

CITY OF ROCK ISLAND, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



ROCK ISLAND
ILLINOIS

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020

CITY OF ROCK ISLAND, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020

Prepared by:
Finance Department

Linda Barnes
Interim Finance Director

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

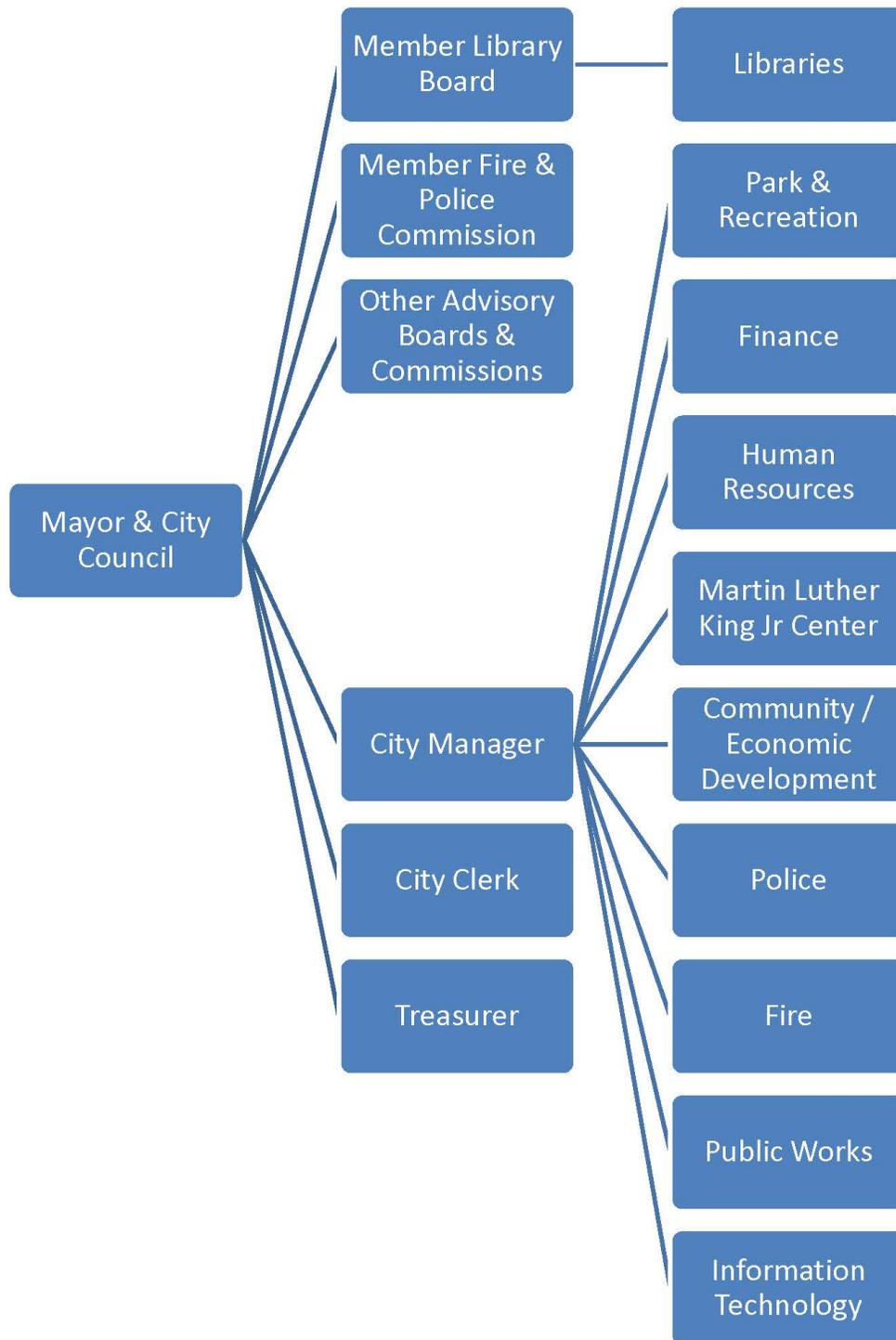
**Principal Officials
December 31, 2020**

| | <u>Term Expiration Date of Elected Officials</u> |
|--|--|
| Mayor: Mike Thoms | May 1, 2025 |
| City Manager: Randy Tweet | Not Applicable |
| Council Members: | |
| Moses Robinson - 1st Ward Alderman | May 1, 2025 |
| Randy Hurt - 2nd Ward Alderman | May 1, 2023 |
| Judith Higgins Gilbert - 3rd Ward Alderwoman | May 1, 2025 |
| Jenni Swanson - 4th Ward Alderwoman | May 1, 2023 |
| Dylan Parker - 5th Ward Alderman | May 1, 2025 |
| Mark Poulos - 6th Ward Alderman | May 1, 2023 |
| David Geenen - 7th Ward Alderman | May 1, 2025 |

CITY OF ROCK ISLAND, ILLINOIS

Organizational Chart

December 31, 2020





ROCK ISLAND
ILLINOIS

June 15, 2021

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

We are pleased to present the December 31, 2020 Comprehensive Annual Financial Report 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, 2020. 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, 2020.

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, 2020. 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, 2024); 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 expires December 31, 2024; Public Works (74 employees, AFSCME A contract expired December 31, 2019, and is under negotiation), and Office/Professional (63 employees, AFSCME B contract expires December 31, 2023). 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 only make line-item adjustments within a department and does not have the authority to change any totals within a department without approval 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 unique, local establishments like Soi 2, El Patron, Erawan, Quad City Pancake House, Rock Island Ale 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. Both the Renaissance and Goldman developments received updates in 2020.
- 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. A 2021 project is planned to perform preventative maintenance and upkeep on the building.
- 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.
- A redevelopment project will bring office space to a previously un-used building downtown.
- A selection should be announced by the end of April for a new location for the Federal Courthouse. Four downtown Rock Island locations, and one just outside of downtown are among the finalists for this project

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. In 2021 a Downtown Manager will be hired to devote a full-time staff member to work toward achievement of downtown goals.

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. Hill and Valley Bakery completed a small expansion in 2020 which added an additional line to the facility's production capabilities.

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.

After more than 32 years, construction, the City's new water filtration building was completed as was the Water Pumping Building roof repairs and the painting of the Ridgewood Water Tower. The Engineering Division is managing a patching project that was performed on numerous streets and avenues throughout the city.

Engineering also managed and performed design, inspection and construction inspection on the following Public Works projects: River Valley Road/Blackhawk Hills Reconstruction, 40th Avenue Court Bridge repair, 35th Street Water Main Replacement, 35th Street Reconstruction and the 24th Street Water Tower Overflow repairs. In addition, they have also completed very detailed and in-depth grant applications for REBUILD Illinois, RAISE, BUILD, STBG and Safety funds. The City was awarded approximately \$3,000,000 in STBG and Safety funds.

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 2021 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:

The budget includes the first-year funding of the Five-Year Capital Improvement Plan being presented to the City Council. This calendar year includes \$11,872,882 for capital and infrastructure projects/service contracts and a total of \$74,706,940 is planned for the remaining four years. Significant capital and maintenance projects in the 2020 budget include:

| | |
|---|-------------------|
| Heating & Air Conditioning Upgrades | 7,276,095 |
| Water Filtration Plant | 2,409,810 |
| Street Maintenance including Mill & Fill, Street Patching and Brick Street Repair | 861,980 |
| Emergency Sanitary and Lateral Sewer Repair | 442,600 |
| P25 Emergency Radio Tower System | 423,960 |
| Firetruck | 574,812 |
| 31st Avenue Sanitary Sewer Replacement | 229,350 |
| Engineering for BlackHawk Hills Dr & River Heights Rd Street Work | 146,470 |
| Engineering for 31st Street Resurfacing | 128,280 |
| Douglas Park Improvements | 187,575 |
| | <u>12,680,932</u> |

The CY2021 budget includes expenditures totaling \$929,128 from Riverboat Gaming revenue. This is a drastic reduction from the 2020 budget of \$4,501,661. The impact from the COVID-19 pandemic was evident in the Gaming Fund. The City received only \$1,492,811 in revenue or 35% of the budget. In anticipation of a slow recovery from the pandemic, the City reduced the gaming budget for CY2021.

The City's proposed property tax rate for 2021 increased to \$2.759 per \$100 of assessed value. This is an .3382% or .0093 increase from the prior year tax rate. The proposed 2021 budget includes a property tax levy of \$13,544,928. This is an increase of \$169,472 from the 2020 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.

Although the City was impacted by the COVID-19 pandemic, it continued to weather the economic downturn and prepare balanced budgets without significant 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.

It is predicted that the COVID-19 Pandemic will continue to impact revenue through CY 2023. The federal government signed the American Rescue Plan Act of 2021. The Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) will deliver \$350 Billion for State, Local, Territorial, and Tribal Governments to respond to the COVID-19 emergency.

The City of Rock Island was eligible for \$27 Million in CSLFRF and received the first half in May of 2021. At this time plans are being made to determine the best use of the funds under the guidelines provided by the U.S. Department of Treasury.

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 was submitted to, and approved by, the National Park Service in 2020.

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 currently constructing the Knowlton Center for Innovation in Health, Wellness, and Human Performance.

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, 2019. This was the thirty-ninth 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



Linda Barnes
Interim 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, 2019

Christopher P. Merrill

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

June 15, 2021

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

Report on the Financial Statements

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, 2020, 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, 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, 2020, 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.

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 June 15, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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, 2020

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, 2020. Please read it in conjunction with the transmittal letter, located in the introductory section of this report, and the City's financial statements, located in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The City's net position decreased as a result of this year's operations. While net position of business-type activities reported an increase by \$110,534, or 0.2 percent, net position of the governmental activities decreased by \$13,312,367, or 19.8 percent.
- During the year, government-wide revenues for the primary government totaled \$79,786,388, while expenses totaled \$92,988,221, resulting in a decrease to net position of \$13,201,833.
- The City's net position totaled (\$24,482,915) on December 31, 2020, which includes \$94,733,233 net investment in capital assets, \$11,743,273 subject to external restrictions, and \$130,959,421 unrestricted (deficit) net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase this year of \$2,274,779, resulting in ending fund balance of \$11,696,642, an increase of 24.1 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 provide information about the activities of the City as a whole and present a longer-term view of the City's finances. 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.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the City's finances, in a matter similar to a private-sector business. 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).

CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis

December 31, 2020

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements - Continued

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.

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 fifteen 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.

CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis

December 31, 2020

USING THIS ANNUAL REPORT - Continued

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.

The City 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.

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, 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. The combining statements referred to earlier in connection with nonmajor governmental funds, enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions.

CITY OF ROCK ISLAND, ILLINOIS

**Management's Discussion and Analysis
December 31, 2020**

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 \$24,482,915.

| | Net Position | | | | | |
|-------------------------------------|---------------|---------------|---------------|-------------|---------------|---------------|
| | Governmental | | Business-Type | | Totals | |
| | Activities | | Activities | | | |
| | 12/31/20 | 12/31/19 | 12/31/20 | 12/31/19 | 12/31/20 | 12/31/19 |
| Current and Other Assets | \$ 58,655,937 | 53,448,219 | 19,006,150 | 14,745,177 | 77,662,087 | 68,193,396 |
| Capital Assets | 91,660,855 | 93,051,290 | 137,055,869 | 134,716,018 | 228,716,724 | 227,767,308 |
| Total Assets | 150,316,792 | 146,499,509 | 156,062,019 | 149,461,195 | 306,378,811 | 295,960,704 |
| Deferred Outflows | 40,136,487 | 34,991,577 | 19,813,538 | 892,777 | 59,950,025 | 35,884,354 |
| Total Assets/ Deferred Outflows | 190,453,279 | 181,491,086 | 175,875,557 | 150,353,972 | 366,328,836 | 331,845,058 |
| Long-Term Debt | 227,662,631 | 210,954,374 | 107,490,227 | 83,627,421 | 335,152,858 | 294,581,795 |
| Other Liabilities | 11,937,625 | 13,590,362 | 7,834,434 | 8,659,662 | 19,772,059 | 22,250,024 |
| Total Liabilities | 239,600,256 | 224,544,736 | 115,324,661 | 92,287,083 | 354,924,917 | 316,831,819 |
| Deferred Inflows | 31,567,543 | 24,348,503 | 4,319,291 | 1,945,818 | 35,886,834 | 26,294,321 |
| Total Liabilities/ Deferred Inflows | 271,167,799 | 248,893,239 | 119,643,952 | 94,232,901 | 390,811,751 | 343,126,140 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 42,832,960 | 44,660,706 | 51,900,273 | 51,966,905 | 94,733,233 | 96,627,611 |
| Restricted | 11,743,273 | 6,942,286 | — | — | 11,743,273 | 6,942,286 |
| Unrestricted | (135,290,753) | (119,005,145) | 4,331,332 | 4,154,166 | (130,959,421) | (114,850,979) |
| Total Net Position | (80,714,520) | (67,402,153) | 56,231,605 | 56,121,071 | (24,482,915) | (11,281,082) |

A large portion of the City's net position, \$94,733,233, 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, \$11,743,273, of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit of (\$130,959,421), 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, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

| | Changes in Net Position | | | | | |
|----------------------------------|-------------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
| | Governmental | | Business-Type | | Totals | |
| | Activities | | Activities | | | |
| | 12/31/20 | 12/31/19 | 12/31/20 | 12/31/19 | 12/31/20 | 12/31/19 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 9,639,212 | 10,556,731 | 24,981,047 | 24,661,010 | 34,620,259 | 35,217,741 |
| Operating Grants/Contributions | 3,384,297 | 1,665,860 | 159,188 | 289,217 | 3,543,485 | 1,955,077 |
| Capital Grants/Contributions | 1,802,212 | 5,183,672 | 258,255 | 180,202 | 2,060,467 | 5,363,874 |
| General Revenues | | | | | | |
| Property Taxes | 17,605,833 | 16,353,606 | 1,920,935 | 2,037,052 | 19,526,768 | 18,390,658 |
| Gaming Taxes | 1,492,811 | 4,164,535 | — | — | 1,492,811 | 4,164,535 |
| Municipal Utility Tax | 1,720,883 | 1,793,966 | — | — | 1,720,883 | 1,793,966 |
| Other Taxes | 2,606,919 | 3,177,073 | — | — | 2,606,919 | 3,177,073 |
| State Income Tax | 4,296,678 | 3,796,910 | — | — | 4,296,678 | 3,796,910 |
| Sales Tax | 5,009,059 | 5,216,340 | — | — | 5,009,059 | 5,216,340 |
| Local Use Tax | 1,671,346 | 1,296,360 | — | — | 1,671,346 | 1,296,360 |
| Replacement Tax | 2,751,070 | 3,072,974 | — | — | 2,751,070 | 3,072,974 |
| Interest | 274,312 | 465,882 | 109,708 | 155,964 | 384,020 | 621,846 |
| Miscellaneous | 161,750 | 239,099 | (59,127) | 50 | 102,623 | 239,149 |
| Total Revenues | 52,416,382 | 56,983,008 | 27,370,006 | 27,323,495 | 79,786,388 | 84,306,503 |
| Expenses | | | | | | |
| General Government | 11,498,131 | 14,152,421 | — | — | 11,498,131 | 14,152,421 |
| Police and Fire | 45,211,042 | 42,147,938 | — | — | 45,211,042 | 42,147,938 |
| Electrical Maintenance | 591,358 | 641,991 | — | — | 591,358 | 641,991 |
| Municipal Vehicle Parking System | 12,111 | 11,773 | — | — | 12,111 | 11,773 |
| Highways and Streets | 4,454,148 | 4,979,420 | — | — | 4,454,148 | 4,979,420 |
| Libraries | 2,614,144 | 2,651,951 | — | — | 2,614,144 | 2,651,951 |
| Interest on Long-Term Debt | 1,665,036 | 1,967,070 | — | — | 1,665,036 | 1,967,070 |
| Waterworks | — | — | 7,915,549 | 7,112,784 | 7,915,549 | 7,112,784 |
| Wastewater Treatment | — | — | 9,499,477 | 8,318,782 | 9,499,477 | 8,318,782 |
| Park and Recreation | — | — | 4,940,858 | 3,740,727 | 4,940,858 | 3,740,727 |
| Stormwater | — | — | 1,452,960 | 1,754,831 | 1,452,960 | 1,754,831 |
| Solid Waste | — | — | 2,118,985 | 2,391,937 | 2,118,985 | 2,391,937 |
| Sunset Marina | — | — | 759,203 | 671,175 | 759,203 | 671,175 |
| Housing and Community | — | — | — | — | — | — |
| Development Loan | — | — | 56,165 | (354,270) | 56,165 | (354,270) |
| Hydro-Electric Plant | — | — | 199,054 | 214,891 | 199,054 | 214,891 |
| Total Expenses | 66,045,970 | 66,552,564 | 26,942,251 | 23,850,857 | 92,988,221 | 90,403,421 |
| Change in Net Position | | | | | | |
| Before Transfers | (13,629,588) | (9,569,556) | 427,755 | 3,472,638 | (13,201,833) | (6,096,918) |
| Transfers | 317,221 | 471,425 | (317,221) | (471,425) | — | — |
| Change in Net Position | (13,312,367) | (9,098,131) | 110,534 | 3,001,213 | (13,201,833) | (6,096,918) |
| Net Position-Beginning | (67,402,153) | (58,304,022) | 56,121,071 | 53,119,858 | (11,281,082) | (5,184,164) |
| Net Position-Ending | (80,714,520) | (67,402,153) | 56,231,605 | 56,121,071 | (24,482,915) | (11,281,082) |

CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis December 31, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Net position of the City's governmental activities decreased by 19.8 percent (\$80,714,520 deficit in 2020 compared to a deficit of \$67,402,153 in 2019). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$135,290,753 at year-end.

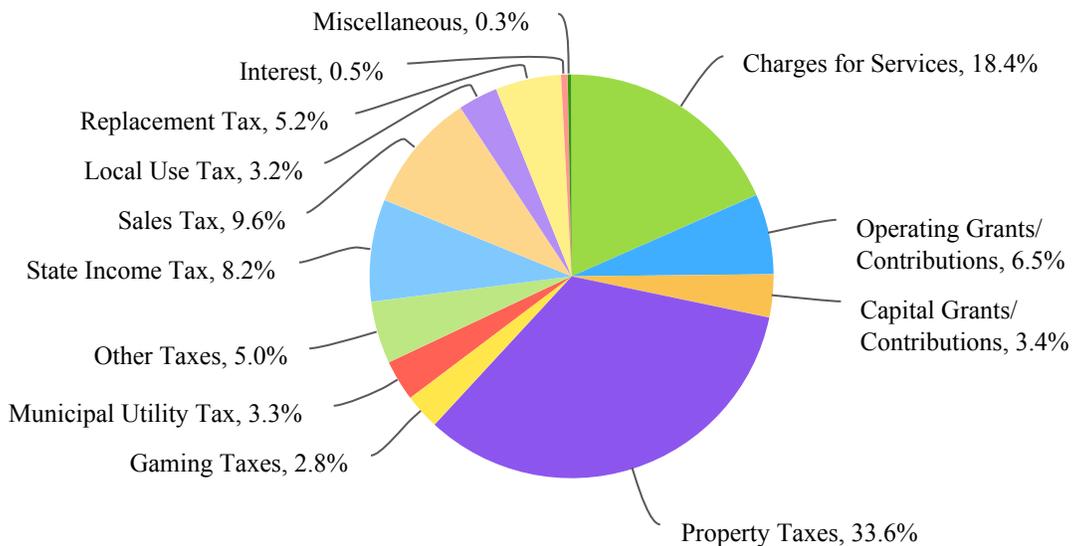
Net position of business-type activities increased by 0.2 percent (\$56,231,605 in 2020 compared to a balance of \$56,121,071 in 2019).

Governmental Activities

Revenues for governmental activities totaled \$52,416,382, while the cost of all governmental functions totaled \$66,045,970. This results in a deficit of \$13,629,588 prior to transfers in of \$317,221. In 2019, expenses of \$66,552,564 exceeded revenues of \$56,983,008, resulting in a deficit of \$9,569,556 prior to transfers in of \$471,425. The COVID-19 pandemic impacted the City to a great extent. In June 2020, the General Fund expenditure budget was reduced by \$1,010,848 to offset the impact of loss revenue. The largest source of revenue loss was related to the gaming tax. The budget for 2020 was \$4,300,000; however, only \$1,492,811 was received resulting in a deficit of \$2,807,189 or 35%.

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



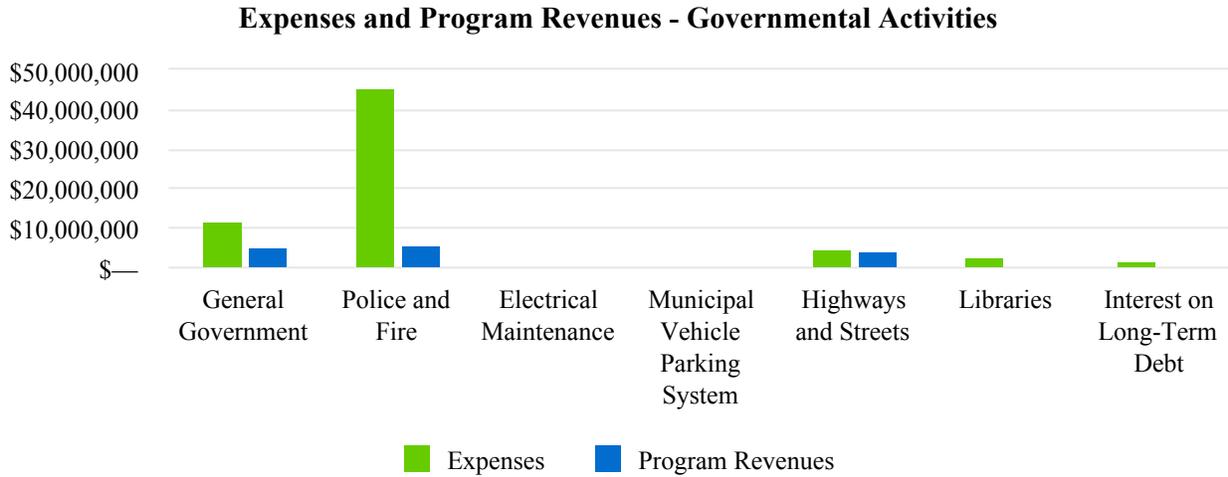
CITY OF ROCK ISLAND, ILLINOIS

**Management's Discussion and Analysis
December 31, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

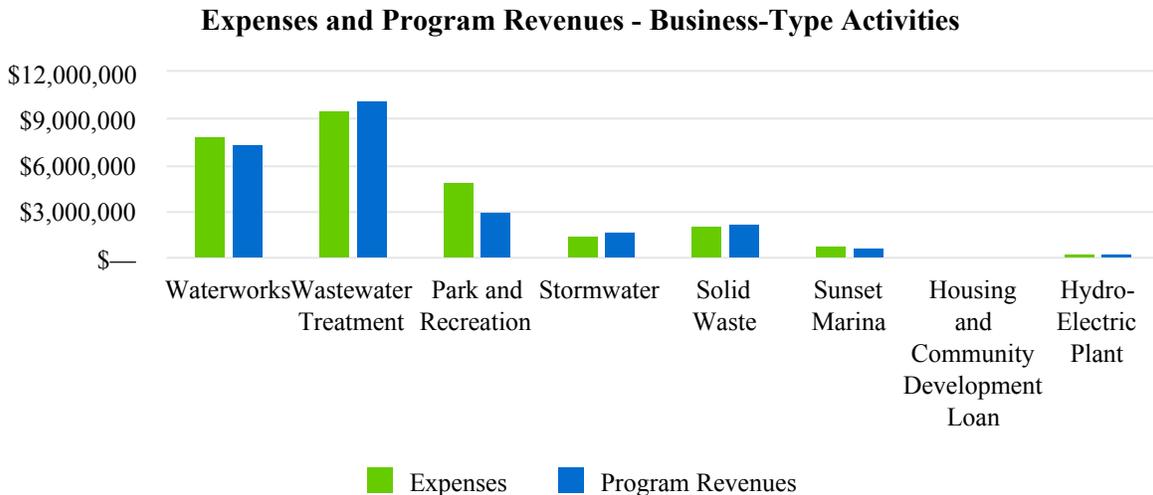
Governmental Activities - Continued

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



Business-Type activities

Business-Type activities reported total revenues of \$27,370,006, while the cost of all business-type activities totaled \$26,942,251. This results in an increase of \$427,755 prior to transfers out of \$317,221. In 2019, revenues of \$27,323,495 exceed expenses of \$23,850,857, resulting in a surplus of \$3,472,638 prior to transfers out of \$471,425. The surplus in the current year is lower than the prior year due to a city-wide capital improvement project to replace heating, ventilation and air conditioning (HVAC) system; the following expenses occurred in 2020 related to the HVAC project, Water Fund \$297,860, Wastewater \$3,893,749, Parks & Recreation \$630,723. The below graph compares program revenues to expenses for utility operations.



CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis December 31, 2020

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 \$28,029,027, which is an increase of \$3,025,650, or 12.1 percent, from prior year's total of \$25,003,377. Of the \$28,029,027 total, \$9,576,725, or approximately 34.2 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported an increase for the year of \$2,274,779, or 24.1 percent. The original budgeted expenditures exceeded budgeted revenues by \$619,179. At year-end, revenue was reported over budget at 107% due to bond proceeds from the JCI Project in the amount of \$3.2M and COVID-related grants such as the Local Cure Grant in the amount of \$1.6M.

The General Fund is the chief operating fund of the City. At December 31, 2020, unassigned fund balance in the General Fund was \$11,317,177, which represents 96.8 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 28.0 percent of total General Fund expenditures.

The Public Library Fund reported an increase for the year of \$901,454. This was due to bond proceeds in the amount of \$1.6 Million for the HVAC project.

The Tax Increment Financing District Fund reported an increase for the year of \$2,148,114, which was due largely to unspent contributions and rebates.

The Riverboat Gaming Fund reported a decrease of \$3,196,502. This is due to the impact of the COVID-19 pandemic. The City received only \$1,492,811 or 35% of the \$4,300,000 budgeted. The City's financial policy states that allocation of revenues received during the current fiscal year should be made during the budget process for the following year. In other words, Gaming is budgeted one year in arrears. The city was able to continue to pay the budgeted expenses for 2020 due to this policy.

The Community/Economic Development Fund reported a decrease of (\$74,516). The City planned for a decrease in fund balance of \$197,640.

The Debt Service Fund reported an increase of \$156,980, which is in correlation with the budget that had an increase of \$122,502. The fund balance in the Debt Service Fund is restricted for future debt service payments.

The Capital Projects Fund reported a decrease of \$485,601. This includes the CIP Fund and the CIP Street Fund (supported by the Gas Tax). Revenue at 12/31/2020 was reported at 34% of the budget due to Motor Fuel Tax Revenue in the amount of \$665K and \$5K in gaming not being transferred.

CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis

December 31, 2020

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 deficit in the Waterworks Fund during the current fiscal year was \$526,386, which correlates to the original budget deficit balance in which revenue was budgeted at \$7,363,883 and expenses were budgeted at \$8,596,199. Unrestricted net position in the Waterworks Fund totaled \$3,512,228 at year-end.

The Wastewater Treatment Fund reported a surplus of \$668,068 due mainly to unspent bond proceeds related to the heating, ventilation and air conditioning project.

The Park and Recreation Fund reported a deficit of \$530,938 due mainly to the affects of the COVID-19 pandemic. Facilities were required to close or operate at reduced capacity which created a loss in revenues.

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 \$38,416,072, compared to budgeted revenues of \$38,337,195. The City received \$1.6 million in federal grants for reimbursement for COVID-related expenses. Municipal utility, hotel/motel, gasoline, sales and replacement taxes were lower than budget. Property tax, income and local use taxes were higher than the budget.

The General Fund actual expenditures for the year were \$302,199 higher than budgeted (\$40,365,902 actual compared to \$40,063,703 budgeted). In June of 2020, the general fund expenditure budget was reduced by \$1,010,848 to offset the impact of lost revenue due to the COVID-19 pandemic.

CITY OF ROCK ISLAND, ILLINOIS

**Management's Discussion and Analysis
December 31, 2020**

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, 2020 was \$228,716,724 (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 | | | |
| | 12/31/20 | 12/31/19 | 12/31/20 | 12/31/19 | 12/31/20 | 12/31/19 |
| Land | \$ 8,444,605 | 8,444,605 | 1,712,026 | 1,712,026 | 10,156,631 | 10,156,631 |
| Construction in Progress | 2,726,269 | 559,913 | 6,347,331 | 1,046,240 | 9,073,600 | 1,606,153 |
| Buildings and Improvements | 31,480,889 | 32,786,966 | 36,983,699 | 37,002,582 | 68,464,588 | 69,789,548 |
| Machinery and Equipment | 5,318,222 | 5,935,352 | 920,603 | 1,037,146 | 6,238,825 | 6,972,498 |
| Infrastructure | 43,690,870 | 45,324,454 | 91,092,210 | 93,918,024 | 134,783,080 | 139,242,478 |
| Totals | 91,660,855 | 93,051,290 | 137,055,869 | 134,716,018 | 228,716,724 | 227,767,308 |

This year's major additions included:

| | Governmental | Business-Type |
|----------------------------|------------------|------------------|
| | Activities | Activities |
| Construction in Progress | \$ 2,741,168 | 5,363,091 |
| Buildings and Improvements | — | 1,070,363 |
| Machinery and Equipment | 7,494 | — |
| Infrastructure | — | 229,347 |
| | 2,748,662 | 6,662,801 |

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, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration

At year-end, the City had total outstanding debt of \$345,300,414 as compared to \$305,247,648 the previous year, an increase of 13.1 percent. The following is a comparative statement of outstanding debt:

| | Long-Term Debt Outstanding | | | | | |
|---------------------------------------|----------------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
| | Governmental | | Business-Type | | Totals | |
| | Activities | | Activities | | | |
| | 12/31/20 | 12/31/19 | 12/31/20 | 12/31/19 | 12/31/20 | 12/31/19 |
| Compensated Absences | \$ 3,875,769 | 3,766,020 | 737,872 | 687,497 | 4,613,641 | 4,453,517 |
| Net Pension Liability - IMRF | (3,081,954) | 2,469,867 | (1,616,170) | 1,281,124 | (4,698,124) | 3,750,991 |
| Net Pension Liability - Police | 87,368,886 | 73,987,240 | — | — | 87,368,886 | 73,987,240 |
| Net Pension Liability - Firefighters' | 72,834,121 | 66,620,588 | — | — | 72,834,121 | 66,620,588 |
| Total OPEB Liability - RBP | 18,282,055 | 20,013,656 | 4,059,567 | 4,204,465 | 22,341,622 | 24,218,121 |
| Capital Lease Payable | — | — | 146,744 | 192,356 | 146,744 | 192,356 |
| General Obligation Bonds | 50,831,567 | 49,457,603 | 17,387,026 | 8,792,030 | 68,218,593 | 58,249,633 |
| IEPA Loans Payable | — | — | 72,202,977 | 73,775,202 | 72,202,977 | 73,775,202 |
| Asset Retirement Obligation | 46,950 | — | 22,225,004 | — | 22,271,954 | — |
| Total | 230,157,394 | 216,314,974 | 115,143,020 | 88,932,674 | 345,300,414 | 305,247,648 |

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 2020 unemployment rate for the City of Rock Island was 6.0 percent. This is a 1.0 percent increase since December 2019.

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.

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.

