	115	116	116	116
5,011	5,011	5,011	5,011	5,016	5,016	5,016
251	257	257	170	180	180	180
86,327	87,143	87,143	83,910	87,592	87,592	87,592
860	860	860	860	860	860	860
26	26	26	26	28	28	28
2	2	2	2	2	2	2
2	2	2	2	2	2	2
473	473	473	473	473	473	473
250	250	250	250	150	150	200
6	5	6	9	4	—	—
46	18	6	6	9	9	22
—	—	—	—	—	—	—

CITY OF ROCK ISLAND, ILLINOIS

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019

CITY OF ROCK ISLAND, ILLINOIS

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CITY OF ROCK ISLAND ILLINOIS

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019**

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
Department of Housing and Urban Development	N/A	Community Development Block Grants/Entitlement Grants	14.218	B14MCI70021	\$ 1,118	-
				B18MCI70021	52,870	-
				B19MCI70021	1,151,869	-
				Total 14.218	1,205,857	-
U.S. Department of the Interior, National Park Service	Illinois Department of Natural Resources	Historic Preservation Fund Grants-In-Aid	15.904	CLG18-CR11	10,750	-
Department of Justice	N/A	Bulletproof Vest Partnership	16.607	FY 2019	3,324	-
Department of Justice	N/A	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0700	24,146	-
Department of Justice	N/A	Equitable Sharing Program	16.922	N/A	24,900	-
Department of Transportation	Illinois Department of Transportation	State and Community Highway Safety	20.600	OP-19-0015	78,769	-
Environmental Protection Agency	Illinois Environmental Protection Agency	Capitalization Grants for Drinking Water State Revolving	66.468	L175278	* 2,406,624	-
Department of Health and Human Services	Illinois Department of Children and Family Services	Family Advocacy Centers	93.090	94100106916	27,841	-
Department of Health and Human Services	Illinois Department of Human Services	Teenage Pregnancy Prevention Program	93.297	9FCSXP01839 0FCSYP01839 Total 93.297	41,301 18,027 59,328	- - -

*Denotes major federal program

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF ROCK ISLAND ILLINOIS

**Schedule of Expenditures of Federal Awards - Continued
For the Year Ended December 31, 2019**

Federal Grantor	Pass-Through Grantor	Program Title	Federal CFDA Number	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
Department of Health and Human Services	Illinois Department of Human Services	TANF Block Grant (Teen Reach)	93.558	9FCSXR05181 0FCSYR05181 Total 93,558	113,666 56,560 170,226	- - -
Department of Health and Human Services	Illinois Department of Human Services	Prevention and Treatment of Substance Abuse	93.959	943CXZ03250 043CZY03250 Total 93,959	58,249 41,238 99,487	- - -
Executive Office of the President	N/A	High Intensity Drug Trafficking	95.001	2019 DEA 2019 OCDETF Total 95,001	19,904 4,229 24,133	- - -
Federal Emergency Management Agency	N/A	Assistance to Firefighters	97.044	WX02682N2018T	227,857	-
TOTAL FEDERAL AWARDS EXPENDED					4,363,242	-

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF ROCK ISLAND, ILLINOIS

**Notes to the Schedule of Expenditures of Federal Awards
December 31, 2019**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

Pass-Through Entities

Pass-through entity identifying numbers are presented on the Schedule where available.

NOTE 3 – 10% De Minimis Indirect Cost Rate

The City has selected to use the 10% de minimis indirect cost rate as permitted by 2 CFR Section 200.414.



**INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

May 29, 2020

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rock Island, Illinois, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 29, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the City in a separate letter dated May 29, 2020.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP



INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

May 29, 2020

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

Report on Compliance for Each Major Federal Program

We have audited the City of Rock Island, Illinois' compliance with the types of compliance requirements described in the *Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompany schedule of findings and questioned costs.

Management Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Uniform Guidance required that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Rock Island, Illinois complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Rock Island, Illinois as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 29, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

CITY OF ROCK ISLAND, ILLINOIS

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2019**

SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified:	No
Significant deficiencies identified:	No
Noncompliance material to the financial statements noted:	No
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section .510(a):	No

Federal Awards

Type of auditor’s report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weakness(es) identified:	No
Significant deficiencies identified:	No

Major programs identified:

<u>CFDA Number(s)</u>	<u>Name of Federal Program/Cluster</u>
66.468	Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee:	No

CITY OF ROCK ISLAND, ILLINOIS

**Schedule of Findings and Questioned Costs – Continued
Year Ended December 31, 2019**

SECTION 2 – FINANCIAL STATEMENT AUDIT FINDINGS

None

CITY OF ROCK ISLAND, ILLINOIS

**Schedule of Findings and Questioned Costs – Continued
Year Ended December 31, 2019**

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

CITY OF ROCK ISLAND, ILLINOIS

**Schedule of Findings and Questioned Costs – Continued
Year Ended December 31, 2019**

SECTION 4 – PRIOR YEAR AUDIT FINDINGS

Finding 2018 – 001: Fund Balance Restatement

Not Repeated

During the current audit, the conditions that resulted in this finding were not present, and no restatements were made in the current year.