CITY OF ROCK ISLAND, ILLINOIS

Management's Discussion and Analysis December 31, 2020

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's 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, 2020

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

**Statement of Net Position
December 31, 2020**

| | Primary Government | | | Component Units | |
|--|--------------------|--------------------|--------------------|-----------------|-------------------------------|
| | Governmental | Business-Type | Totals | Martin Luther | Rock Island |
| | Activities | Activities | | King Center | Public Library Foundation* |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and Cash Equivalents | \$ 22,223,417 | 9,185,897 | 31,409,314 | 86,747 | 2,566,412 |
| Assets Held for Resale | 6,770,365 | — | 6,770,365 | — | — |
| Receivables - Net of Allowances | 23,284,650 | 6,373,705 | 29,658,355 | 82 | — |
| Due from Other Governments | 2,762,948 | — | 2,762,948 | 521,869 | — |
| Prepays/Inventories | 532,603 | 28,657 | 561,260 | — | — |
| Total Current Assets | 55,573,983 | 15,588,259 | 71,162,242 | 608,698 | 2,566,412 |
| Noncurrent Assets | | | | | |
| Capital Assets | | | | | |
| Nondepreciable | 11,170,874 | 8,059,357 | 19,230,231 | — | — |
| Depreciable | 135,139,842 | 204,733,988 | 339,873,830 | — | 1,451 |
| Accumulated Depreciation | (54,649,861) | (75,737,476) | (130,387,337) | — | (1,451) |
| | 91,660,855 | 137,055,869 | 228,716,724 | — | — |
| Other Assets | | | | | |
| Long-Term Notes Receivable - | | | | | |
| Net of Allowance | — | 1,801,721 | 1,801,721 | — | — |
| Net Pension Asset - IMRF | 3,081,954 | 1,616,170 | 4,698,124 | 173,514 | — |
| Total Noncurrent Assets | 94,742,809 | 140,473,760 | 235,216,569 | 173,514 | — |
| Total Assets | 150,316,792 | 156,062,019 | 306,378,811 | 782,212 | 2,566,412 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred Items - IMRF | 601,869 | 315,621 | 917,490 | 33,884 | — |
| Deferred Items - Police Pension | 21,120,183 | — | 21,120,183 | — | — |
| Deferred Items - Firefighters' Pension | 15,212,239 | — | 15,212,239 | — | — |
| Deferred Items - RBP | 3,155,246 | 700,628 | 3,855,874 | 27,971 | — |
| Unamortized Asset Retirement Obligation | 46,950 | 18,788,560 | 18,835,510 | — | — |
| Unamortized Loss on Refunding | — | 8,729 | 8,729 | — | — |
| Total Deferred Outflows of Resources | 40,136,487 | 19,813,538 | 59,950,025 | 61,855 | — |
| Total Assets and Deferred Outflows of Resources | 190,453,279 | 175,875,557 | 366,328,836 | 844,067 | 2,566,412 |

*As of December 31, 2019

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

| | Primary Government | | | Component Units | |
|---|--------------------|---------------|---------------|-----------------|----------------------------|
| | Governmental | Business-Type | Totals | Martin Luther | Rock Island |
| | Activities | Activities | | King Center | Public Library Foundation* |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | \$ 3,282,276 | 646,128 | 3,928,404 | 27,384 | — |
| Accrued Payroll | 290,075 | 69,828 | 359,903 | 8,173 | — |
| Accrued Interest Payable | 131,771 | 439,601 | 571,372 | — | — |
| Claims Payable | 1,810,918 | — | 1,810,918 | — | — |
| Deposits Payable | 15,498 | — | 15,498 | — | — |
| Other Payables | 830,370 | 846,358 | 1,676,728 | 346,971 | — |
| Current Portion of Long-Term Debt | 5,576,717 | 5,832,519 | 11,409,236 | — | — |
| Total Current Liabilities | 11,937,625 | 7,834,434 | 19,772,059 | 382,528 | — |
| Noncurrent Liabilities | | | | | |
| Compensated Absences Payable | 1,694,795 | 322,656 | 2,017,451 | — | — |
| Net Pension Liability - Police Pension | 87,368,886 | — | 87,368,886 | — | — |
| Net Pension Liability - Firefighters' Pension | 72,834,121 | — | 72,834,121 | — | — |
| Total OPEB Liability - RBP | 18,282,055 | 4,059,567 | 22,341,622 | 162,069 | — |
| Capital Leases Payable | — | 99,519 | 99,519 | — | — |
| General Obligation Bonds Payable - Net | 47,435,824 | 16,194,909 | 63,630,733 | — | — |
| IEPA Loans Payable | — | 68,025,016 | 68,025,016 | — | — |
| Asset Retirement Obligation | 46,950 | 18,788,560 | 18,835,510 | — | — |
| Total Noncurrent Liabilities | 227,662,631 | 107,490,227 | 335,152,858 | 162,069 | — |
| Total Liabilities | 239,600,256 | 115,324,661 | 354,924,917 | 544,597 | — |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Property Taxes | 16,928,540 | — | 16,928,540 | — | — |
| Deferred Items - IMRF | 6,516,166 | 3,417,061 | 9,933,227 | 366,856 | — |
| Deferred Items - Police Pension | 1,933,351 | — | 1,933,351 | — | — |
| Deferred Items - Firefighters' Pension | 2,126,341 | — | 2,126,341 | — | — |
| Deferred Items - RBP | 4,063,145 | 902,230 | 4,965,375 | 36,019 | — |
| Total Deferred Inflows of Resources | 31,567,543 | 4,319,291 | 35,886,834 | 402,875 | — |
| Total Liabilities and Deferred Inflows of Resources | 271,167,799 | 119,643,952 | 390,811,751 | 947,472 | — |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 42,832,960 | 51,900,273 | 94,733,233 | — | — |
| Restricted - Police Services | 347,415 | — | 347,415 | — | — |
| Restricted - Public Library | 2,173,247 | — | 2,173,247 | — | — |
| Restricted - Capital Improvements | 6,204,471 | — | 6,204,471 | — | — |
| Restricted - Debt Service | 32,845 | — | 32,845 | — | — |
| Restricted - Motor Fuel Taxes | 1,737,078 | — | 1,737,078 | — | — |
| Restricted - Fire Services | 134,091 | — | 134,091 | — | — |
| Restricted - Community Development | 860,202 | — | 860,202 | — | — |
| Restricted - Drug Prevention | 253,924 | — | 253,924 | — | — |
| Library - Expendable | — | — | — | — | 377,410 |
| Library - Nonexpendable | — | — | — | — | 2,137,841 |
| Unrestricted (Deficit) | (135,290,753) | 4,331,332 | (130,959,421) | (103,405) | 51,161 |
| Total Net Position | (80,714,520) | 56,231,605 | (24,482,915) | (103,405) | 2,566,412 |

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, 2020**

| | Expenses | Program Revenues | | |
|--|-------------------|----------------------------|---------------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants/ Contributions | Capital Grants/ Contributions |
| Governmental Activities | | | | |
| General Government | \$ 11,498,131 | 4,001,703 | — | 945,065 |
| Police and Fire | 45,211,042 | 5,346,822 | 255,537 | — |
| Electrical Maintenance | 591,358 | — | — | — |
| Municipal Vehicle Parking System | 12,111 | — | — | — |
| Highways and Streets | 4,454,148 | — | 3,067,312 | 857,147 |
| Libraries | 2,614,144 | 290,687 | 61,448 | — |
| Interest on Long-Term Debt | 1,665,036 | — | — | — |
| Total Governmental Activities | 66,045,970 | 9,639,212 | 3,384,297 | 1,802,212 |
| Business-Type Activities | | | | |
| Waterworks | 7,915,549 | 7,393,433 | — | — |
| Wastewater Treatment | 9,499,477 | 10,173,072 | — | — |
| Park and Recreation | 4,940,858 | 2,570,985 | 101,627 | 258,255 |
| Stormwater | 1,452,960 | 1,711,286 | — | — |
| Solid Waste | 2,118,985 | 2,228,715 | 27,132 | — |
| Sunset Marina | 759,203 | 629,214 | — | — |
| Housing and Community Development Loan | 56,165 | — | 30,429 | — |
| Hydro-Electric Plant | 199,054 | 274,342 | — | — |
| Total Business-Type Activities | 26,942,251 | 24,981,047 | 159,188 | 258,255 |
| Total Primary Government | 92,988,221 | 34,620,259 | 3,543,485 | 2,060,467 |
| Component Units | | | | |
| Martin Luther King Center | 917,060 | 2,095 | 1,136,536 | — |
| Rock Island Public Library Foundation* | 180,370 | — | 73,510 | — |
| Total Component Units | 1,097,430 | 2,095 | 1,210,046 | — |

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, 2019

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* |
| (6,551,363) | — | (6,551,363) | — | — |
| (39,608,683) | — | (39,608,683) | — | — |
| (591,358) | — | (591,358) | — | — |
| (12,111) | — | (12,111) | — | — |
| (529,689) | — | (529,689) | — | — |
| (2,262,009) | — | (2,262,009) | — | — |
| (1,665,036) | — | (1,665,036) | — | — |
| (51,220,249) | — | (51,220,249) | — | — |
| — | (522,116) | (522,116) | — | — |
| — | 673,595 | 673,595 | — | — |
| — | (2,009,991) | (2,009,991) | — | — |
| — | 258,326 | 258,326 | — | — |
| — | 136,862 | 136,862 | — | — |
| — | (129,989) | (129,989) | — | — |
| — | (25,736) | (25,736) | — | — |
| — | 75,288 | 75,288 | — | — |
| — | (1,543,761) | (1,543,761) | — | — |
| (51,220,249) | (1,543,761) | (52,764,010) | — | — |
| — | — | — | 221,571 | — |
| — | — | — | — | (106,860) |
| — | — | — | 221,571 | (106,860) |
| 17,605,833 | 1,920,935 | 19,526,768 | — | — |
| 1,492,811 | — | 1,492,811 | — | — |
| 1,720,883 | — | 1,720,883 | — | — |
| 2,606,919 | — | 2,606,919 | — | — |
| 4,296,678 | — | 4,296,678 | — | — |
| 5,009,059 | — | 5,009,059 | — | — |
| 1,671,346 | — | 1,671,346 | — | — |
| 2,751,070 | — | 2,751,070 | — | — |
| 274,312 | 109,708 | 384,020 | 2,980 | 357,439 |
| 161,750 | (59,127) | 102,623 | — | 16,814 |
| 317,221 | (317,221) | — | — | — |
| 37,907,882 | 1,654,295 | 39,562,177 | 2,980 | 374,253 |
| (13,312,367) | 110,534 | (13,201,833) | 224,551 | 267,393 |
| (67,402,153) | 56,121,071 | (11,281,082) | (327,956) | 2,299,019 |
| (80,714,520) | 56,231,605 | (24,482,915) | (103,405) | 2,566,412 |

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 | \$ 5,489,953 | 2,042,647 |
| Assets Held for Resale | 29,335 | — |
| Receivables - Net of Allowances | | |
| Taxes | 12,352,976 | 2,221,945 |
| Accounts | 838,894 | 152,258 |
| Accrued Interest | 3,276 | 947 |
| Notes | — | — |
| Due from Other Governments | 1,638,138 | — |
| Due from Other Funds | 2,420,900 | — |
| | <hr/> | <hr/> |
| Total Assets | <u>22,773,472</u> | <u>4,417,797</u> |
| LIABILITIES | | |
| Accounts Payable | 530,864 | 94,012 |
| Accrued Payroll | 238,581 | 19,700 |
| Deposits Payable | — | — |
| Due to Other Funds | 267,847 | — |
| Other Payables | 741,909 | — |
| Total Liabilities | <hr/> 1,779,201 | <hr/> 113,712 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Property Taxes | 9,297,629 | 2,130,838 |
| Total Liabilities and Deferred Inflows of Resources | <hr/> 11,076,830 | <hr/> 2,244,550 |
| FUND BALANCES | | |
| Nonspendable | 29,335 | — |
| Restricted | 350,130 | 2,173,247 |
| Committed | — | — |
| Unassigned | 11,317,177 | — |
| Total Fund Balances | <hr/> 11,696,642 | <hr/> 2,173,247 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <hr/> <u>22,773,472</u> | <hr/> <u>4,417,797</u> |

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

| Special Revenue | | | | | | | |
|---|---------------------|---------------------------------------|-----------------|---------------------|------------------|-------------------|--|
| Tax Increment Financing District | Riverboat Gaming | Community/ Economic Development | Debt Service | Capital Projects | Nonmajor | Totals | |
| 6,000,612 | 431,197 | — | 158,951 | — | 2,833,709 | 16,957,069 | |
| 252,268 | — | 6,482,528 | — | — | — | 6,764,131 | |
| 6,227,568 | 47,925 | — | 159,081 | — | — | 21,009,495 | |
| 843 | — | — | 78,275 | — | 33,039 | 1,103,309 | |
| 3,507 | 1,177 | 88 | — | 836 | 1,364 | 11,195 | |
| 274,317 | — | — | — | 250,000 | — | 524,317 | |
| — | — | 10,186 | — | — | 1,114,624 | 2,762,948 | |
| — | — | — | — | — | — | 2,420,900 | |
| 12,759,115 | 480,299 | 6,492,802 | 396,307 | 250,836 | 3,982,736 | 51,553,364 | |
| 379,787 | — | 134,175 | 662 | 98,559 | 840,834 | 2,078,893 | |
| 587 | — | — | — | — | 4,861 | 263,729 | |
| — | — | — | — | — | 15,498 | 15,498 | |
| 108,391 | — | 280,817 | — | 1,270,412 | 761,280 | 2,688,747 | |
| — | — | 10,186 | 78,275 | — | — | 830,370 | |
| 488,765 | — | 425,178 | 78,937 | 1,368,971 | 1,622,473 | 5,877,237 | |
| 6,065,879 | — | — | 152,754 | — | — | 17,647,100 | |
| 6,554,644 | — | 425,178 | 231,691 | 1,368,971 | 1,622,473 | 23,524,337 | |
| — | — | — | — | — | — | 29,335 | |
| 6,204,471 | — | — | 164,616 | — | 2,982,580 | 11,875,044 | |
| — | 480,299 | 6,067,624 | — | — | — | 6,547,923 | |
| — | — | — | — | (1,118,135) | (622,317) | 9,576,725 | |
| 6,204,471 | 480,299 | 6,067,624 | 164,616 | (1,118,135) | 2,360,263 | 28,029,027 | |
| 12,759,115 | 480,299 | 6,492,802 | 396,307 | 250,836 | 3,982,736 | 51,553,364 | |

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, 2020

| | |
|--|----------------------------|
| Total Governmental Fund Balances | \$ 28,029,027 |
| 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. | 91,660,855 |
| Less: Internal Service Capital Assets | (3,897,800) |
| Deferred outflows (inflows) of resources related to retirement not reported in the funds. | |
| Deferred Items - IMRF | (4,913,524) |
| Deferred Items - Police Pension | 19,186,832 |
| Deferred Items - Firefighters' Pension | 13,085,898 |
| Deferred Items - RBP | (839,874) |
| Deferred outflows related to unamortized asset retirement obligation. | 46,950 |
| Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities | 718,560 |
| 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 | 5,362,579 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | |
| Compensated Absences Payable | (3,588,927) |
| Net Pension Liability - IMRF | 2,560,449 |
| Net Pension Liability - Police Pension | (87,368,886) |
| Net Pension Liability - Firefighters' Pension | (72,834,121) |
| Total OPEB Liability - RBP | (16,912,250) |
| General Obligation Bonds Payable | (49,249,550) |
| Unamortized Bond Premium | (1,582,017) |
| Asset Retirement Obligation | (46,950) |
| Accrued Interest Payable | (131,771) |
| Net Position of Governmental Activities | <u>(80,714,520)</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, 2020**

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, 2020**

| | General | Public Library |
|--|--------------------------|-------------------------|
| Revenues | | |
| Taxes | \$ 13,434,167 | 2,188,062 |
| Intergovernmental | 15,631,086 | 61,448 |
| Licenses and Permits | 1,046,422 | — |
| Charges for Services | 7,886,828 | 276,510 |
| Fines and Forfeitures | 325,766 | 14,177 |
| Interest | 69,689 | 11,690 |
| Miscellaneous | 22,114 | 36,831 |
| Total Revenues | <u>38,416,072</u> | <u>2,588,718</u> |
| Expenditures | | |
| Current | | |
| General Government | 6,419,490 | — |
| Police and Fire | 28,660,949 | — |
| Electrical Maintenance | 591,358 | — |
| Municipal Vehicle Parking System | 12,111 | — |
| Highways and Streets | 4,627,633 | — |
| Libraries | — | 3,193,568 |
| Capital Outlay | — | — |
| Debt Service | | |
| Principal Retirement | — | — |
| Interest and Fiscal Charges | 54,361 | — |
| Total Expenditures | <u>40,365,902</u> | <u>3,193,568</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,949,830)</u> | <u>(604,850)</u> |
| Other Financing Sources (Uses) | | |
| Debt Issuance | 2,840,000 | 1,135,000 |
| Premium on Debt Issuance | 399,517 | 161,132 |
| Disposal of Capital Assets | 44,829 | 210,172 |
| Transfers In | 1,902,881 | — |
| Transfers Out | (962,618) | — |
| | <u>4,224,609</u> | <u>1,506,304</u> |
| Net Change in Fund Balances | 2,274,779 | 901,454 |
| Fund Balances - Beginning | <u>9,421,863</u> | <u>1,271,793</u> |
| Fund Balances - Ending | <u><u>11,696,642</u></u> | <u><u>2,173,247</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 | | | | | |
| 6,073,902 | 1,492,811 | — | 154,755 | — | 61,989 | 23,405,686 | |
| — | — | — | — | — | 3,222,128 | 18,914,662 | |
| — | — | — | — | — | — | 1,046,422 | |
| — | — | — | — | — | 89,509 | 8,252,847 | |
| — | — | — | — | — | — | 339,943 | |
| 52,716 | 38,024 | 1,404 | 1,162 | 5,013 | 23,367 | 203,065 | |
| 1,015 | — | 50,100 | 19,315 | — | 32,375 | 161,750 | |
| 6,127,633 | 1,530,835 | 51,504 | 175,232 | 5,013 | 3,429,368 | 52,324,375 | |
| 2,616,188 | — | 652,987 | 18,247 | — | 1,712,039 | 11,418,951 | |
| — | — | — | — | — | — | 28,660,949 | |
| — | — | — | — | — | — | 591,358 | |
| — | — | — | — | — | — | 12,111 | |
| — | — | — | — | — | 592 | 4,628,225 | |
| — | — | — | — | — | — | 3,193,568 | |
| 37,065 | — | — | — | 917,629 | 16,560 | 971,254 | |
| 1,232,500 | — | — | 1,815,000 | — | — | 3,047,500 | |
| 101,001 | — | — | 1,669,664 | — | — | 1,825,026 | |
| 3,986,754 | — | 652,987 | 3,502,911 | 917,629 | 1,729,191 | 54,348,942 | |
| 2,140,879 | 1,530,835 | (601,483) | (3,327,679) | (912,616) | 1,700,177 | (2,024,567) | |
| — | — | — | — | — | — | 3,975,000 | |
| — | — | — | — | — | — | 560,649 | |
| 7,235 | — | (174) | — | — | — | 262,062 | |
| — | 689,491 | 1,043,087 | 3,484,664 | 428,796 | 188,696 | 7,737,615 | |
| — | (5,416,828) | (515,946) | (5) | (1,781) | (587,931) | (7,485,109) | |
| 7,235 | (4,727,337) | 526,967 | 3,484,659 | 427,015 | (399,235) | 5,050,217 | |
| 2,148,114 | (3,196,502) | (74,516) | 156,980 | (485,601) | 1,300,942 | 3,025,650 | |
| 4,056,357 | 3,676,801 | 6,142,140 | 7,636 | (632,534) | 1,059,321 | 25,003,377 | |
| 6,204,471 | 480,299 | 6,067,624 | 164,616 | (1,118,135) | 2,360,263 | 28,029,027 | |

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, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ 3,025,650

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 | 2,453,781 |
| Depreciation Expense | (2,944,916) |
| Disposals - Cost | (770,775) |
| Disposals - Accumulated Depreciation | 185,976 |

A deduction to certain revenues recognized as revenue only in the governmental funds. 20,760

The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.

| | |
|--|-------------|
| Change in Deferred Items - IMRF | (2,944,239) |
| Change in Deferred Items - Police Pension | 3,298,910 |
| Change in Deferred Items - Firefighters' Pension | 370,901 |
| Change in Deferred Items - RBP | (1,621,661) |

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.

| | |
|---|--------------|
| Change in Compensated Absences Payable | (97,364) |
| Change in Net Pension Liability - IMRF | 4,591,705 |
| Change in Net Pension Liability - Police Pension | (13,381,646) |
| Change in Net Pension Liability - Firefighters' Pension | (6,213,533) |
| Change in Total OPEB Liability - RBP | 1,499,929 |
| Issuance of Debt | (3,975,000) |
| Issuance of Debt Premium | (560,649) |
| Retirement of Debt | 3,047,500 |
| Amortization of Bond Premium | 114,185 |

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. 542,314

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.

45,805

Changes in Net Position of Governmental Activities (13,312,367)

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, 2020

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2020**

| | Business-Type Activities - Enterprise | | | | | Governmental |
|--|---------------------------------------|-------------------------|------------------------|-------------|--------------|--------------|
| | Waterworks | Wastewater Treatment | Park and Recreation | Nonmajor | Totals | Internal |
| | | | | | | Service |
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and Investments | \$ 4,060,888 | 2,882,446 | 348,081 | 1,894,482 | 9,185,897 | 5,266,348 |
| Receivables - Net of Allowances | | | | | | |
| Property Taxes | — | — | 1,990,617 | — | 1,990,617 | — |
| Accounts | 903,549 | 871,002 | 43,849 | 240,247 | 2,058,647 | — |
| Estimated Unbilled Usage | 737,376 | 941,163 | — | 479,588 | 2,158,127 | — |
| Accrued Interest | 2,315 | 1,475 | 246 | 10,131 | 14,167 | 2,846 |
| Current Portion of Notes Receivable | — | — | — | 152,147 | 152,147 | — |
| Other | — | — | — | — | — | 633,488 |
| Due from Other Funds | 782,764 | — | — | — | 782,764 | 1,639,216 |
| Prepays - Assets Held for Resale | — | — | — | — | — | 6,234 |
| Prepays | — | — | — | 7,650 | 7,650 | 22,917 |
| Inventories | — | — | 1,903 | 19,104 | 21,007 | 509,686 |
| Total Current Assets | 6,486,892 | 4,696,086 | 2,384,696 | 2,803,349 | 16,371,023 | 8,080,735 |
| Noncurrent Assets | | | | | | |
| Capital Assets | | | | | | |
| Nondepreciable | 934,833 | 4,226,924 | 2,772,050 | 125,550 | 8,059,357 | 17,500 |
| Depreciable | 52,939,907 | 118,914,963 | 23,002,210 | 7,520,009 | 202,377,089 | 12,377,481 |
| Accumulated Depreciation | (21,540,955) | (34,658,651) | (13,675,984) | (5,136,760) | (75,012,350) | (6,865,408) |
| | 32,333,785 | 88,483,236 | 12,098,276 | 2,508,799 | 135,424,096 | 5,529,573 |
| Other Assets | | | | | | |
| Long-Term Notes Receivable - Net of Allowance | — | — | — | 1,801,721 | 1,801,721 | — |
| Net Pension Asset - IMRF | 487,955 | 454,388 | 351,837 | 321,990 | 1,616,170 | 521,505 |
| Total Noncurrent Assets | 32,821,740 | 88,937,624 | 12,450,113 | 4,632,510 | 138,841,987 | 6,051,078 |
| Total Assets | 39,308,632 | 93,633,710 | 14,834,809 | 7,435,859 | 155,213,010 | 14,131,813 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred Items - IMRF | 95,292 | 88,737 | 68,710 | 62,882 | 315,621 | 101,843 |
| Deferred Items - RBP | 205,425 | 187,057 | 142,390 | 165,756 | 700,628 | 236,411 |
| Unamortized Asset Retirement Obligation | — | 18,788,560 | — | — | 18,788,560 | — |
| Loss on Refunding | — | 8,729 | — | — | 8,729 | — |
| Total Deferred Outflows of Resources | 300,717 | 19,073,083 | 211,100 | 228,638 | 19,813,538 | 338,254 |
| Total Assets and Deferred Outflows of Resources | 39,609,349 | 112,706,793 | 15,045,909 | 7,664,497 | 175,026,548 | 14,470,067 |

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 | \$ 198,828 | 182,109 | 116,947 | 147,886 | 645,770 | 935,894 |
| Accrued Payroll | 21,516 | 18,591 | 18,110 | 11,611 | 69,828 | 26,346 |
| Accrued Interest Payable | 55,388 | 377,945 | 4,556 | 404 | 438,293 | 1,308 |
| Claims Payable | — | — | — | — | — | 1,810,918 |
| Due to Other Funds | — | — | — | 782,764 | 782,764 | 1,639,216 |
| Other Payables | 529,639 | 101,498 | 172,836 | 42,385 | 846,358 | — |
| Current Portion of Long-Term Debt | 1,226,134 | 3,976,793 | 369,541 | 111,810 | 5,684,278 | 309,653 |
| Total Current Liabilities | 2,031,505 | 4,656,936 | 681,990 | 1,096,860 | 8,467,291 | 4,723,335 |
| Noncurrent Liabilities | | | | | | |
| Compensated Absences Payable | 89,461 | 92,776 | 83,393 | 51,917 | 317,547 | 130,539 |
| Total OPEB Liability - RBP | 1,190,270 | 1,083,840 | 825,034 | 960,423 | 4,059,567 | 1,369,805 |
| Capital Leases Payable | — | — | 99,519 | — | 99,519 | — |
| General Obligation Bonds Payable - Net | 1,734,260 | 11,449,775 | 1,903,551 | 338,678 | 15,426,264 | 768,645 |
| IEPA Loans Payable | 22,451,909 | 45,573,107 | — | — | 68,025,016 | — |
| Asset Retirement Obligation | — | 18,788,560 | — | — | 18,788,560 | — |
| Total Noncurrent Liabilities | 25,465,900 | 76,988,058 | 2,911,497 | 1,351,018 | 106,716,473 | 2,268,989 |
| Total Liabilities | 27,497,405 | 81,644,994 | 3,593,487 | 2,447,878 | 115,183,764 | 6,992,324 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred Items - IMRF | 1,031,681 | 960,710 | 743,887 | 680,783 | 3,417,061 | 1,102,616 |
| Deferred Items - RBP | 264,535 | 240,881 | 183,362 | 213,452 | 902,230 | 304,436 |
| Total Deferred Inflows of Resources | 1,296,216 | 1,201,591 | 927,249 | 894,235 | 4,319,291 | 1,407,052 |
| Total Liabilities and Deferred Inflows of Resources | 28,793,621 | 82,846,585 | 4,520,736 | 3,342,113 | 119,503,055 | 8,399,376 |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 7,303,500 | 31,288,437 | 10,461,754 | 2,125,121 | 51,178,812 | 4,619,261 |
| Unrestricted (Deficit) | 3,512,228 | (1,428,229) | 63,419 | 2,197,263 | 4,344,681 | 1,451,430 |
| Total Net Position | 10,815,728 | 29,860,208 | 10,525,173 | 4,322,384 | 55,523,493 | 6,070,691 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | 39,609,349 | 112,706,793 | 15,045,909 | 7,664,497 | 175,026,548 | 14,470,067 |

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, 2020**

| | |
|--|--------------------------|
| Total Enterprise Fund Balances | \$ 55,523,493 |
| 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 | <u>708,112</u> |
| Net Position of Business-Type Activities | <u><u>56,231,605</u></u> |

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

CITY OF ROCK ISLAND, ILLINOIS

**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2020**

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, 2020

| | <u>Waterworks</u> |
|---|--------------------------|
| Operating Revenues | |
| Charges for Services | \$ 7,061,766 |
| Interfund Services | — |
| Sales of Merchandise | — |
| Other | 219,804 |
| Total Operating Revenues | <u>7,281,570</u> |
| Operating Expenses | |
| Operations | 6,350,302 |
| Depreciation and Amortization | 1,118,154 |
| Total Operating Expenses | <u>7,468,456</u> |
| Operating Income (Loss) | <u>(186,886)</u> |
| Nonoperating Revenues (Expenses) | |
| Intergovernmental | — |
| Property Taxes | — |
| Contributions | — |
| Interest Income | 55,094 |
| Other Income | 111,863 |
| Interest Expense | (447,093) |
| Disposal of Capital Assets | (59,364) |
| | <u>(339,500)</u> |
| Income (Loss) before Grants and Transfers | <u>(526,386)</u> |
| Capital Grants | — |
| Transfers In | — |
| Transfers Out | — |
| | <u>—</u> |
| Change in Net Position | (526,386) |
| Net Position - Beginning | <u>11,342,114</u> |
| Net Position - Ending | <u><u>10,815,728</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 |
| 8,754,270 | 1,819,703 | 4,513,858 | 22,149,597 | — |
| — | — | — | — | 12,726,982 |
| — | 241,085 | 4,578 | 245,663 | — |
| 1,418,802 | 261,489 | 50,779 | 1,950,874 | 356,667 |
| 10,173,072 | 2,322,277 | 4,569,215 | 24,346,134 | 13,083,649 |
| 4,740,910 | 4,024,519 | 4,240,064 | 19,355,795 | 12,076,704 |
| 3,416,246 | 671,674 | 137,083 | 5,343,157 | 610,675 |
| 8,157,156 | 4,696,193 | 4,377,147 | 24,698,952 | 12,687,379 |
| 2,015,916 | (2,373,916) | 192,068 | (352,818) | 396,270 |
| — | 101,627 | 57,561 | 159,188 | — |
| — | 1,920,935 | — | 1,920,935 | — |
| — | 35,110 | — | 35,110 | — |
| 3,642 | 847 | 50,125 | 109,708 | 71,247 |
| — | 213,598 | — | 325,461 | 132,994 |
| (1,342,321) | (244,665) | (10,166) | (2,044,245) | (33,592) |
| 237 | — | — | (59,127) | (14,032) |
| (1,338,442) | 2,027,452 | 97,520 | 447,030 | 156,617 |
| 677,474 | (346,464) | 289,588 | 94,212 | 552,887 |
| — | — | 258,255 | 258,255 | — |
| — | 262,053 | — | 262,053 | 64,715 |
| (9,406) | (446,527) | (123,341) | (579,274) | — |
| (9,406) | (184,474) | 134,914 | (58,966) | 64,715 |
| 668,068 | (530,938) | 424,502 | 35,246 | 617,602 |
| 29,192,140 | 11,056,111 | 3,897,882 | 55,488,247 | 5,453,089 |
| 29,860,208 | 10,525,173 | 4,322,384 | 55,523,493 | 6,070,691 |

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, 2020

| | |
|---|-----------------------|
| Net Change in Net Position - Total Enterprise Funds | \$ 35,246 |
| 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>75,288</u> |
| Changes in Net Position of Business-Type Activities | <u><u>110,534</u></u> |

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

CITY OF ROCK ISLAND, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2020**

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2020**

| | <u>Waterworks</u> |
|---|-------------------------|
| Cash Flows from Operating Activities | |
| Receipts from Customers and Users | \$ 7,881,309 |
| Interfund Services Provided (Used) | (581,748) |
| Payments to Suppliers | (5,149,000) |
| Payments to Employees | (1,352,121) |
| | <u>798,440</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Purchase of Capital Assets | (1,523,610) |
| Disposal of Capital Assets | — |
| Capital Grants | — |
| Debt Issuance | 2,032,996 |
| Premium on Debt Issuance | — |
| Principal Retirement | (85,500) |
| Interest Expense | (447,093) |
| | <u>(23,207)</u> |
| Cash Flows from Noncapital Financing Activities | |
| Transfers In | — |
| Transfers Out | — |
| | <u>—</u> |
| Cash Flows from Investing Activities | |
| Interest Income | 55,094 |
| | <u>55,094</u> |
| Net Change in Cash and Cash Equivalents | 830,327 |
| Cash and Cash Equivalents - Beginning | <u>3,230,561</u> |
| Cash and Cash Equivalents - Ending | <u><u>4,060,888</u></u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities | |
| Operating Income | (186,886) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities: | |
| Depreciation and Amortization Expense | 1,118,154 |
| Other Income (Expense) | 111,863 |
| (Increase) Decrease in Current Assets | 487,876 |
| Increase (Decrease) in Current Liabilities | (732,567) |
| | <u>(732,567)</u> |
| Net Cash Provided by Operating Activities | <u><u>798,440</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 |
| 9,841,456 | 4,356,529 | 4,534,152 | 26,613,446 | 489,661 |
| (512,535) | (374,477) | (1,261,834) | (2,730,594) | 12,219,950 |
| (2,993,070) | (2,022,442) | (1,989,900) | (12,154,412) | (10,324,951) |
| (1,288,683) | (1,729,355) | (960,010) | (5,330,169) | (1,653,815) |
| 5,047,168 | 230,255 | 322,408 | 6,398,271 | 730,845 |
| (3,999,653) | (910,191) | (229,347) | (6,662,801) | (294,902) |
| 237 | — | — | 237 | 37,231 |
| — | — | — | — | — |
| 7,587,875 | 1,125,000 | — | 10,745,871 | — |
| — | — | — | — | — |
| (4,405,096) | (225,612) | (40,000) | (4,756,208) | (141,667) |
| (1,342,321) | (244,665) | (10,166) | (2,044,245) | (33,592) |
| (2,158,958) | (255,468) | (279,513) | (2,717,146) | (432,930) |
| — | 262,053 | — | 262,053 | 64,715 |
| (9,406) | (446,527) | (123,341) | (579,274) | — |
| (9,406) | (184,474) | (123,341) | (317,221) | 64,715 |
| 3,642 | 847 | 50,125 | 109,708 | 71,247 |
| 2,882,446 | (208,840) | (30,321) | 3,675,446 | 433,877 |
| — | 556,921 | 1,666,548 | 5,454,030 | 4,832,471 |
| 2,882,446 | 348,081 | 1,636,227 | 9,129,476 | 5,266,348 |
| 2,015,916 | (2,373,916) | 192,068 | (352,818) | 396,270 |
| 3,416,246 | 671,674 | 137,083 | 5,343,157 | 610,675 |
| — | 2,271,270 | 57,561 | 2,440,694 | 132,994 |
| (331,616) | (237,018) | (92,624) | (173,382) | (507,032) |
| (53,378) | (101,755) | 28,320 | (859,380) | 97,938 |
| 5,047,168 | 230,255 | 322,408 | 6,398,271 | 730,845 |

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, 2020**

| | Pension Trust | Custodial Section 125 Cafeteria Plan |
|--------------------------------|------------------|--|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 4,796,574 | 29,716 |
| Investments | | |
| U.S. Government Obligations | 11,816,094 | — |
| U.S. Agency Obligations | 2,809,530 | — |
| Corporate Bonds | 10,209,461 | — |
| Mutual Funds | 37,644,797 | — |
| Annuities | 1,098,275 | — |
| Receivables - Net of Allowance | | |
| Accrued Interest | 115,274 | 13 |
| Due from Other Funds | 267,847 | — |
| Prepays | 2,907 | — |
| Total Assets | 68,760,759 | 29,729 |
| LIABILITIES | | |
| Accounts Payable | 43,751 | — |
| NET POSITION | | |
| Net Position Restricted | 68,717,008 | 29,729 |

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, 2020**

| | Pension Trust | Custodial Section 125 Cafeteria Plan |
|---|-------------------|--|
| Additions | | |
| Contributions | | |
| Employer | \$ 7,216,835 | — |
| Plan Members | 1,047,275 | — |
| Dependent Care | — | 12,985 |
| Medical Reimbursement | — | 90,066 |
| Total Contributions | <u>8,264,110</u> | <u>103,051</u> |
| Investment Earnings | | |
| Interest Earned | 5,797,025 | 255 |
| Net Change in Fair Value | 8,357 | — |
| | <u>5,805,382</u> | <u>255</u> |
| Less Investment Expenses | (119,253) | — |
| Net Investment Income | <u>5,686,129</u> | <u>255</u> |
| Total Additions | <u>13,950,239</u> | <u>103,306</u> |
| Deductions | | |
| Administration | 129,645 | — |
| Benefits and Refunds | 9,707,565 | — |
| Services | — | 92,473 |
| Total Deductions | <u>9,837,210</u> | <u>92,473</u> |
| Change in Fiduciary Net Position | 4,113,029 | 10,833 |
| Net Position Restricted for Pensions and Others | | |
| Beginning | <u>64,603,979</u> | <u>18,896</u> |
| Ending | <u>68,717,008</u> | <u>29,729</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, 2020

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, 2020

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, 2020

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, 2019 are available from the Foundation Office at 401 19th Street, Rock Island, Illinois 61201. As of the date of this report, December 31, 2019 is the most recently audited financial statements available. During the year ended December 31, 2019, the Foundation distributed \$135,367 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 goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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.

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

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

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 12 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 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:

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.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Proprietary Funds - Continued

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.).

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.

Notes to the Financial Statements

December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

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.

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, 2020

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.

Notes to the Financial Statements

December 31, 2020

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 \$25,000 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, 2020

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, 2020

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, 2020

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 only make line-item adjustments within a department and does not have the authority to change any totals within a department without approval 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, 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.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

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

| Fund | Excess |
|------------------------|------------|
| General | \$ 302,199 |
| Foreign Fire Insurance | 14,225 |
| Federal Programs | 7,123 |
| Self Insurance | 333,520 |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

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 | \$ 1,118,135 |
| Housing and Community Development | 428,025 |
| Martin Luther King Community Center Operations | 93,857 |
| Federal Programs | 9,937 |
| Martin Luther King Facility Improvement | 90,498 |
| Solid Waste | 749,829 |
| Sunset Marina | 32,822 |
| Engineering | 2,707,036 |

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, Illinois Metropolitan Investment Fund, and Illinois Trust.

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.

The Illinois Trust was established for the purpose of allowing various public agencies including, but not limited to, counties, townships, cities, towns, villages, school districts, housing authorities and public water supply districts, to jointly invest funds in accordance with the Laws of the State of Illinois. Participation in the Illinois Trust is voluntary. The Illinois Trust is not registered with the SEC as an Investment Company. Investments in the Illinois Trust 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, 2020

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.

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 \$6,618,307 and the bank balances totaled \$7,684,925.

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 | \$ 933,093 | 933,093 | — | — | — |
| Illinois Funds | 9,882,414 | 9,882,414 | — | — | — |
| IMET | 7,044,571 | 7,044,571 | — | — | — |
| Illinois Trust | 6,930,929 | 6,930,929 | — | — | — |
| Totals | 24,791,007 | 24,791,007 | — | — | — |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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

Investments - Continued. The City has the following recurring fair value measurements as of December 31, 2020:

| | 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) |
| Investments by Fair Value Level | | | | |
| Debt Securities | | | | |
| U.S. Government Obligations | \$ 933,093 | 933,093 | — | — |
| Investments Measured at the Net Asset Value (NAV) | | | | |
| Illinois Funds | 9,882,414 | | | |
| IMET | 7,044,571 | | | |
| Illinois Trust | 6,930,929 | | | |
| Total Investments at the (NAV) | <u>23,857,914</u> | | | |
| Total Investments Measured at Fair Value | <u>24,791,007</u> | | | |

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 pre-authorized 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, 2020

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, the IMET Fund, and the Illinois Trust have an average maturity of less than one year to three years.

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. The City's investment in the Illinois Trust was 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, the IMET Fund and the Illinois Trust are not subject to custodial credit risk.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 \$3,337,001 and the bank balances totaled \$3,340,246.

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 | \$ 7,874,573 | 563,222 | 4,131,484 | 2,544,108 | 635,759 |
| U.S. Agency Obligations | 2,180,470 | 2,804 | 635,945 | 111,246 | 1,430,475 |
| Corporate Bonds | 7,266,596 | 160,418 | 2,523,014 | 3,133,550 | 1,449,614 |
| Totals | 17,321,639 | 726,444 | 7,290,443 | 5,788,904 | 3,515,848 |

The Fund has the following recurring fair value measurements as of December 31, 2020:

| 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 | \$ 7,874,573 | 7,874,573 | — | — |
| U.S. Agency Obligations | 2,180,470 | — | 2,180,470 | — |
| Corporate Bonds | 7,266,596 | — | 7,266,596 | — |
| Equity Securities | | | | |
| Mutual Funds | 21,217,321 | 21,217,321 | — | — |
| Total Investments Measured at Fair Value | 38,538,960 | 29,091,894 | 9,447,066 | — |

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.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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

Interest Rate Risk. In accordance with the Fund's investment policy, the liquidity needs of the Fund are to meet the regular cash flow requirements of the Fund.

Concentration of Credit Risk. The Fund investments policy limits concentration credit risk by ensuring no single security is more than 10% of the portfolio's overall allocation after accounting for price appreciation. In addition to the securities and fair values listed above, the Fund also has \$21,217,321 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 to comply with all of the provisions of the Illinois Pension code relating to Article 3 Pension Funds. 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 investment police requires that all investments be properly collateralized and/or insured or guaranteed, where applicable. 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.

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 | 49% | 1.60% |
| Domestic Equities | 39% | 7.8% |
| International | 9% | 4.30% |
| Real Estate | 2% | 5.70% |
| Money Market | 1% | 0.10% |

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.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 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 2021 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, 2020 are listed in the table above.

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.98%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 \$1,459,573 and the bank balances totaled \$1,463,789.

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 | \$ 3,941,521 | 121,791 | 2,256,160 | 1,563,570 | — |
| U.S. Agency Obligations | 629,060 | — | — | 126,777 | 502,283 |
| Corporate Bonds | 2,942,865 | 145,931 | 1,597,882 | 1,131,609 | 67,443 |
| Totals | 7,513,446 | 267,722 | 3,854,042 | 2,821,956 | 569,726 |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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. The Fund has the following recurring fair value measurements as of December 31, 2020:

| 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 | \$ 3,941,521 | 3,941,521 | — | — |
| U.S. Agency Obligations | 629,060 | — | 629,060 | — |
| Corporate Bonds | 2,942,865 | — | 2,942,865 | — |
| Equity Securities | | | | |
| Mutual Funds | 16,427,476 | 16,427,476 | — | — |
| Annuities | 1,098,275 | 1,098,275 | — | — |
| Total Investments Measured at Fair Value | 25,039,197 | 21,467,272 | 3,571,925 | — |

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 liquidity needs of the Fund are to meet the regular cash flow requirements of the Fund.

Concentration Risk. The Fund investments policy limits concentration credit risk by ensuring no single security is more than 5% of the portfolio's overall allocation after accounting for price appreciation. In addition to the securities and fair values listed above, the Fund also has \$16,427,476 invested in mutual funds and \$1,098,275 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 to comply with all of the provisions of the Illinois Pension code relating to Article 4 Pension Funds. At year-end, the Fund's investments in U.S. Agency obligations were rated not rated by Moody's. The Fund's investments in the corporate bonds were rated Baa3 to Aa1 by Moody's and the state and local obligations were rated not rated.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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

Custodial Credit Risk. The Fund's investment police requires that all investments be properly collateralized and/or insured or guaranteed, where applicable. 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.

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 | 31.50% | 2.10% |
| Domestic Equities | 30.00% | 5.80% |
| International Equities | 25.00% | 6.30% |
| Global Tactical | 5.00% | 3.00% |
| Real Estate | 5.00% | 5.50% |
| Cash and Cash Equivalents | 3.50% | 0.10% |

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 January 2021 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, 2020 are listed in the table above.

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.00%. 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, 2020

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, 2019, are as follows:

| | |
|---------------------------|------------------|
| Investments | |
| Equity Mutual Funds | \$ 1,353,424 |
| Fixed Income Mutual Funds | 857,949 |
| Alternative Funds | <u>146,438</u> |
| | <u>2,357,811</u> |

Deposits. At year-end, the carrying amount of the Library's deposits totaled \$208,601.

PROPERTY TAXES

Property taxes for 2019 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, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NOTES RECEIVABLE

As of December 31, 2020, 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% | \$ 1,026,853 |
| Less: Allowance for Uncollectible Amounts | <u>(502,536)</u> |
| Total Governmental Funds | <u><u>524,317</u></u> |
| Enterprise Funds | |
| Notes issued to businesses with maturities typically at 5 years; interest on notes typically at 4% | 1,800,134 |
| 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. | 255,448 |
| 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>(716,827)</u> |
| Total Enterprise Funds | <u><u>1,953,868</u></u> |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020. 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 | Tax Increment Financing | \$ 108,391 |
| General | Community/Economic Development | 280,817 |
| General | Capital Projects | 1,270,412 |
| General | Nonmajor Governmental | 761,280 |
| Waterworks | Nonmajor Business-Type | 782,764 |
| Internal Service | Internal Service | 1,639,216 |
| Police Pension | General | 138,319 |
| Firefighters' Pension | General | <u>129,528</u> |
| | | <u>5,110,727</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, 2020

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 | \$ 819,495 (1) |
| General | Nonmajor Governmental | 587,931 (1) |
| General | Park and Recreation | 362,708 (1) |
| General | Wastewater Treatment | 9,406 (1) |
| General | Nonmajor Business-Type | 123,341 (1) |
| Riverboat Gaming | General | 152,655 (3) |
| Riverboat Gaming | Debt Service | 5 (1) |
| Riverboat Gaming | Community/Economic Development | 515,946 (1) |
| Riverboat Gaming | Capital Projects | 1,781 (1) |
| Riverboat Gaming | Park and Recreation | 19,104 (1) |
| Community/Economic Development | Riverboat Gaming | 1,043,087 (1) |
| Debt Service | Riverboat Gaming | 3,484,664 (2) |
| Capital Projects | General | 428,796 (3) |
| Nonmajor Governmental | General | 169,114 (3) |
| Nonmajor Governmental | Riverboat Gaming | 19,582 (1) |
| Park and Recreation | General | 212,053 (3) |
| Park and Recreation | Riverboat Gaming | 50,000 (1) |
| Internal Service | Park and Recreation | 64,715 (1) |
| | | <u>8,064,383</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, 2020

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 | Ending Balances |
|--------------------------------------|-----------------------|--------------------|------------------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 8,444,605 | — | — | 8,444,605 |
| Construction in Progress | 559,913 | 2,741,168 | 574,812 | 2,726,269 |
| | <u>9,004,518</u> | <u>2,741,168</u> | <u>574,812</u> | <u>11,170,874</u> |
| Depreciable Capital Assets | | | | |
| Buildings and Improvements | 47,384,779 | — | 369,851 | 47,014,928 |
| Machinery and Equipment | 14,443,572 | 582,306 | 1,421,529 | 13,604,349 |
| Infrastructure | 74,520,565 | — | — | 74,520,565 |
| | <u>136,348,916</u> | <u>582,306</u> | <u>1,791,380</u> | <u>135,139,842</u> |
| Less Accumulated Depreciation | | | | |
| Buildings and Improvements | 14,597,813 | 1,122,202 | 185,976 | 15,534,039 |
| Machinery and Equipment | 8,508,220 | 747,269 | 969,362 | 8,286,127 |
| Infrastructure | 29,196,111 | 1,633,584 | — | 30,829,695 |
| | <u>52,302,144</u> | <u>3,503,055</u> | <u>1,155,338</u> | <u>54,649,861</u> |
| Total Net Depreciable Capital Assets | <u>84,046,772</u> | <u>(2,920,749)</u> | <u>636,042</u> | <u>80,489,981</u> |
| Total Net Capital Assets | <u>93,051,290</u> | <u>(179,581)</u> | <u>1,210,854</u> | <u>91,660,855</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|------------------------|-------------------------|
| General Government | \$ 619,929 |
| Police and Fire | 624,725 |
| Highways and Streets | 1,582,782 |
| Libraries | 117,480 |
| Internal Service Funds | <u>558,139</u> |
| | <u><u>3,503,055</u></u> |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 | Ending Balances |
|--------------------------------------|-----------------------|--------------------|------------------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 1,712,026 | — | — | 1,712,026 |
| Construction in Progress | 1,046,240 | 5,363,091 | 62,000 | 6,347,331 |
| | <u>2,758,266</u> | <u>5,363,091</u> | <u>62,000</u> | <u>8,059,357</u> |
| Depreciable Capital Assets | | | | |
| Buildings and Improvements | 46,354,419 | 1,132,363 | — | 47,486,782 |
| Machinery and Equipment | 2,724,552 | — | — | 2,724,552 |
| Infrastructure | 158,210,789 | 229,347 | 3,917,482 | 154,522,654 |
| | <u>207,289,760</u> | <u>1,361,710</u> | <u>3,917,482</u> | <u>204,733,988</u> |
| Less Accumulated Depreciation | | | | |
| Land Improvements | 9,351,837 | 1,151,246 | — | 10,503,083 |
| Machinery and Equipment | 1,687,406 | 116,543 | — | 1,803,949 |
| Vehicles and Equipment | 64,292,765 | 2,995,796 | 3,858,117 | 63,430,444 |
| | <u>75,332,008</u> | <u>4,263,585</u> | <u>3,858,117</u> | <u>75,737,476</u> |
| Total Net Depreciable Capital Assets | <u>131,957,752</u> | <u>(2,901,875)</u> | <u>59,365</u> | <u>128,996,512</u> |
| Total Net Capital Assets | <u>134,716,018</u> | <u>2,461,216</u> | <u>121,365</u> | <u>137,055,869</u> |

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

| | |
|----------------------|------------------|
| Waterworks | \$ 1,048,506 |
| Wastewater Treatment | 2,496,049 |
| Stormwater | 93,374 |
| Solid Waste | 6,719 |
| Sunset Marina | 37,955 |
| Parks and Recreation | 522,117 |
| Hydro-Electric Plant | 58,865 |
| | <u>4,263,585</u> |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 | \$ 139,999 | — | 46,667 | 93,332 |
| \$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 | 110,000 | — | 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 | 135,000 | — | 65,000 | 70,000 |
| \$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 Sunset Marina | 1,255,000 | — | 135,000 | 1,120,000 |
| | | 415,000 | — | 40,000 | 375,000 |
| \$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 | 7,200,000 | — | 445,000 | 6,755,000 |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 |
|---|--|-----------------------|-----------|--------------------|----------------------|
| \$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 | \$ 435,000 | — | 105,000 | 330,000 |
| \$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 | 7,685,000 | — | 410,000 | 7,275,000 |
| \$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 | 10,415,000 | — | — | 10,415,000 |
| \$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 | 4,540,000 | — | 410,000 | 4,130,000 |
| \$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 Wastewater Treatment | 625,000 1,395,000 | — — | 300,000 165,000 | 325,000 1,230,000 |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 |
|--|-----------------------------|-----------------------|-----------|-------------|--------------------|
| \$3,505,000 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 | \$ 3,125,000 | — | 135,000 | 2,990,000 |
| \$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 | 2,350,000 | — | — | 2,350,000 |
| | Park and Recreation | 970,000 | — | 180,000 | 790,000 |
| | Hydro- Electric Plant | 855,000 | — | 95,000 | 760,000 |
| \$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 | 1,377,050 | — | 677,500 | 699,550 |
| | Wastewater Treatment | 202,950 | — | 102,500 | 100,450 |
| \$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 | — | 85,500 | 1,152,000 |
| | Wastewater Treatment | 2,887,500 | — | 199,500 | 2,688,000 |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 |
|---|-------------------------|-----------------------|------------|-------------|--------------------|
| \$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 | — | 255,000 | 1,105,000 |
| \$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 |
| | Debt Service | — | 3,975,000 | — | 3,975,000 |
| | Waterworks | — | 505,000 | — | 505,000 |
| \$12,355,000 General Obligation Bonds of 2020 - Due in annual installments of \$355,000 to \$850,000 plus interest at 4.00% through December 1, 2040. | Wastewater Treatment | — | 6,750,000 | — | 6,750,000 |
| | Parks and Recreation | — | 1,125,000 | — | 1,125,000 |
| | | 56,424,999 | 12,355,000 | 3,961,667 | 64,818,332 |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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. Final repayment schedule for the 2017 IEPA loans that have not been finalized yet. 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 | \$ 245,847 | — | 20,989 | 224,858 |
| \$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 | 12,298,274 | — | 876,916 | 11,421,358 |
| \$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 | 11,421,055 | — | 700,366 | 10,720,689 |
| \$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 | 8,925,608 | — | 518,835 | 8,406,773 |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 | \$ 9,228,324 | — | 494,922 | 8,733,402 |
| \$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, 2035. | Wastewater Treatment | 3,663,534 | — | 193,181 | 3,470,353 |
| \$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 | 20,061,146 | 2,365,871 | 766,370 | 21,660,647 |
| \$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 | 7,931,414 | — | 366,517 | 7,564,897 |
| | | 73,775,202 | 2,365,871 | 3,938,096 | 72,202,977 |
| | | 73,775,202 | 2,365,871 | 3,938,096 | 72,202,977 |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Defeased Debt

In prior years, the City defeased general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements which 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. Defeased bonds of \$2,235,000 remain outstanding as of the date of this report.

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 |
|----------------------------|-----------------------|
| 2021 | \$ 52,415 |
| 2022 | 52,415 |
| 2023 | 52,415 |
| | <u>157,245</u> |
| Interest Portion | <u>(10,501)</u> |
| Principal Balance | <u><u>146,744</u></u> |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 | \$ 3,491,563 | 194,728 | 97,364 | 3,588,927 | 2,019,562 |
| Internal Service | 274,457 | 24,770 | 12,385 | 286,842 | 161,412 |
| Net Pension Liability/(Asset) - IMRF | | | | | |
| General | 2,031,256 | — | 4,591,705 | (2,560,449) | — |
| Internal Service | 438,611 | — | 960,116 | (521,505) | — |
| Net Pension Liability - Police Pension | 73,987,240 | 13,381,646 | — | 87,368,886 | — |
| Net Pension Liability - Firefighters' Pension | 66,620,588 | 6,213,533 | — | 72,834,121 | — |
| Total OPEB Liability - RBP | | | | | |
| General | 18,412,179 | — | 1,499,929 | 16,912,250 | — |
| Internal Service | 1,601,477 | — | 231,672 | 1,369,805 | — |
| General Obligation Bonds | 48,322,050 | 3,975,000 | 3,047,500 | 49,249,550 | 3,269,550 |
| Plus: Unamortized Premium | 1,135,553 | 560,649 | 114,185 | 1,582,017 | 126,193 |
| Asset Retirement Obligation | — | 46,950 | — | 46,950 | — |
| | <u>216,314,974</u> | <u>24,397,276</u> | <u>10,554,856</u> | <u>230,157,394</u> | <u>5,576,717</u> |
| Business-Type Activities | | | | | |
| Compensated Absences | | | | | |
| General | 687,497 | 100,750 | 50,375 | 737,872 | 415,216 |
| Net Pension Liability/(Asset) - IMRF | | | | | |
| General | 1,281,124 | — | 2,897,294 | (1,616,170) | — |
| Total OPEB Liability - RBP | | | | | |
| General | 4,204,465 | — | 144,898 | 4,059,567 | — |
| Capital Leases Payable | 192,356 | — | 45,612 | 146,744 | 47,225 |
| General Obligation Bonds | 8,102,949 | 8,380,000 | 914,167 | 15,568,782 | 1,192,117 |
| Plus: Unamortized Premium | 689,081 | 1,179,320 | 50,157 | 1,818,244 | — |
| IEPA Loans* | 73,775,202 | 2,365,871 | 3,938,096 | 72,202,977 | 4,177,961 |
| Asset Retirement Obligation | — | 22,225,004 | — | 22,225,004 | — |
| | <u>88,932,674</u> | <u>34,250,945</u> | <u>8,040,599</u> | <u>115,143,020</u> | <u>5,832,519</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, 2020

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 |
| 2021 | \$ 3,269,550 | 1,891,615 | 1,192,117 | 653,401 | 3,229,421 | 922,522 |
| 2022 | 2,260,000 | 1,754,452 | 1,211,665 | 568,810 | 3,288,674 | 863,269 |
| 2023 | 2,270,000 | 1,663,151 | 1,195,000 | 522,462 | 3,349,064 | 802,879 |
| 2024 | 2,920,000 | 1,568,996 | 1,245,000 | 475,394 | 3,410,619 | 741,324 |
| 2025 | 2,865,000 | 1,476,459 | 1,060,000 | 426,325 | 3,473,358 | 678,585 |
| 2026 | 2,645,000 | 1,381,663 | 1,105,000 | 384,600 | 3,537,305 | 614,638 |
| 2027 | 2,745,000 | 1,288,701 | 915,000 | 341,150 | 3,602,485 | 549,458 |
| 2028 | 2,835,000 | 1,190,248 | 940,000 | 305,175 | 3,668,923 | 483,020 |
| 2029 | 2,945,000 | 1,084,029 | 825,000 | 268,200 | 3,736,642 | 415,301 |
| 2030 | 3,060,000 | 970,643 | 855,000 | 235,200 | 3,805,607 | 346,336 |
| 2031 | 3,170,000 | 852,267 | 420,000 | 201,000 | 3,851,962 | 275,984 |
| 2032 | 3,305,000 | 724,643 | 435,000 | 184,200 | 3,923,384 | 204,562 |
| 2033 | 3,335,000 | 591,279 | 450,000 | 166,800 | 2,965,067 | 134,966 |
| 2034 | 2,805,000 | 453,817 | 475,000 | 148,800 | 2,061,932 | 79,617 |
| 2035 | 2,935,000 | 341,717 | 490,000 | 129,800 | 1,410,981 | 42,180 |
| 2036 | 2,750,000 | 220,104 | 510,000 | 110,200 | 484,358 | 19,362 |
| 2037 | 2,390,000 | 118,712 | 525,000 | 89,800 | 492,873 | 10,847 |
| 2038 | 265,000 | 29,800 | 555,000 | 68,800 | 249,675 | 2,185 |
| 2039 | 280,000 | 19,200 | 570,000 | 46,600 | — | — |
| 2040 | 200,000 | 8,000 | 595,000 | 23,800 | — | — |
| Totals | 49,249,550 | 17,629,496 | 15,568,782 | 5,350,517 | 50,542,330 | 7,187,035 |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 be 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, 2020, 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 \$6,046,274.

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, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Tax Abatements - Continued

For the year ended December 31, 2020, the City abated \$2,238,892 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. | \$ 2,978 |
| 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. | 1,658,889 |
| 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 | 10,738 |
| 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. | 87,374 |
| 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. | 95,882 |
| 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 | 165,200 |
| 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. | 14,228 |
| 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. | 24,330 |
| 2019 - 20th Street RI Lofts | Reimbursement not to exceed \$80,00 (eligible façade cost \$30,000; eligible Redevelopment Project cost \$50,000) | The Developer acquired the property and propose to substantially renovate the interior and exterior to construct a mixed-use development comprised of three | 50,000 |
| 2019 - Ms. Brimani's Hair and Beauty Supply Business | \$185,000 (\$100,000 from Special Tax Allocation Fund, \$50,000 municipal sales taxes revenue, \$35,000 Incremental Real Estate Taxes) | Acquisition of property at 1709 2nd Avenue, construct and complete the project on or before March 31, 2020 | 100,000 |
| 2020 - P & J Tender Care | An amount not to exceed \$30,000 | Reimbursement of expenses to replace gutters, soffits, siding, front windows and updated signage. | 29,273 |
| | | | <u>2,238,892</u> |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020:

| | |
|--|---------------------|
| Governmental Activities | |
| Capital Assets - Net of Accumulated Depreciation | \$ 91,660,855 |
| Plus: Unspent Bond Proceeds | 2,003,672 |
| Less Capital Related Debt: | |
| General Obligation Bonds | (49,249,550) |
| Unamortized Premium | <u>(1,582,017)</u> |
| Net Investment in Capital Assets | <u>42,832,960</u> |
| Business-Type Activities | |
| Capital Assets - Net of Accumulated Depreciation | 137,055,869 |
| Plus: | |
| Unamortized Loss on Refunding | 8,729 |
| Unspent Bond Proceeds | 4,572,422 |
| Less Capital Related Debt: | |
| Capital Leases Payable | (146,744) |
| General Obligation Bonds | (15,568,782) |
| Unamortized Premium | (1,818,244) |
| IEPA Loans Payable | <u>(72,202,977)</u> |
| Net Investment in Capital Assets | <u>51,900,273</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, 2020

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 | |
| Public Library | | Increment Financing District | Riverboat Gaming | | | | | |
| Fund Balances | | | | | | | | |
| Nonspendable | | | | | | | | |
| Prepays | | | | | | | | |
| Assets Held for Resale | \$ 29,335 | — | — | — | — | — | — | 29,335 |
| Restricted | | | | | | | | |
| Police Services | 347,415 | — | — | — | — | — | — | 347,415 |
| Public Library | — | 2,173,247 | — | — | — | — | — | 2,173,247 |
| Capital Improvements | — | — | 6,204,471 | — | — | — | — | 6,204,471 |
| Debt Service | — | — | — | — | 164,616 | — | — | 164,616 |
| Motor Fuel Taxes | — | — | — | — | — | — | 1,737,078 | 1,737,078 |
| Fire Services | 2,715 | — | — | — | — | — | 131,376 | 134,091 |
| Community Development | — | — | — | — | — | — | 860,202 | 860,202 |
| Drug Prevention | — | — | — | — | — | — | 253,924 | 253,924 |
| | 350,130 | 2,173,247 | 6,204,471 | — | — | 164,616 | — | 2,982,580 |
| Committed | | | | | | | | |
| Riverboat Gaming | — | — | — | 480,299 | — | — | — | 480,299 |
| Community/Economic Development | — | — | — | — | 6,067,624 | — | — | 6,067,624 |
| | — | — | — | 480,299 | 6,067,624 | — | — | 6,547,923 |
| Unassigned | 11,317,177 | — | — | — | — | — | (1,118,135) | (622,317) |
| Total Fund Balances | 11,696,642 | 2,173,247 | 6,204,471 | 480,299 | 6,067,624 | 164,616 | (1,118,135) | 2,360,263 |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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:

| | Self Insurance | | Employee Health Benefit | |
|----------------------------|------------------|------------------|-------------------------|----------------|
| | 12/31/2020 | 12/31/2019 | 12/31/2020 | 12/31/2019 |
| Claims Payable - Beginning | \$ 1,249,359 | 2,378,574 | 251,425 | 292,893 |
| Incurred Claims | 682,376 | 334,452 | 5,257,562 | 2,774,757 |
| Claims Paid | (409,249) | (1,463,667) | (5,220,555) | (2,816,225) |
| Claims Payable - Ending | <u>1,522,486</u> | <u>1,249,359</u> | <u>288,432</u> | <u>251,425</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.

Financial Impact from COVID-19

In March 2020, 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 District's operations and financial position cannot be determined.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 online 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 by the City for the pension plans are:

| | (Revenues)/ Expenses | Net Pension (Asset)/ Liabilities | Deferred Outflows | (Deferred Inflows) |
|-----------------------|-------------------------|--|----------------------|-----------------------|
| IMRF | \$ (1,720,957) | (4,698,124) | 917,490 | (9,933,227) |
| Police Pension | 13,855,327 | 87,368,886 | 21,120,183 | (1,933,351) |
| Firefighters' Pension | 9,285,856 | 72,834,121 | 15,212,239 | (2,126,341) |
| | <u>21,420,226</u> | <u>155,504,883</u> | <u>37,249,912</u> | <u>(13,992,919)</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, 2020

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, 2020, the measurement date, the following employees were covered by the benefit terms:

| | |
|--|-------------------|
| Inactive Plan Members Currently Receiving Benefits | 318 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 160 |
| Active Plan Members | <u>205</u> |
| Total | <u><u>683</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, 2020

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, 2020, the City's and MLK Center's contribution was 10.12% of covered payroll.

Net Pension Liability/(Asset). The City's net pension liability/(asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

| | |
|----------------------------|---------------------|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Fair Value |
| Actuarial Assumptions | |
| Interest Rate | 7.25% |
| Salary Increases | 2.85% to 13.75% |
| Cost of Living Adjustments | 2.25% |
| Inflation | 2.25% |

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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:

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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.

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Fixed Income | 28.00% | 3.25% |
| Domestic Equities | 37.00% | 5.75% |
| International Equities | 18.00% | 6.50% |
| Real Estate | 9.00% | 5.20% |
| Blended | 7.00% | 3.60% - 7.60% |
| Cash and Cash Equivalents | 1.00% | 1.85% |

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation.. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that 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 net 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 | \$ 7,624,955 | (4,698,124) | (14,664,628) |
| MLK Center | 281,606 | (173,514) | (541,596) |
| Net Pension Liability/(Asset) | 7,906,561 | (4,871,638) | (15,206,224) |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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/(Asset)

| | City | MLK Center | Totals |
|--|--------------------|------------------|--------------------|
| Total Pension Liability | | | |
| Service Cost | \$ 1,322,038 | 48,826 | 1,370,864 |
| Interest | 7,647,551 | 277,115 | 7,924,666 |
| Differences Between Expected and Actual Experience | 312,001 | 11,523 | 323,524 |
| Change of Assumptions | (592,874) | (21,896) | (614,770) |
| Benefit Payments, Including Refunds of Member Contributions | (6,045,136) | (223,260) | (6,268,396) |
| Net Change in Total Pension Liability | 2,643,580 | 92,308 | 2,735,888 |
| Total Pension Liability - Beginning | 108,866,694 | 2,887,806 | 111,754,500 |
| Total Pension Liability - Ending | <u>111,510,274</u> | <u>2,980,114</u> | <u>114,490,388</u> |
| Plan Fiduciary Net Position | | | |
| Contributions - Employer | 1,348,974 | 49,821 | 1,398,795 |
| Contributions - Members | 599,981 | 22,159 | 622,140 |
| Net Investment Income | 15,124,050 | 558,564 | 15,682,614 |
| Benefit Payments, Including Refunds of Member Contributions | (6,045,136) | (223,260) | (6,268,396) |
| Other (Net Transfer) | 64,826 | 2,394 | 67,220 |
| Net Change in Plan Fiduciary Net Position | 11,092,695 | 409,678 | 11,502,373 |
| Plan Net Position - Beginning | 105,115,703 | 2,743,950 | 107,859,653 |
| Plan Net Position - Ending | <u>116,208,398</u> | <u>3,153,628</u> | <u>119,362,026</u> |
| Employer's Net Pension Liability/(Asset) | <u>(4,698,124)</u> | <u>(173,514)</u> | <u>(4,871,638)</u> |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the City recognized pension revenue of \$1,720,957, and the MLK Center recognized pension revenue of \$74,045, for a total expense of \$1,795,002. At December 31, 2020, 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 | \$ 552,863 | — | 20,418 | — | 573,281 |
| Change in Assumptions | 364,627 | (417,623) | 13,466 | (15,424) | (54,954) |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | — | (9,515,604) | — | (351,432) | (9,867,036) |
| Total Deferred Amounts Related to IMRF | <u>917,490</u> | <u>(9,933,227)</u> | <u>33,884</u> | <u>(366,856)</u> | <u>(9,348,709)</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 (Inflows) of Resources | | |
|-------------|-------------------------------------|------------------|--------------------|
| | City | MLK Center | Totals |
| 2021 | \$ (2,528,905) | (93,398) | (2,622,303) |
| 2022 | (1,154,763) | (42,648) | (1,197,411) |
| 2023 | (3,786,295) | (139,836) | (3,926,131) |
| 2024 | (1,545,774) | (57,090) | (1,602,864) |
| 2025 | — | — | — |
| Thereafter | — | — | — |
| Totals | <u>(9,015,737)</u> | <u>(332,972)</u> | <u>(9,348,709)</u> |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the measurement date, membership consisted of the following:

| | |
|--|-------------------|
| Inactive Plan Members Currently Receiving Benefits | 99 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 16 |
| Active Plan Members | <u>74</u> |
| Total | <u><u>189</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 $\frac{1}{2}$ 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.

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 48 consecutive months of service within the last 60 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 $\frac{1}{2}$ 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., $\frac{1}{2}$ 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 of $\frac{1}{2}$ of the change in the Consumer Price Index for the preceding calendar year.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Plan Descriptions - Continued

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, 2020, the City's contribution was 62.54% 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).

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

| | |
|----------------------------|------------------|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Fair Value |
| Actuarial Assumptions | |
| Interest Rate | 7.10% |
| Salary Increases | 2.75% - 5.00% |
| Cost of Living Adjustments | 1.25% - 3.00% |
| Inflation | 2.60% |

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

Notes to the Financial Statements

December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued Discount Rate

A Single Discount Rate of 5.32% was used to measure the total pension liability and prior year this discount rate was 6.05%. 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 7.10%, the municipal bond rate is 2.12%, and the resulting single discount rate is 5.32%.

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 (4.32%) | Current Discount Rate (5.32%) | 1% Increase (6.32%) |
|--------------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability \$ | 108,333,794 | 87,368,886 | 70,668,514 |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2019 | \$ 113,450,807 | 39,463,567 | 73,987,240 |
| Changes for the Year: | | | |
| Service Cost | 1,646,313 | — | 1,646,313 |
| Interest on the Total Pension Liability | 6,811,974 | — | 6,811,974 |
| Changes of Benefit Terms | — | — | — |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (25,054) | — | (25,054) |
| Changes of Assumptions | 12,546,788 | — | 12,546,788 |
| Contributions - Employer | — | 3,772,591 | (3,772,591) |
| Contributions - Employees | — | 603,975 | (603,975) |
| Net Investment Income | — | 3,282,859 | (3,282,859) |
| Benefit Payments, Including Refunds of Employee Contributions | (5,005,196) | (5,005,196) | — |
| Other (Net Transfer) | — | (61,050) | 61,050 |
| Net Changes | 15,974,825 | 2,593,179 | 13,381,646 |
| Balances at December 31, 2020 | 129,425,632 | 42,056,746 | 87,368,886 |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the City recognized pension expense of \$13,855,327. At December 31, 2020, 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 | \$ 824,172 | (644,332) | 179,840 |
| Change in Assumptions | 20,296,011 | (181,792) | 20,114,219 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | — | (1,107,227) | (1,107,227) |
| Total Deferred Amounts Related to Police Pension | <u>21,120,183</u> | <u>(1,933,351)</u> | <u>19,186,832</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 |
|----------------|--|
| 2021 | \$ 8,202,670 |
| 2022 | 8,838,766 |
| 2023 | 2,328,631 |
| 2024 | (183,235) |
| 2025 | — |
| Thereafter | — |
| Total | <u>19,186,832</u> |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, 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.

Notes to the Financial Statements

December 31, 2020

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 48 consecutive months of service within the last 60 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 $\frac{1}{2}$ 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., $\frac{1}{2}$ 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 $\frac{1}{2}$ 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, 2020, the City's contribution was 71.89% 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, 2020

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, 2020, using the following actuarial methods and assumptions:

| | |
|----------------------------|------------------|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Fair Value |
| Actuarial Assumptions | |
| Interest Rate | 7.10% |
| Salary Increases | 3.50% - 5.50% |
| Cost of Living Adjustments | 1.25% - 3.00% |
| Inflation | 2.60% |

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 5.33% was used to measure the total pension liability and prior year this rate was 5.78%. 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 7.10%, the municipal bond rate is 2.12%, and the resulting single discount rate is 5.33%.

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 (4.33%) | Current Discount Rate (5.33%) | 1% Increase (6.33%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 87,630,386 | 72,834,121 | 60,905,383 |

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2019 | \$ 91,761,000 | 25,140,412 | 66,620,588 |
| Changes for the Year: | | | |
| Service Cost | 1,476,851 | — | 1,476,851 |
| Interest on the Total Pension Liability | 5,253,245 | — | 5,253,245 |
| Changes of Benefit Terms | — | — | — |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 27,705 | — | 27,705 |
| Changes of Assumptions | 5,677,951 | — | 5,677,951 |
| Contributions - Employer | — | 3,444,244 | (3,444,244) |
| Contributions - Employees | — | 443,300 | (443,300) |
| Net Investment Income | — | 2,403,270 | (2,403,270) |
| Benefit Payments, Including Refunds of Employee Contributions | (4,702,369) | (4,702,369) | — |
| Other (Net Transfer) | — | (68,595) | 68,595 |
| Net Changes | 7,733,383 | 1,519,850 | 6,213,533 |
| Balances at December 31, 2020 | 99,494,383 | 26,660,262 | 72,834,121 |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the City recognized pension expense of \$9,285,856. At December 31, 2020, 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 | \$ 245,345 | (671,928) | (426,583) |
| Change in Assumptions | 14,966,894 | (128,604) | 14,838,290 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | — | (1,325,809) | (1,325,809) |
| Total Deferred Amounts Related to Firefighters' Pension | <u>15,212,239</u> | <u>(2,126,341)</u> | <u>13,085,898</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 of Resources |
|----------------|--|
| 2021 | \$ 4,384,766 |
| 2022 | 4,835,502 |
| 2023 | 2,919,618 |
| 2024 | 946,012 |
| 2025 | — |
| Thereafter | — |
| Total | <u>13,085,898</u> |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the measurement date, the following employees were covered by the benefit terms:

| | |
|--|-------------------|
| Inactive Plan Members Currently Receiving Benefits | 220 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | — |
| Active Plan Members | <u>351</u> |
| Total | <u><u>571</u></u> |

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2020, and was determined by an actuarial valuation as of December 31, 2020.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2020 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, 2020

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 | 1.93% |
| 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, 2019 | \$ 24,218,121 | 164,020 | 24,382,141 |
| Changes for the Year: | | | |
| Service Cost | 610,856 | 4,431 | 615,287 |
| Interest on the Total OPEB Liability | 762,411 | 17,192 | 779,603 |
| Changes of Benefit Terms | — | — | — |
| Difference Between Expected and Actual Experience | (1,811,528) | (13,141) | (1,824,669) |
| Changes of Assumptions or Other Inputs | (602,981) | (4,374) | (607,355) |
| Benefit Payments | (929,106) | (6,740) | (935,846) |
| Other Changes | 93,849 | 681 | 94,530 |
| Net Changes | (1,876,499) | (1,951) | (1,878,450) |
| Balance at December 31, 2020 | 22,341,622 | 162,069 | 22,503,691 |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

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

The discount rate used to measure the total pension liability was 1.93%, while the prior valuation used 3.26%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

| | 1% Decrease (0.93%) | Current Discount Rate (1.93%) | 1% Increase (2.93%) |
|------------|------------------------|-------------------------------------|------------------------|
| City | \$ 24,987,508 | 22,341,622 | 20,097,832 |
| MLK Center | 181,263 | 162,069 | 147,953 |
| Total OPEB | <u>25,168,771</u> | <u>22,503,691</u> | <u>20,245,785</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 | \$ 20,683,084 | 22,341,622 | 24,350,563 |
| MLK Center | 150,038 | 162,069 | 176,642 |
| Total OPEB | <u>20,833,122</u> | <u>22,503,691</u> | <u>24,527,205</u> |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the City recognized OPEB expense of \$1,190,418, and the MLK Center recognized pension expense of \$19,801, for a total expense of \$1,210,219. At December 31, 2020, 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 | \$ — | (1,517,426) | — | (11,008) | (1,528,434) |
| Change in Assumptions | 3,855,874 | (3,447,949) | 27,971 | (25,011) | 410,885 |
| Net Difference Between Projected and Actual Earnings | — | — | — | — | — |
| Total Deferred Amounts Related to OPEB | <u>3,855,874</u> | <u>(4,965,375)</u> | <u>27,971</u> | <u>(36,019)</u> | <u>(1,117,549)</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 (Inflows) of Resources | | |
|-------------|-------------------------------------|----------------|--------------------|
| | City | MLK Center | Totals |
| 2021 | \$ (183,339) | (1,330) | (184,669) |
| 2022 | (183,339) | (1,330) | (184,669) |
| 2023 | (183,339) | (1,330) | (184,669) |
| 2024 | (204,687) | (1,485) | (206,172) |
| 2025 | (294,691) | (2,138) | (296,829) |
| Thereafter | (60,106) | (435) | (60,541) |
| Totals | <u>(1,109,501)</u> | <u>(8,048)</u> | <u>(1,117,549)</u> |

CITY OF ROCK ISLAND, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 4 - OTHER INFORMATION - Continued

SUBSEQUENT EVENT

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The City has been allocated \$26,506,259 to be received in two installments. On May 20, 2021 the City received their first installment of \$13,253,130.

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/(Asset)
 - 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, 2020**

| 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 |
|-------------|------------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 12/31/15 | 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 | Totals | 1,208,494 | 1,213,587 | 5,093 | 13,442,643 | 9.03% |
| 12/31/20 | City | 1,541,287 | 1,348,974 | (192,313) | 13,332,933 | 10.12% |
| | MLK Center | 56,923 | 49,821 | (7,102) | 492,414 | 10.12% |
| | Totals | 1,598,210 | 1,398,795 | (199,415) | 13,825,347 | 10.12% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 23 Years |
| Asset Valuation Method | 5-Year Smoothed Fair Value |
| Inflation | 2.50% |
| Salary Increases | 3.35% - 14.25% |
| Investment Rate of Return | 7.25% |
| 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, 2020**

| 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% |
| 12/31/20 | 3,772,591 | 3,772,591 | — | 6,031,945 | 62.54% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 21 Years |
| Asset Valuation Method | 5-Year Smoothed Market |
| Inflation | 2.60% |
| Salary Increases | 2.75% - 5.00% |
| Investment Rate of Return | 7.10% |
| 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, 2020**

| 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% |
| 12/31/20 | 3,443,224 | 3,443,224 | — | 4,789,832 | 71.89% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 21 Years |
| Asset Valuation Method | 5-Year Smoothed Market |
| Inflation | 2.60% |
| Salary Increases | 3.50% - 5.50% |
| Investment Rate of Return | 7.10% |
| 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/(Asset)

December 31, 2020

| | 12/31/15 | 12/31/16 |
|---|---------------|-------------|
| | Totals | Totals |
| Total Pension Liability | | |
| Service Cost | \$ 1,446,195 | 1,444,884 |
| Interest | 7,012,972 | 7,330,485 |
| Changes in Benefit Terms | — | — |
| Differences Between Expected and Actual Experience | 928,010 | (494,373) |
| Change of Assumptions | 230,551 | (232,038) |
| Benefit Payments, Including Refunds of Member Contributions | (4,840,911) | (5,403,551) |
| Net Change in Total Pension Liability | 4,776,817 | 2,645,407 |
| Total Pension Liability - Beginning | 95,203,656 | 99,980,473 |
| Total Pension Liability - Ending | 99,980,473 | 102,625,880 |
| Plan Fiduciary Net Position | | |
| Contributions - Employer | \$ 1,565,936 | 1,529,941 |
| Contributions - Members | 659,458 | 598,667 |
| Net Investment Income | 450,101 | 6,050,403 |
| Benefit Payments, Including Refunds of Member Contributions | (4,840,911) | (5,403,551) |
| Other (Net Transfer) | 215,976 | (505,957) |
| Net Change in Plan Fiduciary Net Position | (1,949,440) | 2,269,503 |
| Plan Net Position - Beginning | 91,328,014 | 89,378,574 |
| Plan Net Position - Ending | 89,378,574 | 91,648,077 |
| Employer's Net Pension Liability/(Asset) | \$ 10,601,899 | 10,977,803 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 89.40% | 89.30% |
| Covered Payroll | \$ 13,773,220 | 13,773,220 |
| Employer's Net Pension Liability as a Percentage of Covered Payroll | 76.97% | 79.70% |

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

| 12/31/17 | 12/31/18 | 12/31/19 | 12/31/20 | | |
|-------------|-------------|-------------|-------------|------------|-------------|
| Totals | Totals | Totals | City | MLK Center | Totals |
| 1,360,413 | 1,299,642 | 1,355,681 | 1,322,038 | 48,826 | 1,370,864 |
| 7,543,312 | 7,469,703 | 7,665,581 | 7,647,551 | 277,115 | 7,924,666 |
| — | — | — | — | — | — |
| (1,134,673) | 450,570 | 705,657 | 312,001 | 11,523 | 323,524 |
| (3,057,119) | 2,849,299 | — | (592,874) | (21,896) | (614,770) |
| (5,457,197) | (5,868,784) | (6,053,465) | (6,045,136) | (223,260) | (6,268,396) |
| (745,264) | 6,200,430 | 3,673,454 | 2,643,580 | 92,308 | 2,735,888 |
| 102,625,880 | 101,880,616 | 108,081,046 | 108,866,694 | 2,887,806 | 111,754,500 |
| 101,880,616 | 108,081,046 | 111,754,500 | 111,510,274 | 2,980,114 | 114,490,388 |
| 1,493,817 | 2,065,221 | 1,213,587 | 1,348,974 | 49,821 | 1,398,795 |
| 617,966 | 612,684 | 654,921 | 599,981 | 22,159 | 622,140 |
| 16,613,180 | (5,972,516) | 18,109,201 | 15,124,050 | 558,564 | 15,682,614 |
| (5,457,197) | (5,868,784) | (6,053,465) | (6,045,136) | (223,260) | (6,268,396) |
| (3,230,575) | 1,389,138 | 24,398 | 64,826 | 2,394 | 67,220 |
| 10,037,191 | (7,774,257) | 13,948,642 | 11,092,695 | 409,678 | 11,502,373 |
| 91,648,077 | 101,685,268 | 93,911,011 | 105,115,703 | 2,743,950 | 107,859,653 |
| 101,685,268 | 93,911,011 | 107,859,653 | 116,208,398 | 3,153,628 | 119,362,026 |
| 195,348 | 14,170,035 | 3,894,847 | (4,698,124) | (173,514) | (4,871,638) |
| 99.81% | 86.89% | 96.51% | 104.21% | 105.82% | 104.26% |
| 13,325,749 | 13,375,003 | 13,442,643 | 13,332,933 | 492,414 | 13,825,347 |
| 1.47% | 105.94% | 28.97% | (35.24%) | (35.24%) | (35.24%) |

CITY OF ROCK ISLAND, ILLINOIS

**Police Pension Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2020**

| | <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 | 12/30/20 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 1,178,679 | 1,206,843 | 1,213,206 | 1,011,991 | 1,210,315 | 1,646,313 |
| 5,565,928 | 5,871,796 | 6,084,923 | 6,081,748 | 6,592,318 | 6,811,974 |
| — | — | — | — | 94,788 | — |
| 1,340,483 | (132,394) | (855,387) | (1,080,996) | 1,648,346 | (25,054) |
| — | — | (908,960) | 10,461,032 | 13,403,012 | 12,546,788 |
| (3,969,874) | (4,100,163) | (4,121,665) | (4,436,527) | (4,927,269) | (5,005,196) |
| 4,115,216 | 2,846,082 | 1,412,117 | 12,037,248 | 18,021,510 | 15,974,825 |
| 75,018,634 | 79,133,850 | 81,979,932 | 83,392,049 | 95,429,297 | 113,450,807 |
| 79,133,850 | 81,979,932 | 83,392,049 | 95,429,297 | 113,450,807 | 129,425,632 |
| 2,687,850 | 2,893,929 | 3,210,742 | 3,384,517 | 3,543,398 | 3,772,591 |
| 590,127 | 580,374 | 592,709 | 585,519 | 596,362 | 603,975 |
| (265,731) | 2,918,794 | 3,805,284 | (1,646,130) | 5,500,676 | 3,282,859 |
| (3,969,874) | (4,100,163) | (4,121,665) | (4,436,527) | (4,927,269) | (5,005,196) |
| (65,821) | (12,357) | (39,446) | (57,653) | (81,855) | (61,050) |
| (1,023,449) | 2,280,577 | 3,447,624 | (2,170,274) | 4,631,312 | 2,593,179 |
| 32,297,777 | 31,274,328 | 33,554,905 | 37,002,529 | 34,832,255 | 39,463,567 |
| 31,274,328 | 33,554,905 | 37,002,529 | 34,832,255 | 39,463,567 | 42,056,746 |
| 47,859,522 | 48,425,027 | 46,389,520 | 60,597,042 | 73,987,240 | 87,368,886 |
| 39.52% | 40.93% | 44.37% | 36.50% | 34.78% | 32.49% |
| 6,106,347 | 6,225,778 | 6,088,056 | 6,216,240 | 6,234,010 | 6,031,945 |
| 783.77% | 777.81% | 761.98% | 974.82% | 1186.83% | 1448.44% |

CITY OF ROCK ISLAND, ILLINOIS

**Firefighter's Pension Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2020**

| | <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 | 12/30/20 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 970,425 | 967,532 | 966,428 | 825,555 | 1,001,745 | 1,476,851 |
| 4,741,653 | 4,926,474 | 5,056,265 | 5,039,828 | 5,284,117 | 5,253,245 |
| — | — | — | — | 73,191 | — |
| 615,903 | (143,146) | (238,698) | (1,560,472) | 371,969 | 27,705 |
| — | — | (643,016) | 8,469,150 | 11,728,123 | 5,677,951 |
| (3,867,666) | (3,924,449) | (4,166,966) | (4,393,534) | (4,555,689) | (4,702,369) |
| 2,460,315 | 1,826,411 | 974,013 | 8,380,527 | 13,903,456 | 7,733,383 |
| 64,216,278 | 66,676,593 | 68,503,004 | 69,477,017 | 77,857,544 | 91,761,000 |
| 66,676,593 | 68,503,004 | 69,477,017 | 77,857,544 | 91,761,000 | 99,494,383 |
| 2,676,324 | 2,803,551 | 3,059,559 | 3,280,309 | 3,290,679 | 3,444,244 |
| 416,580 | 429,505 | 400,288 | 412,943 | 415,425 | 443,300 |
| (107,316) | 1,526,910 | 2,972,495 | (914,907) | 3,739,896 | 2,403,270 |
| (3,867,666) | (3,924,449) | (4,166,966) | (4,393,534) | (4,555,689) | (4,702,369) |
| (68,883) | (25,951) | (23,649) | (46,062) | (54,882) | (68,595) |
| (950,961) | 809,566 | 2,241,727 | (1,661,251) | 2,835,429 | 1,519,850 |
| 21,865,902 | 20,914,941 | 21,724,507 | 23,966,234 | 22,304,983 | 25,140,412 |
| 20,914,941 | 21,724,507 | 23,966,234 | 22,304,983 | 25,140,412 | 26,660,262 |
| 45,761,652 | 46,778,497 | 45,510,783 | 55,552,561 | 66,620,588 | 72,834,121 |
| 31.37% | 31.71% | 34.50% | 28.65% | 27.40% | 26.80% |
| 4,338,290 | 4,455,246 | 4,455,406 | 4,540,219 | 4,824,068 | 4,789,832 |
| 1054.83% | 1049.96% | 1021.47% | 1223.57% | 1381.00% | 1520.60% |

CITY OF ROCK ISLAND, ILLINOIS

Police Pension Fund

Schedule of Investment Returns

December 31, 2020

| 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% |
| 2020 | 8.98% |

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, 2020**

| 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% |
| 2020 | 11.00% |

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

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2020

| | 12/31/18 | 12/31/19 |
|---|-------------|------------|
| | Totals | Totals |
| Total OPEB Liability | | |
| Service Cost | \$ 824,016 | 895,008 |
| Interest | 712,854 | 807,836 |
| Changes in Benefit Terms | — | — |
| Differences Between Expected and Actual Experience | — | — |
| Change of Assumptions or Other Inputs | (499,227) | 950,214 |
| Benefit Payments | (1,002,134) | (917,003) |
| Other Changes | 835,979 | (5,690) |
| Net Change in Total OPEB Liability | 871,488 | 1,730,365 |
| Total OPEB Liability - Beginning | 21,780,288 | 22,651,776 |
| Total OPEB Liability - Ending | 22,651,776 | 24,382,141 |
| Covered Payroll | 20,693,418 | 20,693,418 |
| Total OPEB Liability as a Percentage of Covered Payroll | 109.46% | 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 Assumptions. Changes in assumptions related to the discount rate were made in 2018, 2019 and 2020.

| 12/31/20 | | |
|-------------------|----------------|-------------------|
| City | MLK Center | Totals |
| 610,856 | 4,431 | 615,287 |
| 762,411 | 17,192 | 779,603 |
| — | — | — |
| (1,811,528) | (13,141) | (1,824,669) |
| (602,981) | (4,374) | (607,355) |
| (929,106) | (6,740) | (935,846) |
| 93,849 | 681 | 94,530 |
| (1,876,499) | (1,951) | (1,878,450) |
| 24,218,121 | 164,020 | 24,382,141 |
| <u>22,341,622</u> | <u>162,069</u> | <u>22,503,691</u> |
| 20,954,308 | 152,005 | 21,106,313 |
| 106.62% | 106.62% | 106.62% |

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | Actual | 12/31/19 |
|--|--------------------|--------------------|--------------------|--------------------|
| | Original Budget | Final Budget | | Actual |
| Revenues | | | | |
| Taxes | \$ 14,464,027 | 14,364,027 | 13,434,167 | 13,419,251 |
| Intergovernmental | 13,890,880 | 13,958,212 | 15,631,086 | 13,689,362 |
| Licenses and Permits | 1,025,700 | 1,125,700 | 1,046,422 | 1,016,025 |
| Charges for Services | 7,986,221 | 7,986,221 | 7,886,828 | 8,589,522 |
| Fines and Forfeitures | 772,100 | 772,100 | 325,766 | 562,672 |
| Interest | 61,735 | 61,735 | 69,689 | 128,176 |
| Miscellaneous | 69,200 | 69,200 | 22,114 | 43,671 |
| Total Revenues | 38,269,863 | 38,337,195 | 38,416,072 | 37,448,679 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 7,257,744 | 7,069,690 | 6,419,490 | 6,673,658 |
| Police and Fire | 29,070,509 | 28,699,979 | 28,660,949 | 29,118,200 |
| Electrical Maintenance | 658,793 | 669,448 | 591,358 | 641,991 |
| Municipal Vehicle Parking System | 18,828 | 16,887 | 12,111 | 11,773 |
| Highways and Streets | 3,552,676 | 3,552,676 | 4,627,633 | 3,418,159 |
| Debt Service | | | | |
| Interest and Fiscal Charges | — | 55,023 | 54,361 | — |
| Total Expenditures | 40,558,550 | 40,063,703 | 40,365,902 | 39,863,781 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,288,687) | (1,726,508) | (1,949,830) | (2,415,102) |
| Other Financing Sources (Uses) | | | | |
| Debt Issuance | — | — | 2,840,000 | — |
| Premium on Debt Issuance | — | — | 399,517 | — |
| Disposal of Capital Assets | 3,500 | 3,500 | 44,829 | 590 |
| Transfers In | 2,480,663 | 2,481,573 | 1,902,881 | 2,417,969 |
| Transfers Out | (814,655) | (967,310) | (962,618) | (379,416) |
| | 1,669,508 | 1,517,763 | 4,224,609 | 2,039,143 |
| Net Change in Fund Balance | (619,179) | (208,745) | 2,274,779 | (375,959) |
| Fund Balance - Beginning | | | 9,421,863 | 9,797,822 |
| Fund Balance - Ending | | | 11,696,642 | 9,421,863 |

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--|--------------------|--------------------|-------------------------|-------------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Revenues | | | | |
| Taxes | | | | |
| Property Taxes | \$ 2,173,694 | 2,173,694 | 2,188,062 | 2,117,069 |
| Intergovernmental | 61,100 | 61,100 | 61,448 | 61,348 |
| Charges for Services | 256,452 | 256,452 | 276,510 | 255,932 |
| Fines and Forfeitures | 35,200 | 35,200 | 14,177 | 25,759 |
| Interest | 6,000 | 6,000 | 11,690 | 18,585 |
| Miscellaneous | 94,750 | 94,750 | 36,831 | 158,263 |
| Total Revenues | <u>2,627,196</u> | <u>2,627,196</u> | <u>2,588,718</u> | <u>2,636,956</u> |
| Expenditures | | | | |
| Current | | | | |
| Libraries | <u>2,778,400</u> | <u>4,086,409</u> | <u>3,193,568</u> | <u>2,525,200</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(151,204)</u> | <u>(1,459,213)</u> | <u>(604,850)</u> | <u>111,756</u> |
| Other Financing Sources (Uses) | | | | |
| Disposal of Capital Assets | — | — | 210,172 | — |
| Debt Issuance | — | — | 1,135,000 | — |
| Premium on Debt Issuance | — | — | 161,132 | — |
| Transfers In | — | — | — | 40,000 |
| Transfers Out | — | — | — | (166,524) |
| | <u>—</u> | <u>—</u> | <u>1,506,304</u> | <u>(126,524)</u> |
| Net Change in Fund Balance | <u>(151,204)</u> | <u>(1,459,213)</u> | 901,454 | (14,768) |
| Fund Balance - Beginning | | | <u>1,271,793</u> | <u>1,286,561</u> |
| Fund Balance - Ending | | | <u><u>2,173,247</u></u> | <u><u>1,271,793</u></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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--|--------------------|--------------------|------------------|--------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Revenues | | | | |
| Taxes | | | | |
| Property Taxes | \$ 5,757,370 | 5,757,370 | 6,073,902 | 5,756,358 |
| Interest | 25,000 | 25,000 | 52,716 | 91,570 |
| Miscellaneous | — | — | 1,015 | 5,201 |
| Total Revenues | <u>5,782,370</u> | <u>5,782,370</u> | <u>6,127,633</u> | <u>5,853,129</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | 5,329,844 | 5,847,213 | 2,616,188 | 3,209,192 |
| Capital Outlay | 210,000 | 210,000 | 37,065 | 67,318 |
| Debt Service | | | | |
| Principal Retirement | — | 1,232,500 | 1,232,500 | — |
| Interest and Fiscal Charges | — | 101,001 | 101,001 | — |
| Total Expenditures | <u>5,539,844</u> | <u>7,390,714</u> | <u>3,986,754</u> | <u>3,276,510</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>242,526</u> | <u>(1,608,344)</u> | <u>2,140,879</u> | <u>2,576,619</u> |
| Other Financing Sources (Uses) | | | | |
| Disposal of Capital Assets | — | — | 7,235 | (1,296) |
| Transfers Out | (1,442,089) | (108,588) | — | (1,380,877) |
| | <u>(1,442,089)</u> | <u>(108,588)</u> | <u>7,235</u> | <u>(1,382,173)</u> |
| Net Change in Fund Balance | <u>(1,199,563)</u> | <u>(1,716,932)</u> | 2,148,114 | 1,194,446 |
| Fund Balance - Beginning | | | <u>4,056,357</u> | <u>2,861,911</u> |
| Fund Balance - Ending | | | <u>6,204,471</u> | <u>4,056,357</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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--|--------------------|--------------------|--------------------|--------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Revenues | | | | |
| Taxes | | | | |
| Gaming Taxes | \$ 4,300,000 | 4,300,000 | 1,492,811 | 4,164,535 |
| Interest | 28,000 | 28,000 | 38,024 | 79,167 |
| Total Revenues | <u>4,328,000</u> | <u>4,328,000</u> | <u>1,530,835</u> | <u>4,243,702</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | — | — | — | — |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>4,328,000</u> | <u>4,328,000</u> | <u>1,530,835</u> | <u>4,243,702</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | — | — | 689,491 | 893,957 |
| Transfers Out | (5,017,312) | (5,548,832) | (5,416,828) | (5,628,775) |
| | <u>(5,017,312)</u> | <u>(5,548,832)</u> | <u>(4,727,337)</u> | <u>(4,734,818)</u> |
| Net Change in Fund Balance | <u>(689,312)</u> | <u>(1,220,832)</u> | (3,196,502) | (491,116) |
| Fund Balance - Beginning | | | <u>3,676,801</u> | <u>4,167,917</u> |
| Fund Balance - Ending | | | <u>480,299</u> | <u>3,676,801</u> |

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--|--------------------|-----------------|-----------|-----------|
| | Original Budget | Final Budget | Actual | Actual |
| Revenues | | | | |
| Intergovernmental | \$ — | — | — | 17,713 |
| Interest | 900 | 900 | 1,404 | 4,731 |
| Miscellaneous | — | — | 50,100 | 169 |
| Total Revenues | 900 | 900 | 51,504 | 22,613 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 617,060 | 725,681 | 652,987 | 468,648 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (616,160) | (724,781) | (601,483) | (446,035) |
| Other Financing Sources (Uses) | | | | |
| Disposal of Capital Assets | — | — | (174) | (138,322) |
| Transfers In | 567,060 | 1,043,087 | 1,043,087 | 1,089,132 |
| Transfers Out | — | (515,946) | (515,946) | (697,353) |
| | 567,060 | 527,141 | 526,967 | 253,457 |
| Net Change in Fund Balance | (49,100) | (197,640) | (74,516) | (192,578) |
| Fund Balance - Beginning | | | 6,142,140 | 6,334,718 |
| Fund Balance - Ending | | | 6,067,624 | 6,142,140 |

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.

MFT Rebuild Illinois Grant

The MFT Rebuild Illinois Grant is used to account for Federal Grants awarded to the City for infrastructure projects.

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|-----------------------------------|--------------------|-------------------|-------------------|-------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Taxes | | | | |
| Property Taxes | \$ 9,114,327 | 9,114,327 | 9,168,354 | 8,510,217 |
| Municipal Utility Taxes | 1,875,000 | 1,875,000 | 1,720,883 | 1,793,966 |
| Hotel/Motel Tax | 365,000 | 365,000 | 140,628 | 290,590 |
| Gasoline Taxes | 552,000 | 552,000 | 428,796 | 530,431 |
| Other Taxes | 2,557,700 | 2,457,700 | 1,975,506 | 2,294,047 |
| Total Taxes | 14,464,027 | 14,364,027 | 13,434,167 | 13,419,251 |
| Intergovernmental | | | | |
| State Income Tax | 4,200,000 | 4,200,000 | 4,296,678 | 3,796,910 |
| Sales Tax | 5,410,825 | 5,410,825 | 5,009,059 | 5,216,340 |
| Local Use Tax | 1,200,000 | 1,200,000 | 1,671,346 | 1,296,360 |
| Replacement Tax | 3,000,676 | 3,000,676 | 2,751,070 | 3,072,974 |
| Federal Grants | 75,029 | 142,361 | 1,702,481 | 303,231 |
| State Grants | 4,350 | 4,350 | 200,452 | 3,547 |
| Total Intergovernmental | 13,890,880 | 13,958,212 | 15,631,086 | 13,689,362 |
| Licenses and Permits | 1,025,700 | 1,125,700 | 1,046,422 | 1,016,025 |
| Charges for Services | | | | |
| Public Safety | 323,602 | 323,602 | 210,604 | 375,027 |
| Public Works | 157,300 | 157,300 | 112,642 | 188,950 |
| Ambulance Service | 4,725,000 | 4,725,000 | 4,733,973 | 5,152,657 |
| Waterworks Department | 993,613 | 993,613 | 993,613 | 1,065,545 |
| Sunset Marina | 75,904 | 75,904 | 75,904 | 87,904 |
| Equipment Maintenance Department | 302,732 | 302,732 | 302,732 | 302,732 |
| Engineering Department | 216,680 | 216,680 | 216,680 | 216,680 |
| Sewer Department | 518,312 | 518,312 | 518,312 | 531,947 |
| Stormwater Department | 296,300 | 296,300 | 296,300 | 296,300 |
| Other Departments | 376,778 | 376,778 | 426,068 | 371,780 |
| Total Charges for Services | 7,986,221 | 7,986,221 | 7,886,828 | 8,589,522 |

CITY OF ROCK ISLAND, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|-----------------------|--------------------|-----------------|------------|------------|
| | Original Budget | Final Budget | Actual | Actual |
| Fines and Forfeitures | \$ 772,100 | 772,100 | 325,766 | 562,672 |
| Interest | 61,735 | 61,735 | 69,689 | 128,176 |
| Miscellaneous | | | | |
| Contributions | 7,550 | 7,550 | 1,135 | 9,550 |
| Miscellaneous | 61,650 | 61,650 | 20,979 | 34,121 |
| Total Miscellaneous | 69,200 | 69,200 | 22,114 | 43,671 |
| Total Revenues | 38,269,863 | 38,337,195 | 38,416,072 | 37,448,679 |

CITY OF ROCK ISLAND, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | Actual | 12/31/19 |
|----------------------------------|--------------------|-------------------|-------------------|-------------------|
| | Original Budget | Final Budget | | Actual |
| General Government | | | | |
| Mayor and City Council | \$ 183,285 | 179,485 | 144,309 | 150,793 |
| General Administration | 463,017 | 370,077 | 399,963 | 424,549 |
| Personnel | 376,864 | 377,845 | 385,242 | 420,124 |
| Legal | 253,221 | 273,440 | 273,440 | 270,481 |
| Finance and Accounting | 1,550,053 | 1,467,295 | 1,232,127 | 1,209,046 |
| Information Technology | 1,177,191 | 1,323,827 | 1,173,596 | 1,229,878 |
| Community Development | 353,392 | 320,459 | 224,842 | 290,129 |
| Planning | 384,835 | 378,061 | 313,924 | 332,933 |
| Inspection | 901,121 | 807,741 | 858,411 | 773,096 |
| Public Works Administration | 770,637 | 740,486 | 729,522 | 850,947 |
| Refuse Disposal | 100,000 | 100,000 | 99,585 | 99,953 |
| Building | 744,128 | 730,974 | 584,529 | 621,460 |
| Other | — | — | — | 269 |
| Total General Government | 7,257,744 | 7,069,690 | 6,419,490 | 6,673,658 |
| Police and Fire | | | | |
| Police | 15,658,061 | 15,294,383 | 14,906,449 | 14,873,116 |
| Fire and EMS Services | 13,398,598 | 13,393,181 | 13,742,085 | 14,240,325 |
| Police and Fire Commission | 13,850 | 12,415 | 12,415 | 4,759 |
| Total Police and Fire | 29,070,509 | 28,699,979 | 28,660,949 | 29,118,200 |
| Electrical Maintenance | 658,793 | 669,448 | 591,358 | 641,991 |
| Municipal Vehicle Parking System | 18,828 | 16,887 | 12,111 | 11,773 |
| Highways and Streets | 3,552,676 | 3,552,676 | 4,627,633 | 3,418,159 |
| Debt Service | | | | |
| Interest and Fiscal Charges | — | 55,023 | 54,361 | — |
| Total Expenditures | 40,558,550 | 40,063,703 | 40,365,902 | 39,863,781 |

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--|--------------------|--------------------|--------------------|--------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Revenues | | | | |
| Taxes | | | | |
| Property Taxes | \$ 153,522 | 153,522 | 154,755 | 152,513 |
| Interest | 4,000 | 4,000 | 1,162 | 2,791 |
| Miscellaneous | 27,000 | 27,000 | 19,315 | 21,167 |
| Total Revenues | <u>184,522</u> | <u>184,522</u> | <u>175,232</u> | <u>176,471</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | 62,020 | 62,020 | 18,247 | 18,101 |
| Debt Service | | | | |
| Principal Retirement | 3,047,500 | 1,815,000 | 1,815,000 | 2,768,650 |
| Interest and Fiscal Charges | 1,770,669 | 1,669,662 | 1,669,664 | 1,769,368 |
| Total Expenditures | <u>4,880,189</u> | <u>3,546,682</u> | <u>3,502,911</u> | <u>4,556,119</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(4,695,667)</u> | <u>(3,362,160)</u> | <u>(3,327,679)</u> | <u>(4,379,648)</u> |
| Other Financing Sources (Uses) | | | | |
| Debt Issuance | — | — | — | 5,205,000 |
| Payment to Escrow Agent | — | — | — | (5,239,245) |
| Transfers In | 4,818,169 | 3,484,668 | 3,484,664 | 4,462,678 |
| Transfers Out | — | (5) | (5) | (67,036) |
| | <u>4,818,169</u> | <u>3,484,663</u> | <u>3,484,659</u> | <u>4,361,397</u> |
| Net Change in Fund Balance | <u>122,502</u> | <u>122,503</u> | 156,980 | (18,251) |
| Fund Balance - Beginning | | | <u>7,636</u> | <u>25,887</u> |
| Fund Balance - Ending | | | <u>164,616</u> | <u>7,636</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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--|--------------------|-----------------|-------------|-------------|
| | Original Budget | Final Budget | Actual | Actual |
| Revenues | | | | |
| Interest | \$ — | — | 5,013 | 4,999 |
| Expenditures | | | | |
| Capital Outlay | 1,175,000 | 1,173,219 | 917,629 | 932,980 |
| Debt Service | | | | |
| Interest and Fiscal Charges | — | — | — | 44,153 |
| Total Expenditures | 1,175,000 | 1,173,219 | 917,629 | 977,133 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,175,000) | (1,173,219) | (912,616) | (972,134) |
| Other Financing Sources (Uses) | | | | |
| Debt Issuance | — | — | — | 1,980,000 |
| Premium on Debt Issuance | — | — | — | 64,153 |
| Transfers In | 1,267,920 | 1,267,920 | 428,796 | — |
| Transfers Out | — | (1,781) | (1,781) | — |
| | 1,267,920 | 1,266,139 | 427,015 | 2,044,153 |
| Net Change in Fund Balance | 92,920 | 92,920 | (485,601) | 1,072,019 |
| Fund Balance - Beginning | | | (632,534) | (1,704,553) |
| Fund Balance - Ending | | | (1,118,135) | (632,534) |

CITY OF ROCK ISLAND, ILLINOIS

**Nonmajor Governmental - Special Revenue Funds
Combining Balance Sheet
December 31, 2020**

| | Motor Fuel Tax | Housing and Community Development | Martin Luther King Community Center Operations |
|-------------------------------------|----------------------|---|--|
| ASSETS | | | |
| Cash and Investments | \$ 1,606,680 | 2,289 | — |
| Receivables - Net of Allowances | | | |
| Accounts | — | — | 332 |
| Accrued Interest | 873 | — | — |
| Due from Other Governments | 129,525 | 954,760 | — |
| | | | |
| Total Assets | <u>1,737,078</u> | <u>957,049</u> | <u>332</u> |
| LIABILITIES | | | |
| Accounts Payable | — | 807,937 | 5,655 |
| Accrued Payroll | — | 3,525 | 1,301 |
| Deposits Payable | — | — | — |
| Due to Other Funds | — | 573,612 | 87,233 |
| Total Liabilities | <u>—</u> | <u>1,385,074</u> | <u>94,189</u> |
| FUND BALANCES | | | |
| Restricted | 1,737,078 | — | — |
| Unassigned | — | (428,025) | (93,857) |
| Total Fund Balances | <u>1,737,078</u> | <u>(428,025)</u> | <u>(93,857)</u> |
| | | | |
| Total Liabilities and Fund Balances | <u>1,737,078</u> | <u>957,049</u> | <u>332</u> |

| Foreign Fire Insurance | Federal Programs | Drug Prevention | Martin Luther King Facility Improvement | MFT Rebuild Illinois Grant | Totals |
|------------------------------|---------------------|--------------------|--|-------------------------------------|-----------|
| 101,756 | — | 263,156 | — | 859,828 | 2,833,709 |
| — | — | 32,707 | — | — | 33,039 |
| — | — | 117 | — | 374 | 1,364 |
| 30,339 | — | — | — | — | 1,114,624 |
| 132,095 | — | 295,980 | — | 860,202 | 3,982,736 |
| 719 | — | 26,523 | — | — | 840,834 |
| — | — | 35 | — | — | 4,861 |
| — | — | 15,498 | — | — | 15,498 |
| — | 9,937 | — | 90,498 | — | 761,280 |
| 719 | 9,937 | 42,056 | 90,498 | — | 1,622,473 |
| 131,376 | — | 253,924 | — | 860,202 | 2,982,580 |
| — | (9,937) | — | (90,498) | — | (622,317) |
| 131,376 | (9,937) | 253,924 | (90,498) | 860,202 | 2,360,263 |
| 132,095 | — | 295,980 | — | 860,202 | 3,982,736 |

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, 2020

| | Motor Fuel Tax | Housing and Community Development | Martin Luther King Community Center Operations |
|--|-------------------------|---|--|
| Revenues | | | |
| Taxes | \$ — | — | — |
| Intergovernmental | 1,419,916 | 923,737 | — |
| Charges for Services | — | — | 13,030 |
| Interest | 16,664 | (202) | — |
| Miscellaneous | — | 2,289 | 30,086 |
| Total Revenues | <u>1,436,580</u> | <u>925,824</u> | <u>43,116</u> |
| Expenditures | | | |
| Current | | | |
| General Government | — | 1,359,528 | 200,886 |
| Highways and Streets | — | — | — |
| Capital Outlay | — | — | — |
| Total Expenditures | <u>—</u> | <u>1,359,528</u> | <u>200,886</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,436,580</u> | <u>(433,704)</u> | <u>(157,770)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers In | — | — | 188,696 |
| Transfers Out | (587,931) | — | — |
| | <u>(587,931)</u> | <u>—</u> | <u>188,696</u> |
| Net Change in Fund Balances | 848,649 | (433,704) | 30,926 |
| Fund Balances - Beginning | <u>888,429</u> | <u>5,679</u> | <u>(124,783)</u> |
| Fund Balances - Ending | <u><u>1,737,078</u></u> | <u><u>(428,025)</u></u> | <u><u>(93,857)</u></u> |

| Foreign Fire Insurance | Federal Programs | Drug Prevention | Martin Luther King Facility Improvement | MFT Rebuild Illinois Grant | Totals |
|------------------------------|---------------------|--------------------|--|-------------------------------------|-----------|
| 61,989 | — | — | — | — | 61,989 |
| — | 21,328 | — | — | 857,147 | 3,222,128 |
| — | — | 76,479 | — | — | 89,509 |
| — | — | 3,258 | — | 3,647 | 23,367 |
| — | — | — | — | — | 32,375 |
| 61,989 | 21,328 | 79,737 | — | 860,794 | 3,429,368 |
| 69,725 | 17,160 | 64,740 | — | — | 1,712,039 |
| — | — | — | — | 592 | 592 |
| — | — | 16,560 | — | — | 16,560 |
| 69,725 | 17,160 | 81,300 | — | 592 | 1,729,191 |
| (7,736) | 4,168 | (1,563) | — | 860,202 | 1,700,177 |
| — | — | — | — | — | 188,696 |
| — | — | — | — | — | (587,931) |
| — | — | — | — | — | (399,235) |
| (7,736) | 4,168 | (1,563) | — | 860,202 | 1,300,942 |
| 139,112 | (14,105) | 255,487 | (90,498) | — | 1,059,321 |
| 131,376 | (9,937) | 253,924 | (90,498) | 860,202 | 2,360,263 |

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--|--------------------|------------------|------------------|----------------|
| | Original Budget | Final Budget | Actual | Actual |
| Revenues | | | | |
| Intergovernmental | | | | |
| Allotments | \$ 1,530,000 | 1,530,000 | 1,419,916 | 1,280,021 |
| Interest | 6,000 | 6,000 | 16,664 | 19,288 |
| Total Revenues | 1,536,000 | 1,536,000 | 1,436,580 | 1,299,309 |
| Expenditures | | | | |
| Current | | | | |
| Highways and Streets | — | — | — | — |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,536,000 | 1,536,000 | 1,436,580 | 1,299,309 |
| Other Financing (Uses) | | | | |
| Transfers Out | (1,700,920) | (1,700,920) | (587,931) | (711,467) |
| Net Change in Fund Balance | <u>(164,920)</u> | <u>(164,920)</u> | 848,649 | 587,842 |
| Fund Balance - Beginning | | | 888,429 | 300,587 |
| Fund Balance - Ending | | | <u>1,737,078</u> | <u>888,429</u> |

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|----------------------------|--------------------|------------------|------------------|------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Revenues | | | | |
| Intergovernmental | \$ 1,000,000 | 1,795,701 | 923,737 | 1,213,393 |
| Interest | — | — | (202) | 1,159 |
| Miscellaneous | — | — | 2,289 | 356 |
| Total Revenues | <u>1,000,000</u> | <u>1,795,701</u> | <u>925,824</u> | <u>1,214,908</u> |
| Expenditures | | | | |
| Current | | | | |
| General Government | <u>1,000,000</u> | <u>2,112,639</u> | <u>1,359,528</u> | <u>1,205,304</u> |
| Net Change in Fund Balance | <u>—</u> | <u>(316,938)</u> | (433,704) | 9,604 |
| Fund Balance - Beginning | | | <u>5,679</u> | <u>(3,925)</u> |
| Fund Balance - Ending | | | <u>(428,025)</u> | <u>5,679</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, 2020
(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--|--------------------|-----------------|-----------|-----------|
| | Original Budget | Final Budget | Actual | Actual |
| Revenues | | | | |
| Charges for Services | \$ 33,000 | 33,000 | 13,030 | 33,521 |
| Miscellaneous | 36,556 | 36,556 | 30,086 | 10,272 |
| Total Revenues | 69,556 | 69,556 | 43,116 | 43,793 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 253,097 | 257,679 | 200,886 | 219,597 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (183,541) | (188,123) | (157,770) | (175,804) |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 184,114 | 188,696 | 188,696 | 191,091 |
| Transfers Out | — | — | — | (4,582) |
| | 184,114 | 188,696 | 188,696 | 186,509 |
| Net Change in Fund Balance | 573 | 573 | 30,926 | 10,705 |
| Fund Balance - Beginning | | | (124,783) | (135,488) |
| Fund Balance - Ending | | | (93,857) | (124,783) |

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|----------------------------|--------------------|-----------------|----------------|----------------|
| | Original Budget | Final Budget | Actual | |
| Revenues | | | | |
| Taxes | | | | |
| Other Taxes | \$ 55,500 | 55,500 | 61,989 | 62,005 |
| Interest | 400 | 400 | — | 380 |
| Total Revenues | <u>55,900</u> | <u>55,900</u> | 61,989 | 62,385 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 55,500 | 55,500 | 69,725 | 71,958 |
| Net Change in Fund Balance | <u>400</u> | <u>400</u> | (7,736) | (9,573) |
| Fund Balance - Beginning | | | <u>139,112</u> | <u>148,685</u> |
| Fund Balance - Ending | | | <u>131,376</u> | <u>139,112</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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|----------------------------|--------------------|-----------------|-----------------|-----------------|
| | Original Budget | Final Budget | Actual | Actual |
| Revenues | | | | |
| Intergovernmental | \$ 10,347 | 20,074 | 21,328 | (54) |
| Expenditures | | | | |
| Current | | | | |
| General Government | 10,037 | 10,037 | 17,160 | 24,146 |
| Net Change in Fund Balance | <u>310</u> | <u>10,037</u> | 4,168 | (24,200) |
| Fund Balance - Beginning | | | <u>(14,105)</u> | 10,095 |
| Fund Balance - Ending | | | <u>(9,937)</u> | <u>(14,105)</u> |

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|----------------------------|--------------------|-----------------|----------------|----------------|
| | Original Budget | Final Budget | Actual | Actual |
| Revenues | | | | |
| Charges for Services | \$ 156,000 | 156,000 | 76,479 | 73,300 |
| Interest | 2,000 | 2,000 | 3,258 | 5,579 |
| Total Revenues | 158,000 | 158,000 | 79,737 | 78,879 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 151,067 | 151,067 | 64,740 | 115,953 |
| Capital Outlay | 86,405 | 86,405 | 16,560 | 19,106 |
| Total Expenditures | 237,472 | 237,472 | 81,300 | 135,059 |
| Net Change in Fund Balance | <u>(79,472)</u> | <u>(79,472)</u> | (1,563) | (56,180) |
| Fund Balance - Beginning | | | 255,487 | 311,667 |
| Fund Balance - Ending | | | <u>253,924</u> | <u>255,487</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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--------------------------------------|--------------------|--------------------|-------------------|-------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Operating Revenues | | | | |
| Charges for Services | \$ 7,134,408 | 7,134,408 | 7,061,766 | 7,107,095 |
| Other | 201,975 | 201,975 | 219,804 | 215,915 |
| Total Operating Revenues | <u>7,336,383</u> | <u>7,336,383</u> | <u>7,281,570</u> | <u>7,323,010</u> |
| Operating Expenses | | | | |
| Operations | | | | |
| Personnel | 1,922,683 | 1,890,046 | 1,677,519 | 1,959,539 |
| Supplies | 1,032,465 | 1,182,056 | 995,087 | 1,020,108 |
| Services | 2,882,131 | 5,795,724 | 2,355,357 | 2,246,989 |
| Provision for Uncollectible Accounts | 30,000 | 30,379 | 21,382 | 29,548 |
| Other | 1,715,882 | 2,376,675 | 1,300,957 | 897,742 |
| Depreciation and Amortization | 1,013,038 | 1,048,506 | 1,118,154 | 669,049 |
| Total Operating Expenses | <u>8,596,199</u> | <u>12,323,386</u> | <u>7,468,456</u> | <u>6,822,975</u> |
| Operating Income (Loss) | <u>(1,259,816)</u> | <u>(4,987,003)</u> | <u>(186,886)</u> | <u>500,035</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | 20,000 | 20,000 | 55,094 | 62,797 |
| Other Income | 7,500 | 7,500 | 111,863 | 8,307 |
| Interest Expense | (312,673) | (373,623) | (447,093) | (289,809) |
| Disposal of Capital Assets | — | — | (59,364) | — |
| | <u>(285,173)</u> | <u>(346,123)</u> | <u>(339,500)</u> | <u>(218,705)</u> |
| Change in Net Position | <u>(1,544,989)</u> | <u>(5,333,126)</u> | <u>(526,386)</u> | <u>281,330</u> |
| Net Position - Beginning | | | <u>11,342,114</u> | <u>11,060,784</u> |
| Net Position - Ending | | | <u>10,815,728</u> | <u>11,342,114</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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--------------------------------------|--------------------|---------------------|--------------------|--------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Operating Revenues | | | | |
| Charges for Services | \$ 8,833,172 | 8,833,172 | 8,754,270 | 8,852,937 |
| Other | — | — | 1,418,802 | 54,069 |
| Total Operating Revenues | <u>8,833,172</u> | <u>8,833,172</u> | <u>10,173,072</u> | <u>8,907,006</u> |
| Operating Expenses | | | | |
| Operations | | | | |
| Personnel | 1,779,903 | 1,764,362 | 1,617,410 | 1,701,792 |
| Supplies | 426,205 | 304,378 | 225,708 | 385,322 |
| Services | 2,833,373 | 2,337,213 | (2,024,257) | 2,120,428 |
| Provision for Uncollectible Accounts | 70,000 | 36,138 | 13,904 | 34,340 |
| Other | 4,126,530 | 11,711,473 | 4,908,145 | 698,082 |
| Depreciation and Amortization | 2,245,534 | 2,496,049 | 3,416,246 | 2,305,475 |
| Total Operating Expenses | <u>11,481,545</u> | <u>18,649,613</u> | <u>8,157,156</u> | <u>7,245,439</u> |
| Operating Income (Loss) | <u>(2,648,373)</u> | <u>(9,816,441)</u> | <u>2,015,916</u> | <u>1,661,567</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | 8,000 | 8,000 | 3,642 | 15,657 |
| Other Income | — | — | — | — |
| Disposal of Capital Assets | — | — | 237 | 50 |
| Interest Expense | (1,134,819) | (1,290,164) | (1,342,321) | (1,073,343) |
| | <u>(1,126,819)</u> | <u>(1,282,164)</u> | <u>(1,338,442)</u> | <u>(1,057,636)</u> |
| Income (Loss) before Transfers | <u>(3,775,192)</u> | <u>(11,098,605)</u> | <u>677,474</u> | <u>603,931</u> |
| Transfers In | 108,588 | 108,588 | — | 147,273 |
| Transfers Out | <u>(9,216)</u> | <u>(9,406)</u> | <u>(9,406)</u> | <u>(7,878)</u> |
| Change in Net Position | <u>(3,675,820)</u> | <u>(10,999,423)</u> | <u>668,068</u> | <u>743,326</u> |
| Net Position - Beginning | | | <u>29,192,140</u> | <u>28,448,814</u> |
| Net Position - Ending | | | <u>29,860,208</u> | <u>29,192,140</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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--|--------------------|--------------------|--------------------|-------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Operating Revenues | | | | |
| Charges for Services | \$ 2,890,525 | 2,901,859 | 1,819,703 | 2,684,534 |
| Sales of Merchandise | 465,650 | 465,866 | 241,085 | 419,121 |
| Other | 24,150 | 24,150 | 261,489 | 18,157 |
| Total Operating Revenues | <u>3,380,325</u> | <u>3,391,875</u> | <u>2,322,277</u> | <u>3,121,812</u> |
| Operating Expenses | | | | |
| Operations | | | | |
| Personnel | 2,327,894 | 2,313,553 | 1,912,286 | 590,590 |
| Cost of Sales | 222,935 | 206,298 | 93,972 | 189,591 |
| Supplies | 696,807 | 736,302 | 520,066 | 653,347 |
| Services | 1,542,686 | 1,945,295 | 605,012 | 1,429,658 |
| Other | 303,696 | 1,574,882 | 893,183 | 331,972 |
| Depreciation and Amortization | 501,065 | 508,033 | 671,674 | 504,642 |
| Total Operating Expenses | <u>5,595,083</u> | <u>7,284,363</u> | <u>4,696,193</u> | <u>3,699,800</u> |
| Operating (Loss) | <u>(2,214,758)</u> | <u>(3,892,488)</u> | <u>(2,373,916)</u> | <u>(577,988)</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Intergovernmental | — | 85,900 | 101,627 | 260,273 |
| Property Taxes | 1,933,913 | 1,933,913 | 1,920,935 | 2,037,052 |
| Contributions | 52,000 | 58,900 | 35,110 | 360,418 |
| Interest Income | 3,000 | 3,000 | 847 | 10,290 |
| Other Income | 29,900 | 37,900 | 213,598 | 35,416 |
| Interest Expense | (223,005) | (220,957) | (244,665) | (40,927) |
| | <u>1,795,808</u> | <u>1,898,656</u> | <u>2,027,452</u> | <u>2,662,522</u> |
| Income (Loss) before Contributions and Transfers | (418,950) | (1,993,832) | (346,464) | 2,084,534 |
| Capital Contributions | — | — | — | 180,202 |
| Transfers In | 175,541 | 225,541 | 262,053 | 353,933 |
| Transfers Out | (573,226) | (592,605) | (446,527) | (548,785) |
| Change in Net Position | <u>(816,635)</u> | <u>(2,360,896)</u> | (530,938) | 2,069,884 |
| Net Position - Beginning | | | <u>11,056,111</u> | <u>8,986,227</u> |
| Net Position - Ending | | | <u>10,525,173</u> | <u>11,056,111</u> |

CITY OF ROCK ISLAND, ILLINOIS

**Nonmajor Enterprise Funds
Combining Statement of Net Position
December 31, 2020**

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

**Nonmajor Enterprise Funds
Combining Statement of Net Position
December 31, 2020**

| | Stormwater | Solid Waste | Sunset Marina | Housing and Community Development Loan | Totals |
|---|--------------|-------------|---------------|--|-------------|
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and Investments | \$ 1,372,117 | — | — | 522,365 | 1,894,482 |
| Receivables - Net of Allowances | | | | | |
| Accounts | 14,770 | 208,646 | 16,402 | 429 | 240,247 |
| Estimated Unbilled Usage | 224,851 | 254,737 | — | — | 479,588 |
| Accrued Interest | 662 | — | — | 9,469 | 10,131 |
| Current Portion of Notes Receivable | — | — | — | 152,147 | 152,147 |
| Prepays | — | — | 7,650 | — | 7,650 |
| Inventory | — | — | 19,104 | — | 19,104 |
| Total Current Assets | 1,612,400 | 463,383 | 43,156 | 684,410 | 2,803,349 |
| Noncurrent Assets | | | | | |
| Capital Assets | | | | | |
| Nondepreciable | — | 125,550 | — | — | 125,550 |
| Depreciable | 3,959,441 | 339,450 | 3,221,118 | — | 7,520,009 |
| Accumulated Depreciation | (2,372,002) | (97,568) | (2,667,190) | — | (5,136,760) |
| Total Capital Assets | 1,587,439 | 367,432 | 553,928 | — | 2,508,799 |
| Other Assets | | | | | |
| Long-Term Notes Receivable - Net of Allowance | — | — | — | 1,801,721 | 1,801,721 |
| Net Pension Asset - IMRF | 126,554 | 173,393 | 22,043 | — | 321,990 |
| Total Noncurrent Assets | 1,713,993 | 540,825 | 575,971 | 1,801,721 | 4,632,510 |
| Total Assets | 3,326,393 | 1,004,208 | 619,127 | 2,486,131 | 7,435,859 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred Items - IMRF | 24,715 | 33,862 | 4,305 | — | 62,882 |
| Deferred Items - RBP | 51,945 | 100,989 | 12,822 | — | 165,756 |
| Total Deferred Outflows of Resources | 76,660 | 134,851 | 17,127 | — | 228,638 |
| Total Assets and Deferred Outflows of Resources | 3,403,053 | 1,139,059 | 636,254 | 2,486,131 | 7,664,497 |

| | Stormwater | Solid Waste | Sunset Marina | Housing and Community Development Loan | Totals |
|--|------------|-------------|---------------|--|-----------|
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | 65,474 | 67,837 | 13,758 | 817 | 147,886 |
| Accrued Payroll | 5,146 | 5,540 | 925 | — | 11,611 |
| Accrued Interest Payable | — | — | 404 | — | 404 |
| Due to Other Funds | — | 705,142 | 77,622 | — | 782,764 |
| Other Payables | — | — | 42,385 | — | 42,385 |
| Current Portion of Long-Term Debt | 43,480 | 16,075 | 52,255 | — | 111,810 |
| Total Current Liabilities | 114,100 | 794,594 | 187,349 | 817 | 1,096,860 |
| Noncurrent Liabilities | | | | | |
| Compensated Absences Payable | 33,787 | 12,492 | 5,638 | — | 51,917 |
| Total OPEB Liability - RBP | 300,981 | 585,149 | 74,293 | — | 960,423 |
| General Obligation Bonds - Net | — | — | 338,678 | — | 338,678 |
| Total Noncurrent Liabilities | 334,768 | 597,641 | 418,609 | — | 1,351,018 |
| Total Liabilities | 448,868 | 1,392,235 | 605,958 | 817 | 2,447,878 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Items - IMRF | 267,572 | 366,605 | 46,606 | — | 680,783 |
| Deferred Items - RBP | 66,892 | 130,048 | 16,512 | — | 213,452 |
| Total Deferred Inflow of Resources | 334,464 | 496,653 | 63,118 | — | 894,235 |
| Total Liabilities and Deferred Inflow of Resources | 783,332 | 1,888,888 | 669,076 | 817 | 3,342,113 |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 1,587,439 | 367,432 | 170,250 | — | 2,125,121 |
| Unrestricted (Deficit) | 1,032,282 | (1,117,261) | (203,072) | 2,485,314 | 2,197,263 |
| Total Net Position | 2,619,721 | (749,829) | (32,822) | 2,485,314 | 4,322,384 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | 3,403,053 | 1,139,059 | 636,254 | 2,486,131 | 7,664,497 |

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, 2020

| | Stormwater | Solid Waste | Sunset Marina | Housing and Community Development Loan | Totals |
|---|--------------|-------------|---------------|--|-----------|
| Operating Revenues | | | | | |
| Charges for Services | \$ 1,711,286 | 2,228,715 | 573,857 | — | 4,513,858 |
| Sales of Merchandise | — | — | 4,578 | — | 4,578 |
| Other | — | — | 50,779 | — | 50,779 |
| Total Operating Revenues | 1,711,286 | 2,228,715 | 629,214 | — | 4,569,215 |
| Operating Expenses | | | | | |
| Operations | 1,359,586 | 2,112,266 | 712,047 | 56,165 | 4,240,064 |
| Depreciation and Amortization | 93,374 | 6,719 | 36,990 | — | 137,083 |
| Total Operating Expenses | 1,452,960 | 2,118,985 | 749,037 | 56,165 | 4,377,147 |
| Operating Income (Loss) | 258,326 | 109,730 | (119,823) | (56,165) | 192,068 |
| Nonoperating Revenues (Expenses) | | | | | |
| Intergovernmental | — | 27,132 | — | 30,429 | 57,561 |
| Interest Income | 16,670 | 29 | — | 33,426 | 50,125 |
| Other Income | — | — | — | — | — |
| Interest Expense | — | — | (10,166) | — | (10,166) |
| | 16,670 | 27,161 | (10,166) | 63,855 | 97,520 |
| Income (Loss) before Grants and Transfers | 274,996 | 136,891 | (129,989) | 7,690 | 289,588 |
| Capital Grants | 258,255 | — | — | — | 258,255 |
| Transfers Out | (123,341) | — | — | — | (123,341) |
| Change in Net Position | 409,910 | 136,891 | (129,989) | 7,690 | 424,502 |
| Net Position - Beginning | 2,209,811 | (886,720) | 97,167 | 2,477,624 | 3,897,882 |
| Net Position - Ending | 2,619,721 | (749,829) | (32,822) | 2,485,314 | 4,322,384 |

CITY OF ROCK ISLAND, ILLINOIS

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2020

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

**Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended December 31, 2020**

| | <u>Stormwater</u> |
|---|-------------------------|
| Cash Flows from Operating Activities | |
| Receipts from Customers and Users | \$ 1,599,508 |
| Interfund Services Provided (Used) | (220,535) |
| Payments to Employees | (812,381) |
| Payments to Suppliers | (354,055) |
| | <u>212,537</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Purchase of Capital Assets | (229,347) |
| Capital Grants | 258,255 |
| Principal Retirement | — |
| Interest Expense | — |
| | <u>28,908</u> |
| Cash Flows from Noncapital Financing Activities | |
| Transfers Out | <u>(123,341)</u> |
| Cash Flows from Investing Activities | |
| Interest Income | <u>16,670</u> |
| Net Change in Cash and Cash Equivalents | 134,774 |
| Cash and Cash Equivalents - Beginning | <u>1,237,343</u> |
| Cash and Cash Equivalents - Ending | <u><u>1,372,117</u></u> |
| Reconciliation of Operating Income to Net Cash | |
| Provided (Used) by Operating Activities | |
| Operating Income (Loss) | 258,326 |
| Adjustments to Reconcile Operating Income to Net Income to Net Cash | |
| Provided by (Used in) Operating Activities | |
| Depreciation and Amortization Expense | 93,374 |
| Other Income (Expense) | — |
| (Increase) Decrease in Current Assets | (111,778) |
| Increase (Decrease) in Current Liabilities | (27,385) |
| Net Cash Provided by Operating Activities | <u><u>212,537</u></u> |

| Solid Waste | Sunset Marina | Housing and Community Development Loan | Totals |
|-------------|---------------|--|-------------|
| 2,119,440 | 657,801 | 157,403 | 4,534,152 |
| (922,628) | (118,671) | — | (1,261,834) |
| (651,935) | (469,343) | (56,241) | (1,989,900) |
| (544,906) | (61,049) | — | (960,010) |
| (29) | 8,738 | 101,162 | 322,408 |
| — | — | — | (229,347) |
| — | — | — | 258,255 |
| — | (40,000) | — | (40,000) |
| — | (10,166) | — | (10,166) |
| — | (50,166) | — | (21,258) |
| — | — | — | (123,341) |
| 29 | — | 33,426 | 50,125 |
| — | (41,428) | 134,588 | 227,934 |
| — | 41,428 | 387,777 | 1,666,548 |
| — | — | 522,365 | 1,894,482 |
| 109,730 | (119,823) | (56,165) | 192,068 |
| 6,719 | 36,990 | — | 137,083 |
| 27,132 | — | 30,429 | 57,561 |
| (136,407) | 28,587 | 126,974 | (92,624) |
| (7,203) | 62,984 | (76) | 28,320 |
| (29) | 8,738 | 101,162 | 322,408 |

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|---|--------------------|------------------|------------------|------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Operating Revenues | | | | |
| Charges for Services | \$ 1,830,100 | 1,830,100 | 1,711,286 | 1,697,936 |
| Operating Expenses | | | | |
| Operations | | | | |
| Personnel | 525,141 | 506,066 | 323,260 | 464,407 |
| Supplies | 136,850 | 89,453 | 75,933 | 62,128 |
| Services | 924,728 | 873,360 | 601,040 | 758,047 |
| Programs | — | — | — | 10,865 |
| Provision for Uncollectible Accounts | 30,000 | 30,000 | 3,053 | 27,480 |
| Other | 406,300 | 356,300 | 356,300 | 336,300 |
| Depreciation | 95,954 | 95,954 | 93,374 | 95,604 |
| Total Operating Expenses | 2,118,973 | 1,951,133 | 1,452,960 | 1,754,831 |
| Operating Income (Loss) | (288,873) | (121,033) | 258,326 | (56,895) |
| Nonoperating Revenues | | | | |
| Interest Income | 10,000 | 10,000 | 16,670 | 27,246 |
| Income (Loss) before Grants and Transfers | (278,873) | (111,033) | 274,996 | (29,649) |
| Capital Grants | — | — | 258,255 | — |
| Transfers Out | (128,076) | (128,076) | (123,341) | (96,702) |
| Change in Net Position | <u>(406,949)</u> | <u>(239,109)</u> | 409,910 | (126,351) |
| Net Position - Beginning | | | <u>2,209,811</u> | <u>2,336,162</u> |
| Net Position - Ending | | | <u>2,619,721</u> | <u>2,209,811</u> |

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--------------------------------------|--------------------|-----------------|-----------|-----------|
| | Original Budget | Final Budget | Actual | Actual |
| Operating Revenues | | | | |
| Charges for Services | \$ 2,277,987 | 2,277,987 | 2,228,715 | 2,270,573 |
| Operating Expenses | | | | |
| Operations | | | | |
| Personnel | 803,995 | 646,326 | 487,159 | 873,361 |
| Supplies | 101,100 | 122,990 | 122,257 | 84,813 |
| Services | 1,209,501 | 1,343,706 | 1,348,857 | 1,276,991 |
| Provision for Uncollectible Accounts | 17,000 | 20,181 | 2,252 | 7,344 |
| Other | 151,741 | 151,741 | 151,741 | 142,709 |
| Depreciation | 6,719 | 6,719 | 6,719 | 6,719 |
| Total Operating Expenses | 2,290,056 | 2,291,663 | 2,118,985 | 2,391,937 |
| Operating Income (Loss) | (12,069) | (13,676) | 109,730 | (121,364) |
| Nonoperating Revenues | | | | |
| Intergovernmental | 29,264 | 29,264 | 27,132 | 29,264 |
| Interest Income | — | — | 29 | — |
| Other Income | — | — | — | 14,424 |
| | 29,264 | 29,264 | 27,161 | 43,688 |
| Change in Net Position | 17,195 | 15,588 | 136,891 | (77,676) |
| Net Position - Beginning | | | (886,720) | (809,044) |
| Net Position - Ending | | | (749,829) | (886,720) |

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--------------------------------------|--------------------|------------------|------------------|-----------------|
| | Original Budget | Final Budget | Actual | Actual |
| Operating Revenues | | | | |
| Charges for Services | \$ 495,900 | 495,900 | 573,857 | 606,713 |
| Sales of Merchandise | 10,000 | 10,000 | 4,578 | 2,992 |
| Other | 10,901 | 10,901 | 50,779 | 8,674 |
| Total Operating Revenues | <u>516,801</u> | <u>516,801</u> | <u>629,214</u> | <u>618,379</u> |
| Operating Expenses | | | | |
| Operations | | | | |
| Personnel | 94,473 | 87,620 | 56,634 | 41,938 |
| Cost of Sales | 84,500 | 83,331 | 83,331 | (8,008) |
| Supplies | 19,009 | 31,937 | 30,261 | 42,663 |
| Services | 382,207 | 346,714 | 350,980 | 385,349 |
| Programs | 1,500 | 6,669 | 6,669 | 32,276 |
| Provision for Uncollectible Accounts | 30,000 | 68,268 | 68,268 | 41,097 |
| Other | 125,904 | 115,904 | 115,904 | 87,904 |
| Depreciation and Amortization | 37,955 | 37,955 | 36,990 | 36,990 |
| Total Operating Expenses | <u>775,548</u> | <u>778,398</u> | <u>749,037</u> | <u>660,209</u> |
| Operating (Loss) | <u>(258,747)</u> | <u>(261,597)</u> | <u>(119,823)</u> | <u>(41,830)</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | 1,000 | 1,000 | — | 734 |
| Interest Expense | (10,200) | (10,200) | (10,166) | (10,966) |
| | <u>(9,200)</u> | <u>(9,200)</u> | <u>(10,166)</u> | <u>(10,232)</u> |
| Change in Net Position | <u>(267,947)</u> | <u>(270,797)</u> | (129,989) | (52,062) |
| Net Position - Beginning | | | <u>97,167</u> | <u>149,229</u> |
| Net Position - Ending | | | <u>(32,822)</u> | <u>97,167</u> |

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--------------------------------------|--------------------|-----------------|-----------|-----------|
| | Original Budget | Final Budget | Actual | Actual |
| Operating Revenues | | | | |
| Other | \$ — | — | — | — |
| Operating Expenses | | | | |
| Operations | | | | |
| Services | 11,000 | 329,783 | 40,260 | 11,440 |
| Provision for Uncollectible Accounts | — | — | 11,615 | (370,000) |
| Other | 4,290 | 4,290 | 4,290 | 4,290 |
| Depreciation | 12,927 | 12,927 | — | — |
| Total Operating Expenses | 28,217 | 347,000 | 56,165 | (354,270) |
| Operating Income (Loss) | (28,217) | (347,000) | (56,165) | 354,270 |
| Nonoperating Revenues (Expenses) | | | | |
| Intergovernmental | — | — | 30,429 | (320) |
| Interest Income | 37,000 | 37,000 | 33,426 | 39,237 |
| | 37,000 | 37,000 | 63,855 | 38,917 |
| Income (Loss) before Transfers | 8,783 | (310,000) | 7,690 | 393,187 |
| Transfers Out | — | — | — | (319,266) |
| Change in Net Position | 8,783 | (310,000) | 7,690 | 73,921 |
| Net Position - Beginning | | | 2,477,624 | 2,403,703 |
| Net Position - Ending | | | 2,485,314 | 2,477,624 |

CITY OF ROCK ISLAND, ILLINOIS

**Internal Service Funds
Combining Statement of Net Position
December 31, 2020**

| ASSETS | <u>Equipment Maintenance</u> |
|--|----------------------------------|
| Current Assets | |
| Cash and Investments | \$ 370,595 |
| Receivables - Net of Allowances | |
| Accrued Interest | 841 |
| Other | 2,211 |
| Due from Other Funds | 1,639,216 |
| Prepays - Assets Held for Resale | — |
| Prepays | — |
| Inventories | 509,686 |
| Total Current Assets | <u>2,522,549</u> |
| Noncurrent Assets | |
| Capital Assets | |
| Nondepreciable | 17,500 |
| Depreciable | 10,020,582 |
| Accumulated Depreciation | <u>(6,140,282)</u> |
| Total Noncurrent Assets | <u>3,897,800</u> |
| Other Assets | |
| Net Pension Asset - IMRF | <u>281,012</u> |
| Total Assets | <u>6,701,361</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred Items - IMRF | 54,878 |
| Deferred Items - RBP | <u>127,386</u> |
| Total Deferred Outflows of Resources | <u>182,264</u> |
| Total Assets and Deferred Outflows of Resources | <u>6,883,625</u> |
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | 42,729 |
| Accrued Payroll | 15,229 |
| Accrued Interest Payable | — |
| Claims Payable | — |
| Due to Other Funds | — |
| Current Portion of Long-Term Debt | 56,466 |
| Total Current Liabilities | <u>114,424</u> |
| Noncurrent Liabilities | |
| Compensated Absences Payable | 43,879 |
| Total OPEB Liability - RBP | 738,094 |
| General Obligation Bonds - Net | — |
| Total Noncurrent Liabilities | <u>781,973</u> |
| Total Liabilities | <u>896,397</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred Items - IMRF | 594,143 |
| Deferred Items - RBP | <u>164,040</u> |
| Total Deferred Inflows of Resources | <u>758,183</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>1,654,580</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 3,897,800 |
| Unrestricted | <u>1,331,245</u> |
| Total Net Position | <u>5,229,045</u> |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>6,883,625</u> |

| Engineering | Self Insurance | Employee Health Benefit | Hydro-Electric Plant | Totals |
|-------------|----------------|-------------------------|----------------------|-------------|
| 200 | 1,604,417 | 3,291,136 | — | 5,266,348 |
| — | 630 | 1,375 | — | 2,846 |
| 5,250 | 9,875 | 616,152 | — | 633,488 |
| — | — | — | — | 1,639,216 |
| — | 6,234 | — | — | 6,234 |
| — | 22,917 | — | — | 22,917 |
| — | — | — | — | 509,686 |
| 5,450 | 1,644,073 | 3,908,663 | — | 8,080,735 |
| — | — | — | — | 17,500 |
| — | — | — | 2,356,899 | 12,377,481 |
| — | — | — | (725,126) | (6,865,408) |
| — | — | — | 1,631,773 | 5,529,573 |
| 240,493 | — | — | — | 521,505 |
| 245,943 | 1,644,073 | 3,908,663 | 1,631,773 | 14,131,813 |
| 46,965 | — | — | — | 101,843 |
| 109,025 | — | — | — | 236,411 |
| 155,990 | — | — | — | 338,254 |
| 401,933 | 1,644,073 | 3,908,663 | 1,631,773 | 14,470,067 |
| 4,213 | 56,649 | 831,945 | 358 | 935,894 |
| 9,740 | 605 | 772 | — | 26,346 |
| — | — | — | 1,308 | 1,308 |
| — | 1,522,486 | 288,432 | — | 1,810,918 |
| 1,639,216 | — | — | — | 1,639,216 |
| 98,600 | 2,034 | 4,312 | 148,241 | 309,653 |
| 1,751,769 | 1,581,774 | 1,125,461 | 149,907 | 4,723,335 |
| 76,620 | 1,580 | 3,351 | 5,109 | 130,539 |
| 631,711 | — | — | — | 1,369,805 |
| — | — | — | 768,645 | 768,645 |
| 708,331 | 1,580 | 3,351 | 773,754 | 2,268,989 |
| 2,460,100 | 1,583,354 | 1,128,812 | 923,661 | 6,992,324 |
| 508,473 | — | — | — | 1,102,616 |
| 140,396 | — | — | — | 304,436 |
| 648,869 | — | — | — | 1,407,052 |
| 3,108,969 | 1,583,354 | 1,128,812 | 923,661 | 8,399,376 |
| — | — | — | 721,461 | 4,619,261 |
| (2,707,036) | 60,719 | 2,779,851 | (13,349) | 1,451,430 |
| (2,707,036) | 60,719 | 2,779,851 | 708,112 | 6,070,691 |
| 401,933 | 1,644,073 | 3,908,663 | 1,631,773 | 14,470,067 |

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, 2020

| | <u>Equipment Maintenance</u> |
|----------------------------------|----------------------------------|
| Operating Revenues | |
| Interfund Services | \$ 3,030,424 |
| Other | <u>5,040</u> |
| Total Operating Revenues | <u>3,035,464</u> |
| Operating Expenses | |
| Operations | 2,579,598 |
| Depreciation and Amortization | <u>558,140</u> |
| Total Operating Expenses | <u>3,137,738</u> |
| Operating Income (Loss) | <u>(102,274)</u> |
| Nonoperating Revenues (Expenses) | |
| Interest Income | 23,266 |
| Other Income | — |
| Interest Expense | — |
| Disposal of Capital Assets | <u>(14,032)</u> |
| | <u>9,234</u> |
| Income (Loss) before Transfers | (93,040) |
| Transfers In | <u>64,715</u> |
| Change in Net Position | (28,325) |
| Net Position - Beginning | <u>5,257,370</u> |
| Net Position - Ending | <u><u>5,229,045</u></u> |

| Engineering | Self Insurance | Employee Health Benefit | Hydro-Electric Plant | Totals |
|-------------|----------------|-------------------------|----------------------|------------|
| 1,077,116 | 1,572,047 | 6,773,053 | 274,342 | 12,726,982 |
| — | — | 351,627 | — | 356,667 |
| 1,077,116 | 1,572,047 | 7,124,680 | 274,342 | 13,083,649 |
| 1,020,746 | 1,799,437 | 6,563,996 | 112,927 | 12,076,704 |
| — | — | — | 52,535 | 610,675 |
| 1,020,746 | 1,799,437 | 6,563,996 | 165,462 | 12,687,379 |
| 56,370 | (227,390) | 560,684 | 108,880 | 396,270 |
| 461 | 13,559 | 33,961 | — | 71,247 |
| — | 132,994 | — | — | 132,994 |
| — | — | — | (33,592) | (33,592) |
| — | — | — | — | (14,032) |
| 461 | 146,553 | 33,961 | (33,592) | 156,617 |
| 56,831 | (80,837) | 594,645 | 75,288 | 552,887 |
| — | — | — | — | 64,715 |
| 56,831 | (80,837) | 594,645 | 75,288 | 617,602 |
| (2,763,867) | 141,556 | 2,185,206 | 632,824 | 5,453,089 |
| (2,707,036) | 60,719 | 2,779,851 | 708,112 | 6,070,691 |

CITY OF ROCK ISLAND, ILLINOIS

Internal Service Funds

Combining Statements of Cash Flows

For the Fiscal Year Ended December 31, 2020

| | <u>Equipment Maintenance</u> |
|--|----------------------------------|
| Cash Flows from Operating Activities | |
| Receipts from Customers and Users | \$ 5,040 |
| Interfund Services Provided | 2,915,367 |
| Payments to Suppliers | (2,093,996) |
| Payments to Employees | (841,644) |
| | <u>(15,233)</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Purchase of Capital Assets | (294,902) |
| Disposal of Capital Assets | 37,231 |
| Principal Retirement | — |
| Interest Expense | — |
| | <u>(257,671)</u> |
| Cash Flows from Noncapital Financing Activities | |
| Transfers In | <u>64,715</u> |
| Cash Flows from Investing Activities | |
| Interest Income | <u>23,266</u> |
| Net Change in Cash and Cash Equivalents | (184,923) |
| Cash and Cash Equivalents - Beginning | <u>555,518</u> |
| Cash and Cash Equivalents - Ending | <u><u>370,595</u></u> |
| Reconciliation of Operating Income to Net Cash | |
| Provided (Used) by Operating Activities | |
| Operating Income | (102,274) |
| Adjustments to Reconcile Operating Income | |
| to Net Cash Provided by (Used in) | |
| Operating Activities | |
| Depreciation and Amortization | 558,140 |
| Other Income (Expense) | — |
| (Increase) Decrease in Current Assets | (115,057) |
| Increase (Decrease) in Current Liabilities | (356,042) |
| | <u>(15,233)</u> |
| Net Cash Provided by Operating Activities | <u><u>(15,233)</u></u> |

| Engineering | Self Insurance | Employee Health Benefit | Hydro-Electric Plant | Totals |
|-------------|----------------|-------------------------|----------------------|--------------|
| — | 132,994 | 351,627 | — | 489,661 |
| 1,059,767 | 1,640,622 | 6,315,845 | 288,349 | 12,219,950 |
| (381,078) | (1,567,085) | (6,214,792) | (68,000) | (10,324,951) |
| (679,050) | (38,820) | (49,211) | (45,090) | (1,653,815) |
| (361) | 167,711 | 403,469 | 175,259 | 730,845 |
| — | — | — | — | (294,902) |
| — | — | — | — | 37,231 |
| — | — | — | (141,667) | (141,667) |
| — | — | — | (33,592) | (33,592) |
| — | — | — | (175,259) | (432,930) |
| — | — | — | — | 64,715 |
| 461 | 13,559 | 33,961 | — | 71,247 |
| 100 | 181,270 | 437,430 | — | 433,877 |
| 100 | 1,423,147 | 2,853,706 | — | 4,832,471 |
| 200 | 1,604,417 | 3,291,136 | — | 5,266,348 |
| 56,370 | (227,390) | 560,684 | 108,880 | 396,270 |
| — | — | — | 52,535 | 610,675 |
| — | 132,994 | — | — | 132,994 |
| (17,349) | 68,575 | (457,208) | 14,007 | (507,032) |
| (39,382) | 193,532 | 299,993 | (163) | 97,938 |
| (361) | 167,711 | 403,469 | 175,259 | 730,845 |

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|----------------------------------|--------------------|--------------------|------------------|------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Operating Revenues | | | | |
| Interfund Services | | | | |
| Charges for Services | \$ 3,412,441 | 3,412,441 | 3,030,424 | 3,466,866 |
| Other | 17,500 | 17,500 | 5,040 | 3,828 |
| Total Operating Revenues | <u>3,429,941</u> | <u>3,429,941</u> | <u>3,035,464</u> | <u>3,470,694</u> |
| Operating Expenses | | | | |
| Operations | | | | |
| Personnel | 1,232,093 | 1,259,338 | 801,833 | 1,398,495 |
| Supplies | 1,272,519 | 1,261,466 | 1,153,440 | 1,245,181 |
| Services | 1,069,997 | 1,353,656 | 224,778 | 262,192 |
| Other | 382,732 | 401,487 | 399,547 | 313,190 |
| Depreciation | 598,508 | 598,508 | 558,140 | 543,491 |
| Total Operating Expenses | <u>4,555,849</u> | <u>4,874,455</u> | <u>3,137,738</u> | <u>3,762,549</u> |
| Operating (Loss) | <u>(1,125,908)</u> | <u>(1,444,514)</u> | <u>(102,274)</u> | <u>(291,855)</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | 8,000 | 8,000 | 23,266 | 39,168 |
| Disposal of Capital Assets | — | — | (14,032) | — |
| | <u>8,000</u> | <u>8,000</u> | <u>9,234</u> | <u>39,168</u> |
| (Loss) before Transfers | <u>(1,117,908)</u> | <u>(1,436,514)</u> | <u>(93,040)</u> | <u>(252,687)</u> |
| Transfers In | — | 83,439 | 64,715 | 230,648 |
| Change in Net Position | <u>(1,117,908)</u> | <u>(1,353,075)</u> | <u>(28,325)</u> | <u>(22,039)</u> |
| Net Position - Beginning | | | <u>5,257,370</u> | <u>5,279,409</u> |
| Net Position - Ending | | | <u>5,229,045</u> | <u>5,257,370</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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--------------------------|--------------------|-----------------|---------------------------|---------------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Operating Revenues | | | | |
| Interfund Services | | | | |
| Charges for Services | \$ 1,240,250 | 1,240,250 | 1,077,116 | 758,953 |
| Operating Expenses | | | | |
| Operations | | | | |
| Personnel | 990,116 | 993,990 | 753,165 | 1,031,891 |
| Supplies | 7,840 | 9,400 | 3,922 | 5,611 |
| Services | 54,688 | 56,768 | 47,079 | 50,748 |
| Other | 236,680 | 229,166 | 216,580 | 216,680 |
| Total Operating Expenses | 1,289,324 | 1,289,324 | 1,020,746 | 1,304,930 |
| Operating Income (Loss) | (49,074) | (49,074) | 56,370 | (545,977) |
| Nonoperating Revenues | | | | |
| Interest Income | — | — | 461 | 702 |
| Change in Net Position | <u>(49,074)</u> | <u>(49,074)</u> | 56,831 | (545,275) |
| Net Position - Beginning | | | <u>(2,763,867)</u> | <u>(2,218,592)</u> |
| Net Position - Ending | | | <u><u>(2,707,036)</u></u> | <u><u>(2,763,867)</u></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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--------------------------|--------------------|-----------------|-----------|-------------|
| | Original Budget | Final Budget | Actual | Actual |
| Operating Revenues | | | | |
| Interfund Services | | | | |
| Charges for Services | \$ 1,571,509 | 1,571,509 | 1,572,047 | 1,704,050 |
| Operating Expenses | | | | |
| Operations | | | | |
| Personnel | 101,131 | 100,270 | 102,561 | 117,009 |
| Services | 1,364,786 | 1,365,647 | 1,696,876 | 269,900 |
| Total Operating Expenses | 1,465,917 | 1,465,917 | 1,799,437 | 386,909 |
| Operating Income (Loss) | 105,592 | 105,592 | (227,390) | 1,317,141 |
| Nonoperating Revenues | | | | |
| Interest Income | 3,537 | 3,537 | 13,559 | 17,325 |
| Other Income | 47,464 | 47,464 | 132,994 | 58,698 |
| | 51,001 | 51,001 | 146,553 | 76,023 |
| Change in Net Position | 156,593 | 156,593 | (80,837) | 1,393,164 |
| Net Position - Beginning | | | 141,556 | (1,251,608) |
| Net Position - Ending | | | 60,719 | 141,556 |

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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|--------------------------|--------------------|------------------|------------------|------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Operating Revenues | | | | |
| Interfund Services | | | | |
| Charges for Services | \$ 6,118,249 | 6,118,249 | 6,773,053 | 3,833,914 |
| Other | 85,000 | 85,000 | 351,627 | 249,062 |
| Total Operating Revenues | <u>6,203,249</u> | <u>6,203,249</u> | <u>7,124,680</u> | <u>4,082,976</u> |
| Operating Expenses | | | | |
| Operations | | | | |
| Personnel | 56,598 | 56,508 | 71,143 | 67,400 |
| Supplies | 500 | 500 | — | 776 |
| Services | 6,250,269 | 6,593,431 | 6,486,525 | 3,979,670 |
| Other | 6,328 | 6,328 | 6,328 | 6,328 |
| Total Operating Expenses | <u>6,313,695</u> | <u>6,656,767</u> | <u>6,563,996</u> | <u>4,054,174</u> |
| Operating Income (Loss) | (110,446) | (453,518) | 560,684 | 28,802 |
| Nonoperating Revenues | | | | |
| Interest Income | <u>18,000</u> | <u>18,000</u> | <u>33,961</u> | <u>52,262</u> |
| Change in Net Position | <u>(92,446)</u> | <u>(435,518)</u> | 594,645 | 81,064 |
| Net Position - Beginning | | | <u>2,185,206</u> | <u>2,104,142</u> |
| Net Position - Ending | | | <u>2,779,851</u> | <u>2,185,206</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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|----------------------------------|--------------------|-----------------|----------|----------|
| | Original Budget | Final Budget | Actual | |
| Operating Revenues | | | | |
| Interfund Services | | | | |
| Charges for Services | \$ 125,000 | 125,000 | 274,342 | 303,729 |
| Operating Expenses | | | | |
| Operations | | | | |
| Personnel | 59,533 | 61,914 | 59,882 | 42,905 |
| Supplies | 7,100 | 7,100 | 2,457 | 1,012 |
| Services | 230,017 | 228,371 | 50,588 | 82,428 |
| Other | 151,667 | 150,932 | — | — |
| Depreciation and Amortization | 58,866 | 58,866 | 52,535 | 52,535 |
| Total Operating Expenses | 507,183 | 507,183 | 165,462 | 178,880 |
| Operating Income (Loss) | (382,183) | (382,183) | 108,880 | 124,849 |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | — | — | — | 3 |
| Interest Expense | (33,736) | (33,736) | (33,592) | (36,011) |
| | (33,736) | (33,736) | (33,592) | (36,008) |
| Change in Net Position | (415,919) | (415,919) | 75,288 | 88,841 |
| Net Position - Beginning | | | 632,824 | 543,983 |
| Net Position - Ending | | | 708,112 | 632,824 |

CITY OF ROCK ISLAND, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position

December 31, 2020

| | Police Pension | Firefighters' Pension | Totals |
|--------------------------------------|-------------------|--------------------------|------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 3,337,001 | 1,459,573 | 4,796,574 |
| Investments | | | |
| U.S. Government Obligations | 7,874,573 | 3,941,521 | 11,816,094 |
| U.S. Agency Obligations | 2,180,470 | 629,060 | 2,809,530 |
| Corporate Bonds | 7,266,596 | 2,942,865 | 10,209,461 |
| Mutual Funds | 21,217,321 | 16,427,476 | 37,644,797 |
| Annuities | — | 1,098,275 | 1,098,275 |
| Receivables | | | |
| Accrued Interest | 68,220 | 47,054 | 115,274 |
| Due from Other Funds | 138,319 | 129,528 | 267,847 |
| Prepays | 1,349 | 1,558 | 2,907 |
| Total Assets | 42,083,849 | 26,676,910 | 68,760,759 |
| LIABILITIES | | | |
| Accounts Payable | 27,103 | 16,648 | 43,751 |
| NET POSITION | | | |
| Net Position Restricted for Pensions | 42,056,746 | 26,660,262 | 68,717,008 |

CITY OF ROCK ISLAND, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended December 31, 2020

| | Police Pension | Firefighters' Pension | Totals |
|---|-------------------|--------------------------|-------------------|
| Additions | | | |
| Contributions - Employer | \$ 3,772,591 | 3,444,244 | 7,216,835 |
| Contributions - Plan Members | 603,975 | 443,300 | 1,047,275 |
| Total Contributions | <u>4,376,566</u> | <u>3,887,544</u> | <u>8,264,110</u> |
| Investment Income | | | |
| Interest Earned | 3,349,923 | 2,447,102 | 5,797,025 |
| Net Change in Fair Value | 2,583 | 5,774 | 8,357 |
| | <u>3,352,506</u> | <u>2,452,876</u> | <u>5,805,382</u> |
| Less Investment Expenses | (69,647) | (49,606) | (119,253) |
| Net Investment Income | <u>3,282,859</u> | <u>2,403,270</u> | <u>5,686,129</u> |
| Total Additions | <u>7,659,425</u> | <u>6,290,814</u> | <u>13,950,239</u> |
| Deductions | | | |
| Administration | 61,050 | 68,595 | 129,645 |
| Benefits and Refunds | 5,005,196 | 4,702,369 | 9,707,565 |
| Total Deductions | <u>5,066,246</u> | <u>4,770,964</u> | <u>9,837,210</u> |
| Change in Fiduciary Net Position | 2,593,179 | 1,519,850 | 4,113,029 |
| Net Position Restricted for Pensions | | | |
| Beginning | <u>39,463,567</u> | <u>25,140,412</u> | <u>64,603,979</u> |
| Ending | <u>42,056,746</u> | <u>26,660,262</u> | <u>68,717,008</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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|---|--------------------|-----------------|-------------------|-------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Additions | | | | |
| Contributions - Employer | \$ — | 3,772,591 | 3,772,591 | 3,543,398 |
| Contributions - Plan Members | — | 657,000 | 603,975 | 596,362 |
| Total Contributions | — | 4,429,591 | 4,376,566 | 4,139,760 |
| Investment Income | | | | |
| Interest Earned | 657,072 | 657,072 | 3,349,923 | 5,565,907 |
| Net Change in Fair Value | 650,000 | 650,000 | 2,583 | 2,252 |
| | 1,307,072 | 1,307,072 | 3,352,506 | 5,568,159 |
| Less Investment Expenses | — | — | (69,647) | (67,483) |
| Net Investment Income | 1,307,072 | 1,307,072 | 3,282,859 | 5,500,676 |
| Total Additions | 1,307,072 | 5,736,663 | 7,659,425 | 9,640,436 |
| Deductions | | | | |
| Administration | 315,210 | 315,210 | 61,050 | 81,855 |
| Benefits and Refunds | 5,022,889 | 5,022,889 | 5,005,196 | 4,927,269 |
| Total Deductions | 5,338,099 | 5,338,099 | 5,066,246 | 5,009,124 |
| Change in Fiduciary Net Position | <u>(4,031,027)</u> | <u>398,564</u> | 2,593,179 | 4,631,312 |
| Net Position Restricted for Pensions | | | | |
| Beginning | | | <u>39,463,567</u> | <u>34,832,255</u> |
| Ending | | | <u>42,056,746</u> | <u>39,463,567</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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|---|--------------------|-----------------|-------------------|-------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Additions | | | | |
| Contributions - Employer | \$ — | 3,880,310 | 3,444,244 | 3,290,679 |
| Contributions - Plan Members | — | — | 443,300 | 415,425 |
| Total Contributions | — | 3,880,310 | 3,887,544 | 3,706,104 |
| Investment Income | | | | |
| Interest Earned | 540,000 | 540,000 | 2,447,102 | 3,137,389 |
| Net Change in Fair Value | 485,000 | 485,000 | 5,774 | 648,964 |
| | 1,025,000 | 1,025,000 | 2,452,876 | 3,786,353 |
| Less Investment Expenses | — | — | (49,606) | (46,457) |
| Net Investment Income | 1,025,000 | 1,025,000 | 2,403,270 | 3,739,896 |
| Total Additions | 1,025,000 | 4,905,310 | 6,290,814 | 7,446,000 |
| Deductions | | | | |
| Administration | 148,610 | 148,610 | 68,595 | 54,882 |
| Benefits and Refunds | 4,748,175 | 4,748,175 | 4,702,369 | 4,555,689 |
| Total Deductions | 4,896,785 | 4,896,785 | 4,770,964 | 4,610,571 |
| Change in Fiduciary Net Position | <u>(3,871,785)</u> | <u>8,525</u> | 1,519,850 | 2,835,429 |
| Net Position Restricted for Pensions | | | | |
| Beginning | | | <u>25,140,412</u> | <u>22,304,983</u> |
| Ending | | | <u>26,660,262</u> | <u>25,140,412</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, 2020

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2019)

| | 12/31/20 | | | 12/31/19 |
|---|--------------------|-----------------|---------|----------|
| | Original Budget | Final Budget | Actual | Actual |
| Additions | | | | |
| Contributions - Dependent Care | \$ — | 10,000 | 12,985 | 9,988 |
| Contributions - Medical Reimbursement | — | 101,785 | 90,066 | 101,569 |
| Total Contributions | — | 111,785 | 103,051 | 111,557 |
| Investment Income | | | | |
| Interest Earned | — | — | 255 | 74 |
| Total Additions | — | 111,785 | 103,306 | 111,631 |
| Deductions | | | | |
| Services | — | 111,785 | 92,473 | 106,519 |
| Change in Fiduciary Net Position | — | — | 10,833 | 5,112 |
| Net Position Restricted for Others | | | | |
| Beginning | | | 18,896 | 13,784 |
| Ending | | | 29,729 | 18,896 |

CITY OF ROCK ISLAND, ILLINOIS

**Consolidated Year-End Financial Report
December 31, 2020**

| CSFA # | Program Name | State | Federal | Other | Total |
|-------------|--|-----------|-----------|------------|------------|
| 418-00-1315 | Family Advocacy Centers | \$ — | 227,250 | — | 227,250 |
| 420-00-0505 | Grants Management Program | 30,406 | — | — | 30,406 |
| 420-00-1982 | Restoration of a Firehouse, including Restoration of Sidewalks, HVAC and Windows | 25,000 | — | 9,042 | 34,042 |
| 420-00-2433 | Local Coronavirus Urgent Remediation Emergency (or Local CURE) & Economic Support Payments Grants Program | — | 1,609,611 | — | 1,609,611 |
| 422-11-0970 | Open Space Land Acquisition & Development | 75,000 | — | 7,575 | 82,575 |
| 422-50-1655 | Certified Local Government Grants Program | — | 10,186 | — | 10,186 |
| 444-26-1552 | Substance Use Prevention Services | — | 152,269 | — | 152,269 |
| 444-26-1565 | Tobacco Enforcement Program | — | 1,980 | — | 1,980 |
| 444-80-0687 | Teen Pregnancy Prevention Program- Personal Responsibility Education Program | — | 118,879 | — | 118,879 |
| 444-80-1411 | Teen REACH (Responsibility, Education, Achievement, Caring and Hope) | — | 148,674 | — | 148,674 |
| 494-00-1488 | Motor Fuel Tax Program | 587,931 | — | — | 587,931 |
| 494-00-2356 | REBUILD ILLINOIS Local Bond Program | 592 | — | — | 592 |
| 494-10-0343 | State and Community Highway Safety/ National Priority Safety Program | — | 29,996 | — | 29,996 |
| 532-60-0379 | USEPA Capitalization Grants for Drinking Water State Revolving Funds | 2,350,201 | — | — | 2,350,201 |
| | Other Grant Programs and Activities | 200,452 | 1,399,409 | — | 1,599,861 |
| | All Other Costs Not Allocated | — | — | 87,101,198 | 87,101,198 |
| | Totals | 3,269,582 | 3,698,254 | 87,117,815 | 94,085,651 |

SUPPLEMENTAL SCHEDULES

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

General Obligation Taxable Bond Series of 2008C

December 31, 2020

| | |
|-------------------------|--|
| 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 |
| 2021 | \$ 46,667 | 956 | 47,623 | 2021 | 478 | 2021 | 478 |
| 2022 | 46,665 | 478 | 47,143 | 2022 | 239 | 2022 | 239 |
| | <u>93,332</u> | <u>1,434</u> | <u>94,766</u> | | <u>717</u> | | <u>717</u> |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2011A
December 31, 2020**

| | |
|-------------------------|-------------------------|
| Date of Issue | August 23, 2011 |
| Date of Maturity | December 15, 2021 |
| Authorized Issue | \$2,065,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 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 |
| 2021 | \$ 70,000 | 2,450 | 72,450 | 2021 | 1,225 | 2021 | 1,225 |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2012A
December 31, 2020**

| | |
|-------------------------|-------------------------|
| Date of Issue | December 26, 2012 |
| Date of Maturity | December 15, 2032 |
| Authorized Issue | \$3,890,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 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 |
| 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>1,495,000</u> | <u>237,910</u> | <u>1,732,910</u> | | <u>118,959</u> | | <u>118,951</u> |
| | 1,120,000 | Debt Service | | | | | |
| | <u>375,000</u> | Sunset Marina | | | | | |
| | <u>1,495,000</u> | | | | | | |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2013A
December 31, 2020**

| | |
|-------------------------|------------------------|
| Date of Issue | December 18, 2013 |
| Date of Maturity | December 1, 2033 |
| Authorized Issue | \$9,625,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 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 |
| 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>6,755,000</u> | <u>2,182,092</u> | <u>8,937,092</u> | | <u>1,091,046</u> | | <u>1,091,046</u> |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Taxable Bonds of 2013B
December 31, 2020**

| | |
|-------------------------|------------------------|
| 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 |
| 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>330,000</u> | <u>26,376</u> | <u>356,376</u> | | <u>13,188</u> | | <u>13,188</u> |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2014A
December 31, 2020**

| | |
|-------------------------|------------------------|
| Date of Issue | December 23, 2014 |
| Date of Maturity | December 1, 2034 |
| Authorized Issue | \$9,585,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 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 |
| 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>7,275,000</u> | <u>2,095,434</u> | <u>9,370,434</u> | | <u>1,047,717</u> | | <u>1,047,717</u> |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Taxable Bonds of 2014B
December 31, 2020**

| | |
|-------------------------|------------------------|
| Date of Issue | December 23, 2014 |
| Date of Maturity | December 1, 2034 |
| Authorized Issue | \$15,865,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 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 |
| 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>4,059,804</u> | <u>14,474,804</u> | | <u>2,029,902</u> | | <u>2,029,902</u> |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2015A
December 31, 2020**

| | |
|-------------------------|------------------------|
| Date of Issue | September 10, 2015 |
| Date of Maturity | December 1, 2035 |
| Authorized Issue | \$6,075,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 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 |
| 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>4,130,000</u> | <u>920,928</u> | <u>5,050,928</u> | | <u>460,464</u> | | <u>460,464</u> |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2015B
December 31, 2020**

| | |
|-------------------------|-----------------------------|
| Date of Issue | October 20, 2015 |
| Date of Maturity | December 1, 2026 |
| Authorized Issue | \$4,175,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 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 |
| 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>1,555,000</u> | <u>193,600</u> | <u>1,748,600</u> | | <u>96,800</u> | | <u>96,800</u> |
| | 325,000 | Debt Service | | | | | |
| | <u>1,230,000</u> | Wastewater Treatment | | | | | |
| | <u>1,555,000</u> | | | | | | |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Taxable Bonds of 2016A
December 31, 2020**

| | |
|-------------------------|-----------------------------|
| Date of Issue | November 29, 2016 |
| Date of Maturity | December 1, 2036 |
| Authorized Issue | \$3,505,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 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 |
| 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>2,990,000</u> | <u>1,116,000</u> | <u>4,106,000</u> | | <u>558,000</u> | | <u>558,000</u> |

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

General Obligation Taxable Refunding Bonds of 2016C

December 31, 2020

| | |
|-------------------------|-----------------------------|
| 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 |
| 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>1,237,034</u> | <u>3,122,034</u> | | <u>618,510</u> | | <u>618,524</u> |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2017A
December 31, 2020**

| | |
|-------------------------|-----------------------------|
| Date of Issue | September 20, 2017 |
| Date of Maturity | December 1, 2036 |
| Authorized Issue | \$4,840,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 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 |
| 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>3,900,000</u> | <u>986,357</u> | <u>4,886,357</u> | | <u>493,182</u> | | <u>493,175</u> |
| | 2,350,000 | Debt Service | | | | | |
| | 790,000 | Parks and Recreation | | | | | |
| | <u>760,000</u> | Hydro-Electric Plant | | | | | |
| | <u><u>3,900,000</u></u> | | | | | | |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2017B
December 31, 2020**

| | |
|-------------------------|-----------------------------|
| Date of Issue | September 20, 2017 |
| Date of Maturity | December 1, 2021 |
| Authorized Issue | \$2,845,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 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 |
| 2021 | <u>\$ 800,000</u> | <u>24,000</u> | <u>824,000</u> | 2021 | <u>12,000</u> | 2021 | <u>12,000</u> |
| | 699,550 | Debt Service | | | | | |
| | <u>100,450</u> | Wastewater Treatment | | | | | |
| | <u>800,000</u> | | | | | | |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2019A
December 31, 2020**

| | |
|-------------------------|-----------------------------|
| Date of Issue | October 8, 2019 |
| Date of Maturity | December 1, 2030 |
| Authorized Issue | \$4,125,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 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 |
| 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>3,840,000</u> | <u>894,200</u> | <u>4,734,200</u> | | <u>447,100</u> | | <u>447,100</u> |
| | 1,152,000 | Waterworks | | | | | |
| | <u>2,688,000</u> | Wastewater Treatment | | | | | |
| | <u>3,840,000</u> | | | | | | |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Taxable Bonds of 2019B
December 31, 2020**

| | |
|-------------------------|-----------------------------|
| Date of Issue | October 8, 2019 |
| Date of Maturity | December 1, 2024 |
| Authorized Issue | \$1,360,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 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 |
| 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>1,105,000</u> | <u>63,796</u> | <u>1,168,796</u> | | <u>31,898</u> | | <u>31,898</u> |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2019C
December 31, 2020**

| | |
|-------------------------|-----------------------------|
| Date of Issue | October 8, 2019 |
| Date of Maturity | December 1, 2037 |
| Authorized Issue | \$3,845,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 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 |
| 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>2,365,184</u> | <u>6,210,184</u> | | <u>1,182,592</u> | | <u>1,182,592</u> |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2019D
December 31, 2020**

| | |
|-------------------------|-----------------------------|
| Date of Issue | October 8, 2019 |
| Date of Maturity | December 1, 2037 |
| Authorized Issue | \$1,980,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 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 |
| 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>687,066</u> | <u>2,667,066</u> | | <u>343,533</u> | | <u>343,533</u> |

CITY OF ROCK ISLAND, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2020
December 31, 2020**

| | |
|-------------------------|-----------------------------|
| Date of Issue | October 15, 2020 |
| Date of Maturity | December 1, 2040 |
| Authorized Issue | \$12,355,000 |
| 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 |
| 2021 | \$ 355,000 | 557,348 | 912,348 | 2021 | 310,248 | 2021 | 247,100 |
| 2022 | 440,000 | 480,000 | 920,000 | 2022 | 240,000 | 2022 | 240,000 |
| 2023 | 455,000 | 462,400 | 917,400 | 2023 | 231,200 | 2023 | 231,200 |
| 2024 | 475,000 | 444,200 | 919,200 | 2024 | 222,100 | 2024 | 222,100 |
| 2025 | 495,000 | 425,200 | 920,200 | 2025 | 212,600 | 2025 | 212,600 |
| 2026 | 510,000 | 405,400 | 915,400 | 2026 | 202,700 | 2026 | 202,700 |
| 2027 | 530,000 | 385,000 | 915,000 | 2027 | 192,500 | 2027 | 192,500 |
| 2028 | 550,000 | 363,800 | 913,800 | 2028 | 181,900 | 2028 | 181,900 |
| 2029 | 570,000 | 341,800 | 911,800 | 2029 | 170,900 | 2029 | 170,900 |
| 2030 | 600,000 | 319,000 | 919,000 | 2030 | 159,500 | 2030 | 159,500 |
| 2031 | 620,000 | 295,000 | 915,000 | 2031 | 147,500 | 2031 | 147,500 |
| 2032 | 650,000 | 270,200 | 920,200 | 2032 | 135,100 | 2032 | 135,100 |
| 2033 | 670,000 | 244,200 | 914,200 | 2033 | 122,100 | 2033 | 122,100 |
| 2034 | 705,000 | 217,400 | 922,400 | 2034 | 108,700 | 2034 | 108,700 |
| 2035 | 725,000 | 189,200 | 914,200 | 2035 | 94,600 | 2035 | 94,600 |
| 2036 | 760,000 | 160,200 | 920,200 | 2036 | 80,100 | 2036 | 80,100 |
| 2037 | 780,000 | 129,800 | 909,800 | 2037 | 64,900 | 2037 | 64,900 |
| 2038 | 820,000 | 98,600 | 918,600 | 2038 | 49,300 | 2038 | 49,300 |
| 2039 | 850,000 | 65,800 | 915,800 | 2039 | 32,900 | 2039 | 32,900 |
| 2040 | 795,000 | 31,800 | 826,800 | 2040 | 15,900 | 2040 | 15,900 |
| | <u>12,355,000</u> | <u>5,886,348</u> | <u>18,241,348</u> | | <u>2,974,748</u> | | <u>2,911,600</u> |
| | 3,975,000 | Debt Service | | | | | |
| | 505,000 | Waterworks | | | | | |
| | 6,750,000 | Wastewater Treatment | | | | | |
| | <u>1,125,000</u> | Park and Recreation | | | | | |
| | <u><u>12,355,000</u></u> | | | | | | |

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2011 - Store/Treat Basins Modification

December 31, 2020

| | |
|------------------|--|
| 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 |
|----------------|-----------|----------|---------|
| 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 |
| | 224,858 | 15,112 | 239,970 |
| | 224,858 | 15,112 | 239,970 |

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

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

December 31, 2020

| | |
|------------------|--|
| 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 |
|----------------|------------|----------|------------|
| 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 | 82,919 | 1,027,913 |
| 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 |
| | 11,421,358 | 913,598 | 12,334,956 |

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

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

December 31, 2020

| | |
|------------------|--|
| 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 |
|----------------|-------------------|------------------|-------------------|
| 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 |
| | <u>10,720,689</u> | <u>1,739,603</u> | <u>12,460,292</u> |

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

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

December 31, 2020

| | |
|------------------|--|
| 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 |
|----------------|------------------|------------------|------------------|
| 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 | 677,894 | 10,275 | 688,169 |
| | <u>8,406,773</u> | <u>1,227,593</u> | <u>9,634,366</u> |

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2014 - Wastewater Project

December 31, 2020

| | |
|------------------|--|
| 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 |
|----------------|------------------|------------------|-------------------|
| 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>8,733,402</u> | <u>1,415,019</u> | <u>10,148,421</u> |

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2016 - Farmall Storage Tank Wastewater Project

December 31, 2020

| | |
|------------------|--|
| Date of Issue | October 6, 2016 |
| Date of Maturity | January 1, 2035 |
| 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 |
|----------------|------------------|----------------|------------------|
| 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>3,470,353</u> | <u>625,907</u> | <u>4,096,260</u> |

CITY OF ROCK ISLAND, ILLINOIS

Long-Term Debt Requirements

IEPA Loan Payable of 2018 - Wastewater Project

December 31, 2020

| | |
|------------------|--|
| 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 |
|----------------|------------------|------------------|------------------|
| 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>7,564,897</u> | <u>1,250,203</u> | <u>8,815,100</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, 2020 (Unaudited)**

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
December 31, 2020 (Unaudited)

| | 3/31/2012 | 3/31/2013 | 3/31/2014 |
|---|--------------------|--------------------|--------------------|
| Governmental Activities | | | |
| Net Investment in Capital Assets | \$ 51,178,766 | 52,918,208 | 57,092,829 |
| Restricted | 6,738,901 | 6,913,550 | 3,981,884 |
| Unrestricted | 27,625,864 | 27,309,246 | 19,444,812 |
| Total Governmental Activities Net Position | <u>85,543,531</u> | <u>87,141,004</u> | <u>80,519,525</u> |
| Business-Type Activities | | | |
| Net Investment in Capital Assets | 33,220,808 | 38,472,481 | 35,448,346 |
| Unrestricted | 11,189,073 | 8,674,173 | 13,832,655 |
| Total Business-Type Activities Net Position | <u>44,409,881</u> | <u>47,146,654</u> | <u>49,281,001</u> |
| Primary Government | | | |
| Net Investment in Capital Assets | 84,399,574 | 91,390,689 | 92,541,175 |
| Restricted | 6,738,901 | 6,913,550 | 3,981,884 |
| Unrestricted | 38,814,937 | 35,983,419 | 33,277,467 |
| Total Primary Government Net Position | <u>129,953,412</u> | <u>134,287,658</u> | <u>129,800,526</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.

| 12/31/2014 | 12/31/2015** | 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 |
|-------------|--------------|--------------|--------------|---------------|---------------|---------------|
| 44,250,721 | 46,596,870 | 37,724,801 | 41,446,830 | 40,933,326 | 44,660,706 | 42,832,960 |
| 5,767,261 | 4,486,649 | 4,023,727 | 5,191,493 | 4,937,844 | 6,942,286 | 11,743,273 |
| 21,823,839 | (69,598,723) | (71,036,833) | (86,193,701) | (104,175,193) | (119,005,145) | (135,290,753) |
| 71,841,821 | (18,515,204) | (29,288,305) | (39,555,378) | (58,304,023) | (67,402,153) | (80,714,520) |
| 39,741,555 | 45,773,478 | 45,438,646 | 47,931,549 | 52,569,874 | 51,966,905 | 51,900,273 |
| 10,078,816 | 7,395,445 | 9,219,438 | 8,152,119 | 549,984 | 4,154,166 | 4,331,332 |
| 49,820,371 | 53,168,923 | 54,658,084 | 56,083,668 | 53,119,858 | 56,121,071 | 56,231,605 |
| 83,992,276 | 92,370,348 | 83,163,447 | 89,378,379 | 93,503,200 | 96,627,611 | 94,733,233 |
| 5,767,261 | 4,486,649 | 4,023,727 | 5,191,493 | 4,937,844 | 6,942,286 | 11,743,273 |
| 31,902,655 | (62,203,278) | (61,817,395) | (78,041,582) | (103,625,209) | (114,850,979) | (130,959,421) |
| 121,662,192 | 34,653,719 | 25,369,779 | 16,528,290 | (5,184,165) | (11,281,082) | (24,482,915) |

CITY OF ROCK ISLAND, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years*
December 31, 2020 (Unaudited)**

| | 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 | 12/31/2020 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General Government | \$ 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 | 11,498,131 |
| Police and Fire | 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 | 45,211,042 |
| Electrical Maintenance | 602,202 | 595,066 | 613,300 | 406,529 | 610,131 | 620,045 | 606,440 | 617,287 | 641,991 | 591,358 |
| Municipal Vehicle Parking System | 281,012 | 274,917 | 265,338 | 180,795 | 102,961 | 21,146 | 16,407 | 16,188 | 11,773 | 12,111 |
| Highways and Streets | 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 | 4,454,148 |
| Refuse Disposal | 1,457,974 | 1,440,900 | 1,581,240 | 1,364,209 | 1,923,146 | — | — | — | — | — |
| Libraries | 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 | 2,614,144 |
| Interest on Long-Term Debt | 596,127 | 557,361 | 822,915 | 1,068,080 | 1,578,506 | 1,956,622 | 2,008,587 | 1,728,807 | 1,967,070 | 1,665,036 |
| Total Governmental Activities Expenses | 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 | 66,045,970 |
| Business-Type Activities | | | | | | | | | | |
| Waterworks | 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 | 7,915,549 |
| Wastewater | 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 | 9,499,477 |
| Park and Recreation | 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 | 4,940,858 |
| Stormwater | 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 | 1,452,960 |
| Solid Waste | — | — | — | — | — | 2,739,113 | 2,356,160 | 2,132,343 | 2,391,937 | 2,118,985 |
| Sunset Marina | 716,337 | 757,879 | 709,573 | 600,408 | 639,037 | 635,920 | 630,093 | 649,978 | 671,175 | 759,203 |
| Housing/Community Development/Loans | 309,965 | 235,295 | 19,238 | 174,677 | 1,613 | 94,566 | 229,822 | 213,615 | (354,270) | 56,165 |
| Hydro-Electric Plant | — | — | — | — | — | — | 234,911 | 265,987 | 214,891 | 199,054 |
| Total Business-Type Activities Expenses | 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 | 26,942,251 |
| Total Primary Government Expenses | 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 | 92,988,221 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | 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 | 4,001,703 |
| General Government | 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 | 5,346,822 |
| Police and Fire | 30,788 | 17,597 | 18,331 | 16,797 | 21,739 | 14,121 | — | — | — | — |
| Electrical Maintenance | 173,721 | 169,272 | 141,122 | 147,837 | 143,545 | 84,137 | — | — | — | — |
| Municipal Vehicle Parking System | 144,680 | 211,332 | 178,801 | 151,484 | 132,028 | 140,010 | 167,892 | — | — | — |
| Highways and Streets | 492,807 | 781,637 | 885,723 | 651,207 | 1,274,572 | — | — | — | — | — |
| Refuse Disposal | 227,054 | 222,090 | 222,087 | 201,926 | 232,007 | 254,387 | 274,701 | 280,872 | 281,691 | 290,687 |
| Libraries | 2,096,150 | 2,399,271 | 2,977,297 | 1,415,454 | 779,715 | 1,038,181 | — | 36,100 | 17,713 | — |
| Operating Grants/Contributions | 302,105 | 99,192 | 155,522 | 47,565 | 30,121 | 67,499 | 44,988 | 7,325 | 152 | 255,537 |
| General Government | 1,056,163 | 43,850 | 114,714 | — | — | 970,115 | 1,057,021 | 1,586,647 | 3,067,312 | 3,067,312 |
| Police and Fire | 52,108 | 179,626 | 132,009 | 152,698 | 121,332 | 77,767 | 40 | 98,970 | 61,348 | 61,448 |
| Highways and Streets | 91,770 | 507,112 | 7,000 | 407,000 | — | — | 1,655,750 | 1,088,191 | 1,213,339 | 945,065 |
| Libraries | — | — | — | — | — | — | — | — | 3,970,333 | 857,147 |
| Capital Grants/Contributions - General Government | 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 | 14,825,721 |
| General Government | — | — | — | — | — | — | — | — | — | — |
| Highways and Streets | — | — | — | — | — | — | — | — | — | — |
| Total Governmental Activities Program Revenues | 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 | 14,825,721 |

| | 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 | 12/31/2020 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Business-Type Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Waterworks | 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 | 7,393,433 |
| Wastewater | 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 | 10,173,072 |
| Park and Recreation | 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 | 2,570,985 |
| Stormwater | 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 | 1,711,286 |
| Solid Waste | — | — | — | — | — | 1,697,287 | 2,674,988 | 2,283,752 | 2,284,997 | 2,228,715 |
| Sunset Marina | 769,993 | 712,057 | 669,717 | 636,754 | 662,263 | 666,454 | 663,401 | 646,862 | 618,379 | 629,214 |
| Housing/Community Development Loans | 63,064 | 49,871 | 100,721 | 32,611 | 69,373 | 67,465 | — | — | — | — |
| Hydro-Electric Plant | — | — | — | — | — | — | 278,482 | 325,429 | 303,729 | 274,342 |
| Operating Grants and Contributions | | | | | | | | | | |
| Park and Recreation | 34,144 | 281,233 | 445,164 | 61,816 | 53,345 | 95,490 | 2,000 | — | 260,273 | 101,627 |
| Stormwater | — | — | 34,880 | — | — | — | — | — | — | — |
| Solid Waste | — | — | — | — | — | 29,264 | 29,263 | 29,264 | 29,264 | 27,132 |
| Sunset Marina | — | — | 2,237 | — | — | — | — | — | — | — |
| Housing/Community Development Loans | 223,240 | 11,859 | — | — | — | 100,000 | 214,070 | 20,576 | (320) | 30,429 |
| Wastewater Treatment | — | 48,883 | 268,877 | 192,571 | 213,098 | — | — | — | — | — |
| Capital Grants/Contributions | | | | | | | | | | |
| Wastewater | 2,628,879 | — | — | — | — | 354,281 | — | — | 180,202 | — |
| Parks and Recreation | — | — | — | — | — | — | — | — | — | 258,255 |
| Total Business-Type Activities Program Revenues | 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 | 25,398,490 |
| Total Primary Government Program Revenues | 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 | 40,224,211 |
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental Activities | (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) | (51,220,249) |
| Business-Type Activities | 3,646,538 | 670,375 | (55,416) | 139,125 | 252,462 | (1,287,004) | (1,121,795) | (1,656,374) | 1,279,572 | (1,543,761) |
| Total Primary Government Net (Expense) Revenue | (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) | (52,764,010) |

CITY OF ROCK ISLAND, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years* - Continued
December 31, 2020 (Unaudited)**

| | 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 | 12/31/2020 |
|--|---------------|------------|-------------|--------------|-------------|--------------|-------------|-------------|-------------|--------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property | \$ 14,931,405 | 14,138,304 | 13,870,933 | 128,534 | 13,528,878 | 14,423,385 | 14,753,208 | 15,654,951 | 16,353,606 | 17,605,833 |
| Gaming | 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 | 1,492,811 |
| Sales | 4,978,042 | 5,008,704 | — | — | — | — | 5,032,374 | 5,190,415 | 5,216,340 | 5,009,059 |
| Utility | 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 | 1,720,883 |
| Income | 3,184,753 | 3,516,323 | — | — | — | — | 3,583,771 | 4,449,798 | 3,796,910 | 4,296,678 |
| Other | 7,504,239 | 7,657,440 | — | — | — | — | 3,011,293 | 3,142,158 | 3,177,073 | 2,606,919 |
| Intergovernmental | — | — | 8,407,329 | 5,727,344 | 7,474,643 | 7,678,787 | 3,922,384 | 3,609,072 | 4,369,334 | 4,422,416 |
| Interest | 121,859 | 121,958 | 8,843,026 | 6,699,854 | 9,501,573 | 9,191,190 | 245,759 | 305,474 | 465,882 | 274,312 |
| Miscellaneous | 86,444 | 129,781 | 418,279 | 100,644 | 244,380 | 234,197 | 189,038 | 258,080 | 239,099 | 161,750 |
| Transfers | 4,688,312 | (285,529) | (385,513) | (379,341) | (602,304) | (916,198) | (437,975) | 119,207 | 471,425 | 317,221 |
| Total Governmental Activities General Revenues | 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 | 37,907,882 |
| Business-Type Activities | | | | | | | | | | |
| Property Taxes | 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 | 1,920,935 |
| Interest | 201,135 | 27,985 | 50,850 | 12,125 | 24,395 | 39,369 | 107,960 | 149,271 | 155,964 | 109,708 |
| Miscellaneous | — | — | — | 12 | 142,228 | — | 34,535 | 52,467 | 50 | (59,127) |
| Transfers | (4,688,312) | 285,529 | 385,513 | 379,341 | 602,304 | 916,198 | 437,975 | (119,207) | (471,425) | (317,221) |
| Total Business-Type Activities General Revenues | (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 | 1,654,295 |
| Total Primary Government General Revenues | 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 | 39,562,177 |
| Changes in Net Position | | | | | | | | | | |
| Governmental Activities | 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) | (13,312,367) |
| Business-Type Activities | 910,752 | 2,736,773 | 2,134,347 | 539,370 | 2,775,033 | 1,489,161 | 1,378,716 | 241,467 | 3,001,213 | 110,534 |
| Total Primary Government Changes in Net Position | 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) | (13,201,833) |

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, 2020 (Unaudited)**

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

**Program Revenue by Function/Program - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

| | 3/31/2012 | 3/31/2013 | 3/31/2014 |
|--|-----------------------|-----------------------|-----------------------|
| Governmental Activities: | | | |
| General Government | \$ 5,866,241 | 6,540,552 | 6,925,110 |
| Police and Fire | 4,296,512 | 4,124,975 | 4,185,476 |
| Electrical Maintenance | 30,788 | 17,597 | 18,331 |
| Municipal Vehicle Parking System | 173,721 | 169,272 | 141,122 |
| Highways and Streets | 1,200,843 | 255,182 | 293,515 |
| Refuse Disposal | 492,807 | 781,637 | 885,723 |
| Libraries | 279,162 | 401,716 | 354,096 |
| Total Governmental Activities | <u>12,340,074</u> | <u>12,290,931</u> | <u>12,803,373</u> |
| Business-Type Activities: | | | |
| Water | 6,152,049 | 6,362,762 | 6,271,366 |
| Wastewater Treatment | 10,624,112 | 7,883,482 | 8,102,407 |
| Park and Recreation | 3,479,430 | 3,773,432 | 3,695,154 |
| Stormwater | 1,645,864 | 1,539,720 | 1,654,190 |
| Solid Waste | — | — | — |
| Sunset Marina | 769,993 | 712,057 | 671,954 |
| Housing and Community Development Loan | 286,304 | 61,730 | 100,721 |
| Hydro-Electric Plant | — | — | — |
| Total Business-Type Activities | <u>22,957,752</u> | <u>20,333,183</u> | <u>20,495,792</u> |
| Total Government | <u>35,297,826</u> | <u>32,624,114</u> | <u>33,299,165</u> |

Data Source: City Records

* 12/31/2014 Reporting Represents 9 Months of Activity

| 12/31/2014* | 12/31/2015 | 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 |
|-------------|------------|------------|------------|------------|------------|------------|
| 4,554,199 | 4,333,043 | 4,446,359 | 5,577,926 | 5,110,270 | 5,342,436 | 4,946,768 |
| 3,189,862 | 4,382,388 | 4,333,654 | 4,410,372 | 5,778,001 | 6,163,808 | 5,602,359 |
| 16,797 | 21,739 | 14,121 | — | — | — | — |
| 147,837 | 143,545 | 84,137 | — | — | — | — |
| 151,484 | 132,028 | 140,010 | 1,138,007 | 1,057,021 | 5,556,980 | 3,924,459 |
| 651,207 | 1,274,572 | — | — | — | — | — |
| 354,624 | 353,339 | 291,731 | 274,741 | 379,842 | 343,039 | 352,135 |
| 9,066,010 | 10,640,654 | 9,310,012 | 11,401,046 | 12,325,134 | 17,406,263 | 14,825,721 |
| 4,482,630 | 6,268,181 | 6,579,537 | 6,949,455 | 7,106,764 | 7,331,317 | 7,393,433 |
| 6,103,266 | 8,354,558 | 8,382,363 | 8,225,529 | 8,489,034 | 8,907,006 | 10,173,072 |
| 2,827,381 | 3,246,535 | 3,235,696 | 3,224,589 | 3,142,900 | 3,958,121 | 2,930,867 |
| 1,212,238 | 1,688,477 | 1,678,363 | 1,688,428 | 1,689,701 | 1,697,936 | 1,711,286 |
| — | — | 1,774,859 | 2,704,251 | 2,313,016 | 2,314,261 | 2,255,847 |
| 636,754 | 662,263 | 666,454 | 663,401 | 646,862 | 618,379 | 629,214 |
| 32,611 | 69,373 | 149,925 | 214,070 | 20,576 | (320) | 30,429 |
| — | — | — | 278,482 | 325,429 | 303,729 | 274,342 |
| 15,294,880 | 20,289,387 | 22,467,197 | 23,948,205 | 23,734,282 | 25,130,429 | 25,398,490 |
| 24,360,890 | 30,930,041 | 31,777,209 | 35,349,251 | 36,059,416 | 42,536,692 | 40,224,211 |

CITY OF ROCK ISLAND, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

| | 3/31/2012 | 3/31/2013 | 3/31/2014 |
|------------------------------------|--------------------------|--------------------------|--------------------------|
| General Fund | | | |
| Nonspendable | \$ 1,336 | — | — |
| Restricted | 157,611 | 273,308 | 279,058 |
| Assigned | 378,509 | — | — |
| Unassigned | 10,375,695 | 11,145,921 | 12,106,153 |
| Total General Fund | <u>10,913,151</u> | <u>11,419,229</u> | <u>12,385,211</u> |
| All Other Governmental Funds | | | |
| Nonspendable | — | — | — |
| Restricted | 6,626,079 | 10,253,731 | 14,214,384 |
| Committed | 11,762,242 | 13,668,164 | 14,688,538 |
| Assigned | 64,748 | 118,646 | 60,554 |
| Unassigned | (2,801,588) | (2,447,709) | (671,307) |
| Total All Other Governmental Funds | <u>15,651,481</u> | <u>21,592,832</u> | <u>28,292,169</u> |
| Total Governmental Funds | <u><u>26,564,632</u></u> | <u><u>33,012,061</u></u> | <u><u>40,677,380</u></u> |

Data Source: City Records

* Modified Accrual Basis of Accounting

* 12/31/2014 Reporting Represents 9 Months of Activity

| 12/31/2014 | 12/31/2015 | 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 |
|------------|------------|------------|-------------|-------------|--------------|-------------|
| — | — | — | 7,703 | 21,367 | 28,935 | 29,335 |
| 319,444 | 173,019 | 205,945 | 236,973 | 284,802 | 325,429 | 350,130 |
| — | — | — | — | — | — | — |
| 11,764,247 | 9,926,916 | 9,959,210 | 8,598,358 | 9,491,653 | 9,067,499 | 11,317,177 |
| 12,083,691 | 10,099,935 | 10,165,155 | 8,843,034 | 9,797,822 | 9,421,863 | 11,696,642 |
| — | — | — | 296,232 | 266,464 | — | — |
| 21,717,973 | 8,979,039 | 4,492,665 | 5,100,304 | 4,678,929 | 6,624,493 | 11,524,914 |
| 13,402,986 | 12,312,660 | 12,516,168 | 11,304,438 | 10,502,634 | 9,818,941 | 6,547,923 |
| 24,462 | — | — | — | — | — | — |
| (112,079) | (304,077) | (488,640) | (1,218,648) | (1,934,464) | (861,920.00) | (1,740,452) |
| 35,033,342 | 20,987,622 | 16,520,193 | 15,482,326 | 13,513,563 | 15,581,514 | 16,332,385 |
| 47,117,033 | 31,087,557 | 26,685,348 | 24,325,360 | 23,311,385 | 25,003,377 | 28,029,027 |

CITY OF ROCK ISLAND, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
December 31, 2020 (Unaudited)

| | 3/31/2011 | 3/31/2012 | 3/31/2013 |
|--|-------------------|-------------------|-------------------|
| Revenues | | | |
| Property Taxes | \$ 14,814,509 | 14,926,606 | 14,237,213 |
| Other Taxes | 23,591,116 | 24,051,197 | 24,100,438 |
| Fines and Fees | 504,812 | 440,067 | 396,131 |
| Intergovernmental | 3,163,924 | 2,478,842 | 3,337,053 |
| Charges for Services | 6,971,289 | 7,132,888 | 7,393,462 |
| Licenses and Permits | 901,395 | 1,125,729 | 1,172,228 |
| Contributions | 760,863 | 659,198 | 181,653 |
| Miscellaneous | 65,848 | 90,368 | 87,257 |
| Interest | 186,852 | 349,556 | 204,542 |
| Total Revenues | 50,960,608 | 51,254,451 | 51,109,977 |
| Expenditures | | | |
| Current | | | |
| General Government | 12,871,649 | 12,432,804 | 21,513,727 |
| Police and Fire | 20,704,873 | 20,788,783 | 21,343,536 |
| Electrical Maintenance | 580,692 | 604,893 | 621,642 |
| Motor Vehicle Parking System | 185,157 | 190,179 | 194,694 |
| Highways and Streets | 3,959,920 | 4,503,406 | 4,270,551 |
| Refuse Disposal | 1,553,325 | 1,541,430 | 1,684,440 |
| Libraries | 2,336,234 | 2,296,800 | 2,401,209 |
| Capital Outlay | 5,501,375 | 5,083,118 | 8,585,290 |
| Debt Service | | | |
| Principal Retirement | 1,728,250 | 1,666,965 | 1,759,150 |
| Interest and Fiscal Charges | 584,816 | 566,000 | 827,665 |
| Total Expenditures | 50,006,291 | 49,674,378 | 63,201,904 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | 954,317 | 1,580,073 | (12,091,927) |
| Other Financing Sources (Uses) | | | |
| Debt Issuance | 585,000 | 5,542,538 | 19,718,064 |
| Discount on Debt Issuance | (16,492) | (60,934) | — |
| Premium on Debt Issuance | 40,887 | 60,765 | 370,408 |
| Payment to Bond Escrow Agent | — | (391,606) | — |
| Disposal of Capital Assets | — | — | — |
| Transfers In | 9,376,020 | 9,350,372 | 10,805,792 |
| Transfers Out | (9,904,721) | (9,633,779) | (11,137,018) |
| | 80,694 | 4,867,356 | 19,757,246 |
| Net Change in Fund Balances | 1,035,011 | 6,447,429 | 7,665,319 |
| Debt Service as a Percentage | | | |
| of Noncapital Expenditures | 5.05% | 4.83% | 4.70% |

Data Source: City Records

* Modified Accrual Basis of Accounting

**12/31/14 Reporting Represents 9 Months of Activity

| 12/31/2014** | 12/31/2015 | 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 |
|--------------|--------------|--------------|-------------|-------------|-------------|-------------|
| 13,789,066 | 13,528,878 | 14,425,385 | 14,753,208 | 15,654,951 | 16,353,606 | 17,605,833 |
| 17,635,801 | 23,659,171 | 23,634,458 | 9,393,023 | 9,993,155 | 9,318,125 | 5,799,853 |
| 254,340 | 304,103 | 252,975 | 589,627 | 688,343 | 588,431 | 339,943 |
| 1,319,764 | 1,115,498 | 1,274,567 | 15,209,422 | 15,536,892 | 16,261,783 | 18,914,662 |
| 5,717,948 | 7,991,480 | 7,011,919 | 7,206,097 | 8,493,842 | 8,952,275 | 8,252,847 |
| 820,117 | 918,624 | 811,535 | 934,429 | 855,342 | 1,016,025 | 1,046,422 |
| 828,497 | 71,650 | 84,156 | — | — | — | — |
| 57,443 | 126,367 | 312,404 | 212,631 | 235,206 | 239,099 | 161,750 |
| 93,411 | 226,161 | 193,701 | 189,038 | 258,080 | 356,425 | 203,065 |
| 40,516,387 | 47,941,932 | 48,001,100 | 48,487,475 | 51,715,811 | 53,085,769 | 52,324,375 |
| 12,800,419 | 12,694,856 | 12,616,091 | 11,823,905 | 12,630,693 | 12,006,557 | 11,418,951 |
| 17,199,496 | 23,722,239 | 24,220,914 | 26,177,110 | 27,581,297 | 29,118,200 | 28,660,949 |
| 406,574 | 610,131 | 581,775 | 606,440 | 617,287 | 641,991 | 591,358 |
| 127,269 | 31,843 | 23,491 | 16,407 | 16,188 | 11,773 | 12,111 |
| 3,556,320 | 5,146,089 | 4,949,812 | 2,953,155 | 3,538,242 | 3,418,159 | 4,628,225 |
| 1,450,803 | 2,009,527 | 69,984 | — | — | — | — |
| 1,901,690 | 2,742,615 | 2,536,922 | 2,498,046 | 2,463,908 | 2,525,200 | 3,193,568 |
| 6,571,014 | 18,659,555 | 5,957,920 | 4,165,415 | 971,607 | 1,019,404 | 971,254 |
| 17,032,100 | 2,289,823 | 2,668,950 | 2,835,000 | 2,867,750 | 2,768,650 | 3,047,500 |
| 1,265,574 | 1,611,557 | 1,951,936 | 1,967,099 | 1,826,274 | 1,813,521 | 1,825,026 |
| 62,311,259 | 69,518,235 | 55,577,795 | 53,042,577 | 52,513,246 | 53,323,455 | 54,348,942 |
| (21,794,872) | (21,576,303) | (7,576,695) | (4,555,102) | (797,435) | (237,686) | (2,024,567) |
| 28,334,398 | 7,343,000 | 5,390,000 | 5,110,700 | — | 7,185,000 | 3,975,000 |
| (28,013) | — | — | — | — | — | — |
| 414,683 | 187,331 | 183,807 | 179,154 | — | 64,153 | 560,649 |
| — | (1,374,410) | (1,853,867) | (2,608,198) | — | (5,239,245) | — |
| — | — | — | (2,217) | (44,320) | (139,028) | 262,062 |
| 10,345,690 | 17,117,892 | 11,716,188 | 9,503,157 | 9,454,560 | 9,094,827 | 7,737,615 |
| (10,832,233) | (17,726,986) | (12,261,642) | (9,987,482) | (9,346,718) | (9,036,030) | (7,485,109) |
| 28,234,525 | 5,546,827 | 3,174,486 | 2,195,114 | 63,522 | 1,929,677 | 5,050,217 |
| 6,439,653 | (16,029,476) | (4,402,209) | (2,359,988) | (733,913) | 1,691,991 | 3,025,650 |
| 32.87% | 7.85% | 8.94% | 9.68% | 9.28% | 9.45% | 9.39% |

CITY OF ROCK ISLAND, ILLINOIS

**General Governmental Tax Revenues by Source - Last Ten Fiscal Years*
December 31, 2020 (Unaudited)**

| Fiscal Year | Property Tax | Replacement Tax | Sales Tax | Use Tax | Income Tax |
|----------------------------|---------------|-----------------|--------------|------------|--------------|
| 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 |
| 12/31/2020 | 17,605,833 | 2,751,070 | 5,009,059 | 1,671,346 | 4,296,678 |
| Change 3/31/12-12/31/20 | 18.8% | 11.5% | 0.8% | 193.7% | 25.5% |

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 |
|----------------|-----------------|---------------|-----------------|-------------------|--------------------|---------------|
| \$ 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 | 920,590 | 40,781,785 |
| 1,720,883 | 428,796 | 2,037,495 | 1,492,811 | 1,419,916 | 140,628 | 38,574,515 |
| (12.1%) | 66.7% | (25.4%) | 73.9% | 24.8% | 61.2% | 0.4% |

CITY OF ROCK ISLAND, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
December 31, 2020 (Unaudited)**

| Fiscal Year | Residential Property | Farm | Commercial Property | Industrial Property |
|-------------|----------------------|------------|---------------------|---------------------|
| 3/31/2011 | \$ 338,533,938 | \$ 379,853 | \$ 86,157,278 | \$ 51,038,902 |
| 3/31/2012 | 324,124,044 | 398,366 | 80,313,679 | 50,786,603 |
| 3/31/2013 | 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 |
| 12/31/2020 | 338,539,546 | 732,983 | 87,933,968 | 58,575,219 |

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 |
|------------------|-------------|------------------------------|-----------------------|------------------|----------------------------|
| \$ 1,512,339 | \$ — | \$ 477,622,310 | 2.4084 | \$ 1,432,866,930 | 33.33% |
| 3,007,939 | — | 458,630,631 | 2.4002 | 1,375,891,893 | 33.33% |
| 3,549,995 | — | 447,068,465 | 2.3978 | 1,341,205,395 | 33.33% |
| 3,816,687 | — | 448,044,128 | 2.3852 | 1,344,132,384 | 33.33% |
| 3,850,056 | (3,710,480) | 456,455,696 | 2.4002 | 1,369,367,088 | 33.33% |
| 4,129,830 | — | 472,445,853 | 2.3882 | 1,417,337,559 | 33.33% |
| 4,541,728 | — | 475,693,727 | 2.6038 | 1,427,081,181 | 33.33% |
| 4,697,929 | — | 479,755,232 | 2.6570 | 1,439,265,696 | 33.33% |
| 4,987,205 | — | 486,497,406 | 2.7497 | 1,459,492,218 | 33.33% |
| 5,226,153 | — | 491,007,869 | 2.7590 | 1,473,023,607 | 33.33% |

CITY OF ROCK ISLAND, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2020 (Unaudited)**

| | 3/31/2012 | 3/31/2013 | 3/31/2014 |
|--------------------------------|---------------|---------------|----------------|
| City Direct Rates | | | |
| General | 0.7044 | 0.5938 | 0.4842 |
| Fire Pension | 0.4158 | 0.4428 | 0.4890 |
| Police Pension | 0.4562 | 0.5018 | 0.5416 |
| Public Benefit | 0.0500 | 0.0500 | 0.0500 |
| Public Library | 0.4138 | 0.4296 | 0.4408 |
| Park | 0.3682 | 0.3822 | 0.3922 |
| Total City Direct Rates | 2.4084 | 2.4002 | 2.3978 |
| Overlapping Rates | | | |
| Special Service | — | — | 5.8216 |
| Rock Island District | 5.1200 | 5.2590 | 5.3066 |
| Rock Island County | 0.8684 | 0.8872 | 1.0184 |
| Township (1) | 0.4108 | 0.4296 | 0.4454 |
| Airport Authority | 0.0750 | 0.0750 | 0.0750 |
| Transit | 0.1872 | 0.1948 | 0.2054 |
| Blackhawk Community College | 0.5369 | 0.5403 | 0.5427 |
| Total Overlapping Rates | 7.1983 | 7.3859 | 13.4151 |

(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.

| 12/31/2014 | 12/31/2015 | 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 |
|------------|------------|------------|------------|------------|------------|------------|
| 0.3066 | 0.2650 | 0.1908 | 0.3406 | 0.3610 | 0.3903 | 0.2671 |
| 0.5974 | 0.6142 | 0.6476 | 0.6896 | 0.6860 | 0.7078 | 0.7723 |
| 0.6000 | 0.6340 | 0.6796 | 0.7116 | 0.7386 | 0.7755 | 0.8639 |
| 0.0498 | 0.0504 | 0.0498 | 0.0322 | 0.0320 | 0.0316 | 0.0314 |
| 0.4400 | 0.4428 | 0.4342 | 0.4392 | 0.4442 | 0.4469 | 0.4362 |
| 0.3914 | 0.3938 | 0.3862 | 0.3906 | 0.3952 | 0.3976 | 0.3881 |
| 2.3852 | 2.4002 | 2.3882 | 2.6038 | 2.6570 | 2.7497 | 2.7590 |
| 5.9210 | — | — | — | — | — | — |
| 5.2982 | 5.4610 | 5.3782 | 5.3398 | 5.3732 | 5.3897 | 5.4136 |
| 1.0596 | 1.2480 | 1.2466 | 1.2436 | 1.3674 | 1.4602 | 1.4355 |
| 0.4388 | 0.4334 | 0.4014 | 0.3950 | 0.3876 | 0.3815 | 0.3824 |
| 0.0750 | 0.0750 | 0.0750 | 0.0756 | 0.0748 | 0.0733 | 0.0721 |
| 0.2082 | 0.2086 | 0.2056 | 0.2120 | 0.1952 | 0.1958 | 0.2000 |
| 0.5485 | 0.5598 | 0.5718 | 0.5676 | 0.5632 | 0.5714 | 0.5682 |
| 13.5493 | 7.9858 | 7.8786 | 7.8336 | 7.9614 | 8.0719 | 8.0718 |

CITY OF ROCK ISLAND, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2020 (Unaudited)**

| Taxpayer | 2020 | | | 2010 | | |
|---------------------------------|------------------------|------|---|------------------------|------|---|
| | 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 | \$ 20,444,268 | 1 | 4.20% | | | |
| Modern Woodmen of America | 8,845,529 | 2 | 1.80% | \$ 9,543,326 | 2 | 2.00% |
| GTI Rock Island Partners | 5,679,399 | 3 | 1.20% | | | |
| Piret USA | 5,510,476 | 4 | 1.10% | | | |
| Friendship Manor Properties LLC | 3,767,970 | 5 | 0.80% | 3,114,708 | 5 | 0.70% |
| Millennia Housing Dev/Cor | 3,199,231 | 6 | 0.70% | 3,074,699 | 6 | 0.66% |
| MidAmerican Energy Co | 3,063,682 | 7 | 0.60% | 5,492,915 | 4 | 1.20% |
| PFG Thoms Proestler Co | 3,028,590 | 8 | 0.60% | 5,643,419 | 3 | 1.20% |
| LRC Developers | 2,920,961 | 9 | 0.60% | 2,063,779 | 9 | 0.40% |
| Liberty M Inc | 1,561,756 | 10 | 0.30% | | | |
| Rock Island Boardworks Inc | | | | 22,519,448 | 1 | 4.80% |
| First Equity Management | | | | 2,630,046 | 6 | 0.60% |
| Barjan Products LLC | | | | 2,393,235 | 7 | 0.50% |
| ILL Housing Dev Auth | | | | 2,140,549 | 8 | 0.50% |
| Eye Surgeons Facilities | | | | 1,658,740 | 10 | 0.40% |
| | <u>58,021,862</u> | | <u>11.90%</u> | <u>60,274,864</u> | | <u>12.96%</u> |

Data Source: Office of the County Clerk

CITY OF ROCK ISLAND, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2020 (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 |
| 12/31/2020 | 2019 | \$ 13,377,220 | \$ 13,286,035 | 99.32% | — | \$ 13,286,035 | 99.32% |
| 3/31/2013 | 2012 | 11,368,745 | 11,365,730 | 99.97% | — | 11,365,730 | 99.97% |
| 3/31/2013 | 2012 | 11,460,972 | 11,443,093 | 99.84% | 7,225 | 11,450,318 | 99.91% |
| 3/31/2014 | 2013 | 11,005,492 | 11,004,896 | 99.99% | — | 11,004,896 | 99.99% |
| 12/31/2014 | 2013 | 10,716,640 | 10,707,090 | 99.91% | — | 10,707,090 | 99.91% |
| 12/31/2015 | 2014 | 10,716,640 | 10,707,090 | 99.91% | — | 10,707,090 | 99.91% |
| 12/31/2016 | 2015 | 10,684,685 | 10,681,880 | 99.97% | — | 10,681,880 | 99.97% |
| 12/31/2017 | 2016 | 11,447,518 | 11,367,229 | 99.30% | — | 11,367,229 | 99.30% |
| 12/31/2018 | 2017 | 12,234,077 | 11,852,767 | 96.88% | — | 11,852,767 | 96.88% |
| 12/31/2019 | 2018 | 12,761,805 | 12,637,065 | 99.02% | — | 12,637,065 | 99.02% |

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, 2020 (Unaudited)**

| Fiscal Year | Governmental Activities | |
|----------------|--------------------------------|-------------------|
| | General Obligation Bonds | Line of Credit |
| 3/31/2012 | \$ 14,727,021 | \$ — |
| 3/31/2013 | 15,188,450 | 3,022,538 |
| 3/31/2014 | 24,054,300 | 12,115,602 |
| 12/31/2014 | 48,294,478 | — |
| 12/31/2015 | 52,209,311 | — |
| 12/31/2016 | 53,262,110 | — |
| 12/31/2017 | 53,152,326 | — |
| 12/31/2018 | 50,100,719 | — |
| 12/31/2019 | 49,457,603 | — |
| 12/31/2020 | 50,831,567 | — |

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.

| Business-Type Activities | | | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|--------------------------|------------------------------|--------------------------------|--------------------------------|--|-------------------|
| Loan Payable | Capital Leases Payable | General Obligation Bonds | | | |
| \$ 4,100,381 | \$ — | \$ 21,896,315 | \$ 40,723,717 | N/A | \$ 1,043.72 |
| 18,892,687 | — | 20,108,217 | 57,211,892 | N/A | 1,466.29 |
| 41,240,029 | — | 18,330,700 | 95,740,631 | N/A | 2,453.76 |
| 41,594,833 | — | 16,732,420 | 106,621,731 | N/A | 2,732.63 |
| 47,094,293 | — | 15,008,419 | 114,312,023 | N/A | 2,929.73 |
| 53,333,439 | — | 13,180,794 | 119,776,343 | N/A | 3,069.77 |
| 57,958,002 | — | 11,389,911 | 122,500,239 | N/A | 3,139.58 |
| 64,822,495 | — | 9,988,009 | 124,911,223 | N/A | 3,201.37 |
| 73,775,202 | 192,356 | 8,792,030 | 132,217,191 | N/A | 3,388.62 |
| 72,202,977 | 146,744 | 17,387,026 | 140,568,314 | N/A | 3,602.65 |

CITY OF ROCK ISLAND, ILLINOIS

**Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

| Fiscal Year | Governmental | Business-Type | Less: | | Percentage of | |
|-------------|---------------|---------------|---------------|---------------|---------------|------------|
| | Activities | Activities | Amounts | | Total Taxable | Per |
| | General | General | Available for | Total | Assessed | Capita (2) |
| | Obligation | Obligation | Debt Service | | Value of | |
| | Bonds | Bonds | | | Property (1) | |
| 3/31/2012 | \$ 14,727,021 | \$ 21,896,315 | \$ 1,221,189 | \$ 35,402,147 | 7.41% | \$ 907.33 |
| 3/31/2013 | 15,188,450 | 20,108,217 | 1,029,992 | 34,266,675 | 7.47% | 878.23 |
| 3/31/2014 | 24,054,300 | 18,330,700 | 1,213,732 | 41,171,268 | 9.21% | 1,055.19 |
| 12/31/2014 | 48,294,478 | 16,732,420 | 997,676 | 64,029,222 | 14.29% | 1,641.02 |
| 12/31/2015 | 52,209,311 | 15,008,419 | 1,387,110 | 65,830,620 | 14.42% | 1,687.19 |
| 12/31/2016 | 53,262,110 | 13,180,794 | 1,623,000 | 64,819,904 | 13.72% | 1,661.28 |
| 12/31/2017 | 53,152,326 | 11,389,911 | 1,048,523 | 63,493,714 | 13.35% | 1,627.29 |
| 12/31/2018 | 50,100,719 | 9,988,009 | 1,161,016 | 58,927,712 | 12.28% | 1,510.27 |
| 12/31/2019 | 49,457,603 | 8,792,030 | — | 58,249,633 | 11.97% | 1,492.89 |
| 12/31/2020 | 50,831,567 | 17,387,026 | 32,845 | 68,185,748 | 13.89% | 1,747.55 |

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, 2020 (Unaudited)**

| Governmental Unit | Gross Debt | Percentage of Debt Applicable to City (1) | City's Share of Debt |
|---|---------------------------|--|----------------------------|
| City | \$ 50,831,567 | 100.000% | \$ 50,831,567 |
| Overlapping Debt | | | |
| Schools | | | |
| Rock Island School District No. 41 | 38,150,000 | 69.190% | 26,395,985 |
| Rockridge School District No. 300 | 6,045,000 | 17.180% | 1,038,531 |
| Blackhawk College | 37,495,000 | 15.720% | 5,894,214 |
| Other Than Schools | | | |
| Rock Island County (1) | 9,800,000 | 15.720% | 1,540,560 |
| Rock Island County Forest Preserve District | 6,795,000 | 15.720% | 1,068,174 |
| Rock Island County Nursing Home | 27,395,000 | 15.720% | 4,306,494 |
| Metropolitan Airport Authority | <u>28,990,000</u> | 21.020% | <u>6,093,698</u> |
| Total Overlapping Debt | <u>154,670,000</u> | | <u>46,337,656</u> |
| Total Direct and Overlapping Debt | <u><u>205,501,567</u></u> | | <u><u>97,169,223</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, 2020 (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, 2020 (Unaudited)**

| Fiscal Year | Population | Personal Income | Per Capita Personal Income | Median Age | School Enrollment | Unemployment Rate |
|-------------|------------|-----------------|----------------------------|------------|-------------------|-------------------|
| 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 | 39,018 | N/A | 43,558 | 36.6 | 6,337 | 5.20% |
| 12/31/2020 | 39,018 | N/A | 43,558 | 36.6 | 6,270 | 6.00% |

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, 2020 (Unaudited)**

| Employer | 2020 | | | 2012 | | |
|-----------------------------------|---------------|------|-------------------------------------|---------------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Unity Point Health - | | | | | | |
| Trinity (Rock Island Only) | 2,048 | 1 | 9.46% | 2,348 | 1 | 12.97% |
| Jumer's Casino & Hotel | 550 | 2 | 2.54% | 410 | 6 | 2.26% |
| Augustana College | 550 | 3 | 2.54% | 490 | 3 | 2.71% |
| Thoms Proestler Co | 530 | 4 | 2.45% | 438 | 5 | 2.42% |
| City of Rock Island | 475 | 5 | 2.19% | 355 | 9 | 1.96% |
| Modern Woodmen Of America | 435 | 6 | 2.01% | 385 | 8 | 2.13% |
| US Post Office | 300 | 7 | 1.39% | | | |
| Miller Container Corp | 250 | 8 | 1.16% | | | |
| Hill & Valley Inc. | 250 | 9 | 1.16% | | | |
| Genesis VNA & Hospice | 230 | 10 | 1.06% | 925 | 2 | 5.11% |
| Rock Island-Milan School District | | | | 485 | 4 | 2.68% |
| Rock Island County | | | | 398 | 7 | 2.20% |
| Norcross Safety Products | | | | 400 | 10 | 2.21% |
| | <u>5,618</u> | | <u>25.96%</u> | <u>6,634</u> | | <u>36.65%</u> |
| Total City Employment | <u>21,642</u> | | | <u>18,108</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, 2020 (Unaudited)**

See Following Page

CITY OF ROCK ISLAND, ILLINOIS

**Full-time Equivalent City Government Employees by Function - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

| Function | 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 | 12/31/2020 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 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 | 1.45 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.65 |
| General Administration | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 2.50 | 2.00 | 2.00 | 2.00 |
| | <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> | <u>11.65</u> |
| Administrative Services | | | | | | | | | | |
| Administration | 3.10 | 3.40 | — | — | — | — | — | — | — | — |
| Personnel Services | 0.70 | 0.40 | — | — | — | — | — | — | — | — |
| Insurance | 1.60 | 1.60 | — | — | — | — | — | — | — | — |
| IT Services | 5.35 | 5.35 | — | — | — | — | — | — | — | — |
| GIS | 0.25 | 0.25 | — | — | — | — | — | — | — | — |
| | <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 | 1.88 |
| Personnel Services | — | — | 0.40 | 0.40 | 0.40 | 0.40 | 0.35 | 0.35 | 0.35 | 0.27 |
| Insurance | — | — | 1.40 | 1.40 | 1.40 | 1.40 | 1.65 | 1.65 | 1.65 | 1.58 |
| | <u>—</u> | <u>—</u> | <u>4.00</u> | <u>3.73</u> |
| Finance | | | | | | | | | | |
| Administration | 1.25 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Customer Service | 4.00 | 4.00 | 4.00 | 4.31 | 5.23 | 5.23 | 5.00 | 5.15 | 5.35 | 5.25 |
| Accounting | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 4.35 | 4.65 | 4.75 |
| | <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> | <u>11.00</u> |
| Information Technology | | | | | | | | | | |
| Administration | — | — | 2.00 | 2.00 | 2.00 | 2.00 | 1.85 | 1.80 | 1.80 | 1.70 |
| Services | — | — | 4.80 | 4.50 | 4.50 | 4.50 | 4.20 | 3.80 | 3.80 | 3.00 |
| GIS | — | — | 0.20 | 0.50 | 0.50 | 0.50 | 0.45 | 0.40 | 0.40 | 0.30 |
| | <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> | <u>5.00</u> |
| Community/Economic Development | | | | | | | | | | |
| Administration | 0.50 | 0.50 | 0.75 | 0.86 | 0.94 | 0.95 | 0.82 | 1.30 | 2.30 | 2.30 |
| Economic Development | 2.70 | 1.88 | 2.50 | 3.23 | 3.06 | 3.05 | 3.38 | 4.28 | 3.23 | 2.99 |
| Planning/Zoning/Historic Preservation | 6.62 | 5.72 | 4.85 | 3.77 | 3.89 | 3.74 | 2.99 | 2.87 | 3.69 | 3.70 |
| Neighborhood Redevelopment | 1.90 | 1.90 | 1.90 | 2.25 | 2.26 | 2.26 | 3.01 | 2.57 | 1.97 | 1.30 |
| Inspection | 4.85 | 4.95 | 4.92 | 6.07 | 6.12 | 5.94 | 6.00 | 5.75 | 5.85 | 5.85 |
| Rental Inspection | 5.15 | 5.05 | 5.08 | 4.05 | 4.03 | 4.06 | 4.00 | 4.25 | 4.15 | 5.15 |
| Stormwater | — | — | — | — | — | — | — | — | — | 0.85 |
| Resident Service/Programs | — | — | — | — | — | — | — | — | — | 0.15 |
| | <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> | <u>22.29</u> |
| Martin Luther King Jr. Center | | | | | | | | | | |
| Administration | 2.00 | 2.20 | 3.75 | 3.05 | 3.00 | 3.00 | 2.87 | 3.01 | 3.64 | 3.45 |
| Sponsored Programs | 9.58 | 7.56 | 10.27 | 11.62 | 12.04 | 9.34 | 11.98 | 12.32 | 13.11 | 12.94 |
| | <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> | <u>16.39</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 | 57.00 | 58.35 | 58.30 | 51.30 | 51.45 | 49.45 | 50.45 | 53.95 |
| Community Services | 2.45 | 2.45 | 2.45 | 2.45 | 2.45 | 2.45 | 2.41 | 2.41 | 2.41 | 2.41 |
| Resource Services | 2.53 | 2.53 | 2.53 | 2.53 | 2.53 | 2.53 | 2.50 | 2.49 | 2.49 | 2.49 |
| Communication | 13.16 | 13.16 | 13.16 | 13.16 | 13.16 | 13.16 | 13.14 | 13.15 | 13.15 | 13.15 |
| Technical Services | 2.38 | 2.38 | 2.38 | 2.38 | 2.38 | 2.38 | 2.34 | 2.34 | 2.34 | 2.34 |
| Records | 5.48 | 5.48 | 5.48 | 5.48 | 5.48 | 5.48 | 5.46 | 5.46 | 5.46 | 5.46 |
| Major Crime | 10.10 | 10.20 | 10.20 | 9.90 | 9.90 | 10.20 | 10.20 | 9.25 | 9.40 | 8.45 |
| Narcotics/Vice | 7.30 | 7.30 | 7.30 | 5.30 | 5.30 | 12.15 | 12.15 | 12.15 | — | — |
| Tactical Operations | — | — | — | — | — | — | — | — | 10.90 | 8.35 |
| Juvenile | 6.60 | 6.50 | 6.50 | 6.50 | 6.50 | 6.35 | 6.35 | 7.30 | 7.40 | 7.40 |
| | <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> | <u>108.00</u> |

| | 3/31/2012 | 3/13/2013 | 3/31/2014 | 12/31/2014 | 12/31/2015 | 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 |
|-------------------------------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|
| Fire | | | | | | | | | | |
| Administration | 8.98 | 8.94 | 8.94 | 8.94 | 8.94 | 8.94 | 8.94 | 8.94 | 9.32 | 9.21 |
| Fire Prevention | 6.98 | 6.94 | 6.94 | 6.94 | 6.94 | 6.94 | 6.94 | 6.94 | 7.34 | 7.90 |
| Emergency/Disaster Services | 20.65 | 20.52 | 20.52 | 20.52 | 20.52 | 20.52 | 20.52 | 20.52 | 20.63 | 20.36 |
| Ambulance | 22.74 | 22.60 | 22.60 | 22.60 | 22.60 | 22.60 | 22.60 | 22.60 | 22.71 | 22.13 |
| | 59.35 | 59.00 | 59.00 | 59.00 | 59.00 | 59.00 | 59.00 | 59.00 | 60.00 | 59.60 |
| Public Works | | | | | | | | | | |
| Administration | 21.11 | 20.46 | 20.50 | 19.74 | 18.84 | 18.84 | 17.23 | 17.34 | 17.39 | 17.04 |
| Street Maintenance & Repair | 7.69 | 8.32 | 8.32 | 8.88 | 7.54 | 8.67 | 7.67 | 7.12 | 7.61 | 7.61 |
| Snow & Ice Control | 0.64 | 0.64 | 0.64 | 0.34 | 0.66 | 0.65 | 0.59 | 0.55 | 0.65 | 0.69 |
| Refuse Collection | 8.02 | 8.02 | 8.02 | 8.09 | 7.80 | 7.90 | 7.95 | 7.95 | 7.95 | 7.95 |
| Levee/ROW Maintenance | 5.92 | 5.92 | 5.92 | 6.66 | 5.72 | 5.83 | 5.19 | 4.78 | 5.50 | 5.50 |
| Water Distribution | 13.68 | 13.75 | 13.75 | 12.78 | 13.75 | 12.35 | 8.45 | 7.95 | 8.00 | 8.00 |
| Wastewater Collection | 3.67 | 3.02 | 2.97 | 2.85 | 2.97 | 2.97 | 6.45 | 6.95 | 6.95 | 7.45 |
| Motor Vehicle Parking | 1.38 | 1.88 | 1.88 | 1.88 | 0.18 | 0.05 | 0.05 | 0.05 | — | — |
| Water Treatment | 10.68 | 10.63 | 10.28 | 10.27 | 10.25 | 10.25 | 10.38 | 10.38 | 10.75 | 10.32 |
| Wastewater Treatment | 9.68 | 9.68 | 9.68 | 9.52 | 9.50 | 9.50 | 10.35 | 10.35 | 11.65 | 10.89 |
| Fleet Services | 9.15 | 9.15 | 9.15 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 11.00 |
| Electrical Maintenance | 2.55 | 3.00 | 2.00 | 2.00 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 |
| Engineering Services | 10.28 | 10.62 | 10.28 | 9.91 | 10.61 | 10.61 | 10.16 | 9.46 | 9.41 | 6.36 |
| Building Maintenance | 2.00 | 1.70 | 1.70 | 1.28 | 2.45 | 2.20 | 2.20 | 2.20 | 2.20 | 2.20 |
| Park Maintenance | — | — | — | — | — | — | — | — | 5.29 | 4.75 |
| Sunset Marina | 1.24 | 1.24 | 1.24 | 1.84 | 1.40 | 0.95 | 0.95 | 0.80 | — | 0.75 |
| Hydroelectric | 0.15 | — | — | 0.05 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.30 |
| Stormwater | 5.95 | 5.75 | 5.95 | 5.06 | 5.03 | 4.93 | 4.83 | 4.97 | 5.00 | 3.39 |
| | 113.79 | 113.78 | 112.28 | 111.15 | 108.75 | 107.75 | 104.50 | 102.90 | 110.40 | 106.00 |
| Parks & Recreation | | | | | | | | | | |
| Administration | 2.20 | 2.45 | 2.45 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| Park Maintenance | 16.08 | 14.77 | 14.73 | 16.64 | 15.28 | 15.28 | 12.08 | 12.08 | 5.49 | 5.34 |
| Recreation Programs | 14.02 | 12.17 | 9.59 | 11.27 | 8.71 | 9.25 | 9.24 | 8.48 | 9.50 | 9.42 |
| Highland Springs golf | 13.98 | 14.12 | 14.10 | 16.90 | 13.38 | 13.38 | 13.07 | 12.64 | 11.40 | 9.78 |
| Saukie Golf | 9.64 | 8.73 | 8.74 | 10.87 | 8.76 | 8.76 | 7.76 | 7.95 | 7.71 | 8.69 |
| Golf Pro Shop | 0.14 | 0.14 | 0.14 | 0.19 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 |
| Whitewater Junction | 7.09 | 7.09 | 7.06 | 9.37 | 7.21 | 7.75 | 7.21 | 7.19 | 7.19 | 7.19 |
| RI Fitness Center | 15.66 | 14.92 | 16.28 | 18.10 | 13.47 | 13.93 | 14.63 | 14.60 | 16.44 | 16.15 |
| Riverfront Park | 2.17 | 2.27 | 2.31 | 2.38 | 2.40 | 2.40 | 1.77 | 1.72 | 1.15 | 1.10 |
| | 80.98 | 76.66 | 75.40 | 88.22 | 71.74 | 73.28 | 68.29 | 67.19 | 61.41 | 60.20 |
| Library | | | | | | | | | | |
| Administration | 1.91 | 2.00 | 2.00 | 4.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Main Library | 21.28 | 21.98 | 21.80 | 20.17 | 20.15 | 19.76 | 18.40 | 18.26 | 18.18 | 19.73 |
| 30/31 Library | 3.82 | 4.00 | 4.00 | 4.00 | 4.77 | 3.81 | 2.85 | 2.85 | 2.85 | — |
| Southwest Library | 3.10 | 3.25 | 3.25 | 3.25 | 3.73 | 3.23 | 2.76 | 2.76 | 2.76 | 2.76 |
| | 30.11 | 31.23 | 31.05 | 31.42 | 31.65 | 29.80 | 27.01 | 26.87 | 26.79 | 25.49 |
| Totals | 460.23 | 453.43 | 455.75 | 468.05 | 450.71 | 446.40 | 436.85 | 431.81 | 436.54 | 429.35 |

Data Source: City Records

CITY OF ROCK ISLAND, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

| Function/Program | 3/31/2012 | 3/31/2013 | 3/31/2014 |
|--|-----------|-----------|-----------|
| Police | | | |
| Calls for Service | 28,227 | 29,826 | 54,157 |
| Adult Arrest | 3,978 | 3,716 | 2,696 |
| Juvenile Arrest | 678 | 403 | 413 |
| Speeding Citations Only | 919 | 1,079 | 861 |
| Traffic Citations | 6,190 | 5,726 | 4,495 |
| Fire | | | |
| Total Fire Runs | 1,525 | 1,543 | 1,570 |
| Total Rescue Runs | 4,666 | 4,516 | 4,600 |
| Property Loss | 1,298,231 | 791,177 | 1,130,000 |
| Public Works | | | |
| Garbage Collected (Ton) | 14,858 | 15,085 | 14,220 |
| Other Collected (Ton) | 2,207 | 2,250 | * |
| Water Average Daily Treatment (Millions of Gallons) | 5.69 | 5.30 | 5.25 |
| Wastewater Average Daily Treatment (Millions of Gallons) | 9.72 | 7.47 | 8.69 |
| Library, Volumes in Collection | 250,014 | 243,412 | 238,904 |
| Parks and Recreation | | | |
| RIFAC Memberships | 2,641 | 2,830 | * |
| Aquatics Program Attendance | 32,177 | 32,000 | * |
| Golf Rounds Played | 51,527 | 54,305 | 46,633 |
| Recreation Programs Offered | 281 | 276 | * |
| RIFAC and Whitewater Members | 5,048 | 5,178 | 4,869 |
| Registration for Programs | 8,448 | 7,487 | 7,865 |
| Rentals at Facilities | 733 | 775 | 759 |

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.

| 12/31/2014 | 12/31/2015 | 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 |
|------------|------------|------------|------------|------------|------------|------------|
| 35,396 | 45,601 | 42,431 | 41,173 | 38,573 | 41,368 | 26,040 |
| 1,829 | 2,469 | 2,306 | 2,367 | 2,172 | 2,122 | 1,506 |
| 453 | 550 | 476 | 537 | 512 | 401 | 272 |
| 811 | 752 | 518 | 1,157 | 994 | 1,540 | 408 |
| 3,754 | 4,735 | 3,944 | 4,989 | 4,404 | 3,618 | 2,723 |
| 1,194 | 1,249 | 1,638 | 1,610 | 1,694 | 1,791 | 1,970 |
| 3,569 | 4,250 | 4,992 | 5,375 | 5,586 | 6,015 | 5,635 |
| 2,902,933 | 532,584 | 548,275 | 1,600,405 | 1,547,830 | 2,475,580 | 1,632,414 |
| 12,908 | 14,500 | 16,140 | 14,666 | 14,622 | 15,058 | 15,836 |
| * | * | * | * | * | 1,735 | 1,822 |
| 5.37 | 5.18 | 4.65 | 4.81 | 5.00 | 6.00 | 4.87 |
| 7.75 | 6.55 | 7.88 | 6.56 | 7.86 | 7.00 | 7.00 |
| 233,228 | 224,139 | 221,000 | 206,969 | 202,468 | 182,044 | 175,615 |
| * | * | * | * | * | 2,956 | 3,287 |
| * | * | * | * | * | 33,158 | 15,389 |
| 44,533 | 46,404 | 48,000 | 47,363 | 45,075 | 48,530 | 34,475 |
| * | * | * | * | * | 652 | 735 |
| 4,784 | 4,862 | 5,100 | 5,205 | 5,054 | 5,126 | 3,287 |
| 7,378 | 7,007 | 7,000 | 7,100 | 10,431 | 10,519 | 5,425 |
| 764 | 776 | 775 | 721 | 849 | 842 | 28 |

CITY OF ROCK ISLAND, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

| Function/Program | 3/31/2012 | 3/31/2013 | 3/31/2014 |
|---|-----------|-----------|-----------|
| Police and Fire | | | |
| Police Stations | 1 | 1 | 1 |
| Fire Stations | 4 | 4 | 4 |
| Electrical Maintenance | | | |
| Traffic Signaled Intersections | 64 | 64 | 64 |
| Warning Lights | 18 | 18 | 18 |
| Street Lights | 1,204 | 1,204 | 1,204 |
| Mobile Radios | 214 | 120 | 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 | 104 | 104 |
| Highways and Streets | | | |
| Miles of streets | 171 | 171 | 171 |
| Refuse Disposal | | | |
| Refuse Trucks | 6 | 6 | 6 |
| Libraries | | | |
| Facilities | 3 | 3 | 3 |
| Volumes | 250,014 | 243,412 | 238,904 |
| Waterworks | | | |
| Storage Capacity (MGPD) | 10.85 | 10.85 | 10.85 |
| Average Water Treated (MGPD) | 5.69 | 5.30 | 5.30 |
| Miles of Water Main | 228 | 228 | 228 |
| Fire Hydrants | 1,929 | 1,929 | 1,929 |
| Control Valves | 4,322 | 4,330 | 4,330 |
| Wastewater Treatment | | | |
| Storage Capacity (MGPD) | 17.50 | 17.50 | 17.50 |
| Average Wastewater Treated (MGPD) | 9.72 | 7.75 | 7.84 |
| 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 | 5,011 | 5,011 |
| Total Raingardens | 231 | 244 | 251 |
| Total Raingardens (Sq Ft) | 80,812 | 83,995 | 86,327 |
| Parks and Recreation | | | |
| Acreage | 900 | 860 | 860 |
| Playgrounds | 25 | 25 | 26 |
| 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 | 8 | 10 | 6 |
| TIF District Projects | 50 | 50 | 46 |
| Agencies Receiving Funding | 9 | 9 | — |

Data Source: City Records

| 12/31/2014 | 12/31/2015 | 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 |
|------------|------------|------------|------------|------------|------------|------------|
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 64 | 64 | 63 | 63 | 63 | 63 | 63 |
| 18 | 18 | 15 | 15 | 15 | 15 | 9 |
| 1,204 | 1,204 | 1,261 | 1,258 | 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 |
| 96 | 96 | — | — | — | — | — |
| 171 | 171 | 171 | 171 | 171 | 171 | 171 |
| 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| 3 | 3 | 3 | 3 | 3 | 4 | 3 |
| 233,228 | 224,139 | 218,616 | 206,969 | 202,468 | 182,044 | 175,615 |
| 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 |
| 5.28 | 5.18 | 5.00 | 5.00 | 5.00 | 7.00 | 5.00 |
| 229 | 229 | 229 | 229 | 229 | 229 | 229 |
| 1,935 | 1,935 | 2,135 | 2,135 | 2,135 | 2,135 | 2,135 |
| 4,340 | 4,340 | 4,340 | 4,340 | 4,340 | 4,340 | 4,340 |
| 18.00 | 18.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 |
| 7.14 | 6.55 | 7.00 | 7.31 | 7.31 | 7.00 | 7.00 |
| 185 | 185 | 188 | 192 | 192 | 192 | 192.00 |
| 95 | 95 | 95 | 116 | 116 | 116 | 116 |
| 3,667 | 3,667 | 3,667 | 5,016 | 5,016 | 5,016 | 5,016 |
| 115 | 115 | 115 | 116 | 116 | 116 | 116 |
| 5,011 | 5,011 | 5,011 | 5,016 | 5,016 | 5,016 | 5,016 |
| 257 | 257 | 170 | 180 | 180 | 180 | 180 |
| 87,143 | 87,143 | 83,910 | 87,592 | 87,592 | 87,592 | 87,592 |
| 860 | 860 | 860 | 860 | 860 | 860 | 860 |
| 26 | 26 | 26 | 28 | 28 | 28 | 28 |
| 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| 473 | 473 | 473 | 473 | 473 | 473 | 395 |
| 250 | 250 | 250 | 150 | 150 | 200 | 200 |
| 5 | 6 | 9 | 4 | — | — | — |
| 18 | 6 | 6 | 9 | 9 | 22 | 17 |
| — | — | — | — | — | — | 18 |



June 15, 2021

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

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 for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 15, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2020. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the governmental and business-type activities' financial statements was:

Management's estimate of the depreciation expense on capital assets is based on assumed useful lives of the underlying capital assets. We evaluated the key factors and assumptions used to develop the depreciation expense estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Any material misstatements detected as a result of audit procedures were corrected by management.

Significant Audit Findings - Continued

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 15, 2021.

Management Consultations with Other Independent Auditors

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information and supplemental schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Matters - Continued

We were not engaged to report on the introductory section and statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, and we do not express an opinion or provide any assurance on it.

Restrictions on Use

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to express our gratitude to the City Council and staff (in particular the Finance Department) of the City of Rock Island, Illinois for their valuable cooperation throughout the audit engagement.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

CITY OF ROCK ISLAND, ILLINOIS

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020

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, 2020**

| 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 | B17MC170021 B18MC170021 B19MC170021 B20MC170021 Total 14,218 | \$ 34,727 58,888 259,202 570,920 923,737* | - - - - - |
| U.S. Department of the Interior, National Park Service | Illinois Department of Natural Resources | Historic Preservation Fund Grants-In-Aid | 15.904 | CLG18-CRI1 | 10,186 | - |
| Department of Justice | N/A | Bulletproof Vest Partnership | 16.607 | FY 2020 | 5,900 | - |
| Department of Justice | N/A | Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2019-DJ-BX-0681 | 17,160 | - |
| Department of Justice | N/A | Equitable Sharing Program | 16.922 | N/A | 25,647 | - |
| Department of Transportation | Illinois Department of Transportation | State and Community Highway Safety | 20.600 | HS-21-0116 OP-20-0174 Total 20,600 | 12,410 17,586 29,996 | - - - |
| Department of the Treasury | Illinois Department of Commerce and Economic Opportunity | Coronavirus Relief Fund | 21.019 | N/A | * 1,609,611 | - |
| Department of Health and Human Services | Illinois Department of Children and Family Services | Family Advocacy Centers | 93.090 | 04100116817 14100132362 Total 93,090 | 112,500 114,750 227,250 | - - - |

*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, 2020**

| 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 | Teenage Pregnancy Prevention Program | 93.297 | 0FCSYP01839 IFCSZP01839 Total 93,297 | 55,268 63,611 118,879 | - - - |
| Department of Health and Human Services | N/A | CARES Act Provider Relief Fund | 93.461 | N/A | 38,392 | - |
| Department of Health and Human Services | Illinois Department of Human Services | TANF Block Grant (Teen Reach) | 93.558 | 0FCSYR05181 IFCSZR05181 Total 93,558 | 51,300 97,374 148,674 | - - - |
| Department of Health and Human Services | Illinois Department of Human Services | Prevention and Treatment of Substance Abuse | 93.959 | 143CZZ03350 043CZY03250 Total 93,959 | 62,951 89,318 152,269 | - - - |
| Executive Office of the President | N/A | High Intensity Drug Trafficking Areas Program | 95.001 | 2020 DEA 2020 OCDETF 2020 GTF Total 95,001 | 16,680 2,930 2,864 22,474 | - - - - |
| Federal Emergency Management Agency | IL Emergency Management Agency | Disaster Grants - Public Assistance | 97.036 | FEMA-4461-161-65078-00 | 363,993 | - |
| Federal Emergency Management Agency | N/A | Assistance to Firefighters | 97.044 | WX02682N2018T | 4,086 | - |
| TOTAL FEDERAL AWARDS EXPENDED | | | | | 3,698,254 | - |

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, 2020**

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, 2020. 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***

June 15, 2021

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 15, 2021.

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 June 15, 2021.

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**

June 15, 2021

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, 2020. 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, 2020.

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 15, 2021, 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, 2020**

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> |
|-----------------------|---|
| 14.218 | Community Development Block Grants/Entitlement Grants |
| 21.019 | Coronavirus Relief Fund |

| | |
|--|-----------|
| 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, 2020**

SECTION 2 – FINANCIAL STATEMENT AUDIT FINDINGS

None

CITY OF ROCK ISLAND, ILLINOIS

**Schedule of Findings and Questioned Costs – Continued
Year Ended December 31, 2020**

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, 2020**

SECTION 4 – PRIOR YEAR AUDIT FINDINGS

None